



# Annual Report 2021/2022



# Acknowledgement of Country

The Shire President, Councillors and Shire of Denmark staff acknowledge the Minang and Bibulmun people of the Noongar nation who are the traditional custodians of this land and pay respects to Elders past, present and emerging.

We acknowledge and respect their continuing culture and the contribution they make to this region.

We also extend our respects to all First Nations people living, working or visiting in our Shire.

*Electronic copies of the Annual Report are available for download online via the Shire of Denmark website at [www.denmark.wa.gov.au](http://www.denmark.wa.gov.au).*

*Copies of all Shire documents are available in alternative formats upon request.*





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# Welcome from the Shire President

I am pleased to present the Shire of Denmark's 2021/22 Annual Report, which provides an overview of the year gone by.

It was a challenging year for our community with loss, financial hardship, health concerns and the trauma of a bushfire emergency impacting on us all in some way this year. But through the difficulties, I've never been more proud to be a member of this community – a community that I witnessed come together again and again in 2021/22 to support those in need of a caring hand.

The community response to the Bayview Rise Bushfire was a brilliant showcase of our community spirit. A terrible event occurred in our Shire, but community members and volunteers worked tirelessly to fight the fire, feed the response teams and to donate cash, food or time to impacted residents. Once again, I want to extend my heartfelt gratitude on behalf of the entire community to those who contributed to the emergency response and recovery efforts.

In the wake of the emergency, I'm proud to say our team has continued to strengthen our focus on emergency management to lift the standard of our preparedness across the board.

On a different note, a personal highlight of the year for me was Council's focus on Reconciliation and Respectful Relationships with First Nations members of our community here on the South Coast. I was delighted to see a trial of Cultural Burning take place in the Shire this year, which I hope will set a precedent for further similar opportunities to take place locally in future.

Finally, on behalf of my fellow Elected Members, many of whom joined us for the first time on Council in October, my thanks go to the team at the Shire for their on-going service to our community.

**Dr Ceinwen Gearon**

Shire President

# 2021/2022 Elected Members

An election was held in October 2021, resulting in substantial changes to the make-up of Council. Resignations and incumbents choosing not to recontest their seats resulted in the election of five new Elected Members. The next Local Government election in the Shire of Denmark will be held in October 2023.

<b>Ceinwen Gearon</b> , Shire President (term expires 2023)	<i>Meeting Attendance 12/15</i>
<b>Kingsley Gibson</b> , Deputy Shire President (term expires 2023)	<i>Meeting Attendance 15/15</i>
<b>Janine Phillips</b> , Kent/Nornalup (term expires 2023)	<i>Meeting Attendance 13/15</i>
<b>Jackie Ormsby</b> , Kent/Nornalup (term expires 2025)	<i>Meeting Attendance 9/10</i>
<b>Donna Carman</b> , Town (term expires 2025)	<i>Meeting Attendance 9/10</i>
<b>Donald Clarke</b> , Town (term expires 2023)	<i>Meeting Attendance 9/10</i>
<b>Jan Lewis</b> , Scotsdale/Shadforth (term expires 2025)	<i>Meeting Attendance 15/15</i>
<b>Nathan Devenport</b> , Scotsdale/Shadforth (term expires 2023)	<i>Meeting Attendance 8/10</i>
<b>Clare Campbell</b> , Scotsdale/Shadforth (term expires 2025)	<i>Meeting Attendance 9/10</i>
<b>Mark Allen</b> , Deputy Shire President (term expired October 2021)	<i>Meeting Attendance 5/5</i>
<b>Roger Seeney</b> , Kent/Nornalup (term expired October 2021)	<i>Meeting Attendance 5/5</i>
<b>Geoff Bowley</b> , Town (term expired September 2021)	<i>Meeting Attendance 5/5</i>
<b>Ian Osborne</b> , Town (term expired October 2021)	<i>Meeting Attendance 4/5</i>



## Council Demographics

46% female	15% aged 40-50
54% male	23% aged 51-60
	62% aged 61+

# Committee Representation

Council has a number of Advisory Committees which guide and provide recommendations to Council on particular matters. The following Elected Members represented Council at meetings in 2021/2022:

## **Audit Advisory**

- Cr Gearon (no meeting)
- Cr Bowley (no meeting)
- Cr Allen (no meeting)
- Cr Gibson (1/1)
- Cr Osborne (no meeting)
- Cr Devenport (1/1)
- Cr Ormsby (no meeting)
- Cr Carman (no meeting)
- Cr Campbell (1/1)
- Cr Clarke (1/1)

## **Bushfire Advisory**

- Cr Allen (1/1)
- Cr Gearon (2/2)
- Cr Seeney (1/1)
- Cr Campbell (2/2)

## **Disability Advisory**

- Cr Osborne (2/2)
- Cr Carman (1/1)

## **Local Emergency Management**

- Cr Gearon (8/8)
- Cr Allen (2/2)
- Cr Ormsby (4/5)

## **Roadwise Advisory**

- Cr Bowley (no meeting)
- Cr Seeney (no meeting)

# Working Group Representation

Council has a number of Working Groups which are tasked with a specific project or objective/s. The following Elected Members represented Council in 2021/2022:

## **Denmark Bushfire Mitigation**

- Cr Gearon
- Cr Phillips
- Cr Seeney
- Cr Ormsby
- Cr Carman
- Cr Campbell

## **Laing Park Dog Exercise Area Development Concept Plan**

- Cr Osborne
- Cr Lewis

## **Lights Beach Concept Plan**

- Cr Lewis

## **Paths and Trails Development Plan**

- Cr Lewis
- Cr Allen
- Cr Gibson

## **Local Planning Strategy**

- Cr Bowley
- Cr Lewis
- Cr Gibson

## **Public Health Plan**

- Cr Bowley
- Cr Ormsby

## **Strategic Community Plan**

- Cr Gibson
- Cr Phillips
- Cr Devenport

# Council Delegates

Council is represented on a number of external organisations, agencies and committees. The following Elected Members represented Council in 2021/2022:

- Amazing South Coast Inc. Board:** Cr Gearon
- Denmark Chamber of Commerce Inc:** Cr Gibson
- Denmark High School Oval Management Committee:** Cr Bowley
- Great Southern Regional Road Group:** Crs Seeney and Gibson
- South Coast Alliance Inc:** Crs Gearon, Lewis and Allen
- Southern Joint Development Assessment Panel:** Crs Gibson, Phillips, Osborne, Bowley, Carman and Devenport
- WA Local Government Association, Great Southern Zone:** Crs Phillips, Osborne and Carman
- Denmark Aquatic Centre Committee Inc:** Crs Gibson and Clarke
- Denmark Arts Inc:** Crs Gibson and Clarke
- Denmark Community Resource Centre Inc Committee:** Cr Gearon
- Denmark Historical Society Inc:** Crs Osborne and Campbell
- Denmark Mountain Bike Club Inc:** Cr Gibson
- Denmark Residents and Ratepayers Association:** Cr Gibson
- Great Southern Recreation Advisory Group:** Crs Allen and Devenport
- Lake Muir/Denbarker Community Feral Pig Eradication Group:** Crs Allen and Devenport
- Nornalup Ratepayers and Residents Association Inc:** Crs Phillips, Seeney and Ormsby
- Parry's Beach Voluntary Management Group Inc:** Cr Lewis
- Peaceful Bay Progress Association Inc:** Cr Phillips
- Walpole Work Camp Committee (Dept. Corrective Services):** Crs Seeney and Phillips
- Wilson Inlet Catchment Committee Inc:** Cr Lewis

# Message from the CEO

Pandemic, housing shortage, bushfire emergency, inflation and cost of living increases – 2021/22 was a challenging year. But in the face of those challenges, the team here at the Shire of Denmark worked diligently to help the community build and maintain its resilience.

The Bayview Rise Bushfire emergency in February was a shining example of the hard work our community, volunteers and staff put into a momentous team effort to fight the fire, support each other in recover and look to future bushfire seasons with lessons learned.

As another crisis continues – one of housing affordability and availability – I'm pleased to share a full draft Local Planning Strategy has now been completed and sits with the WA Planning Commission for review. We very much look forward to the next steps as we work towards the completion of a final document and associated supporting plans and strategies.

Looking to the future, our updated Workforce Plan and Corporate Business Plan set out the strategic direction for our organisation in continued alignment with community aspirations and expectations as we continue our investments into roads, youth and economic development.

As we approach the next 12 months, our team is excited to be managing the progression of some very important projects.

Planning for an upgrade to Berridge Park and upgrading Lights Road are of particular focus in the year ahead along with the progression of the Ocean Beach redevelopment.

There is a whole suite of sustainable projects in the pipeline too, with solar power investment, new sustainable waste management research and EV charging points all on track for delivery in 2022/23.

We're also delighted to be focusing our energy on Reconciliation and building Respectful Relationships with First Nations members of our community as part of an ongoing commitment by Council to ensure our community is a culturally-safe and welcoming space. Stay tuned for more exciting news in this area in the months and years ahead.





But as we look forward, it's also important to take stock of what we have achieved. The Annual Report 2021/22 sets out the highlights and projects of the year passed, with a specific focus on reporting against projects listed in the Corporate Business Plan 2021-2024. It will be vitally important to also focus on community feedback received over the past year with respect to our road network, economic development and a continued investment into youth related programs, facilities and services to drive our future direction.

I'm proud of all the work our team has delivered in 2021/22, especially given the particularly trying circumstances they encountered. We look forward to continuing to build on this work in 2022/23.

### **David Schober**

Chief Executive Officer



Pictured above:

Deputy CEO **David King** (left), Director Corporate and Community Services **Gina McPharlin** and CEO **David Schober**

# E1.0 Our Economy

We are an attractive location to live, invest, study, visit and work

**E1.1** To have a stable and locally supported business community that embraces innovation, creativity, resourcefulness and originality

**E1.2** To be a vibrant and unique tourist destination, that celebrates our natural and historical assets

**E1.3** To have diverse education and employment opportunities

**E1.4** To recognise the importance of agriculture in our local economy and protect prime agricultural land



# SHIRE OF DENMARK

## SUSTAINABLE TOURISM STRATEGY

2021-2025



# Reusables preferred here



We're trying our best to phase out single-use packaging

THANKS FOR SUPPORTING US

## Shire to crack down on unregistered holiday homes

THE Shire of Denmark is cracking down on unregistered commercial holiday home and holiday accommodation providers.

Identified unregistered holiday home and accommodation providers will receive a letter from the Shire advising them of their legal obligations.

People who do not register will receive a penalty.

Shire chief executive David Schober said the action would safeguard customers and ensure fairness for all businesses who operated in the accommodation sector. "Many business owners and concerned residents have appealed

to the council on this issue," Mr Schober said.

"Our community has been asking Council to do what it can to ensure all accommodation providers in our shire operate on a level playing field."

Many accommodation providers had informed the Shire that they were registered and doing the right thing, while their competition was operating without approvals.

Visitors were placed at risk when operators did not have appropriate health and safety compliance and accommodation providers were exposed to big risks in the event of accidents.

Mr Schober said the Shire was aware of several unregistered commercial holiday homes and holiday accommodation providers in the Denmark shire. They would receive a letter from the Shire in coming weeks.

In the months ahead, Shire officers would conduct 'regular sweeps' to identify additional unregistered providers who appear to be taking advantage of the current market conditions without approvals.

Shire officers can answer questions about the registration process at the planning services desk at the Shire of Denmark admin-

stration building, via email on enquiries@denmark.wa.gov.au and on the phone at 9848 0313.

For Airbnb properties development approval is required in the Denmark shire where a building is intended to be used as a commercial holiday rental.

This could be within a house, or a portion of a house, an apartment, a chalet or another form of habitable building.

Uses come under the category of either a Holiday Home (Large), a Holiday Home (Standard), or Holiday Accommodation in the Town Planning Scheme.



## Shire support for housing initiative

THE Shire of Denmark will support not-for-profit agencies in a bid to ease the affordable housing crisis.

The Shire has led the way with targeting the crisis in Denmark where there is a shortage of housing, particularly since the COVID-19 pandemic has caused an upsurge in demand for home holiday rentals.

This has squeezed an already tight rental market with people being forced to rent in Albany and travel to Denmark for work and, some, into desperate circumstances.

Although it is the role of State Government and not local government to deal with housing, the Shire of Denmark last year conducted two regional housing forums.

Key housing agencies, lo-

cal and State Government representatives attended.

In adopting a housing policy at the April 19 Denmark Shire Council meeting, the council set down the difference between housing affordability and affordable housing.

Housing affordability is the relationship between expenditure on housing (prices, mortgage payments or rents) and household incomes.

Affordable housing is low cost, social housing to support people with low-income levels.

The Shire's housing affordability policy was adopted unanimously at the April 19 meeting and seeks to identify opportunities within local government to encourage affordable housing.

• Please turn to page 11



# Our Economy Highlights

## **Local Planning Strategy**

A significant amount of time, effort and resources were dedicated to the progression of the Local Planning Strategy in 2021/2022. Our Strategic Planners, Local Planning Strategy Working Group and Sustainable Development team worked closely to prepare the draft Local Planning Strategy for presentation to Council in early 2022/2023.

## **Short Term Holiday Accommodation Follow Ups**

After listening to community feedback and concerns about unregistered short term holiday accommodation providers within the Shire of Denmark, our Sustainable Development team commenced a follow up program with unregistered providers in efforts to drive improved compliance.

On review, it was pleasing to note the already high levels of compliance in this area with a total of 141 approved and registered holiday homes operating with the Shire.

## **Ancillary Dwellings Policy**

In efforts to respond on a local level to the rental and housing shortage, the Shire's planning response to ancillary dwellings was amended to allow for more flexibility and certainty. Town Planning Scheme No.3 was amended, a new policy was drafted and an information pack was prepared to communicate the changes. The changes include that ancillary dwellings were now able to be rented to anyone, not just family members.

Council adopted the new policy at the August 2021 Ordinary Council Meeting. Since its adoption, the Shire has received 13 applications in six months, compared to a total of 21 approvals issued in the preceding five years.

# Project Tracking

The following projects that address **Our Economy** were listed in the *Corporate Business Plan 2021-2024* for delivery in 2021/2022.

Team	Project	Action	Comment
Governance	<b>Tourism Strategy</b>	<b>Deliver</b> a Tourism Strategy	<p>Council adopted the Sustainable Tourism Strategy in September 2021. Following an extensive consultation process, the strategy and accompanying action plans will provide Council with direction on the most effective way to lead, support and advocate for Denmark's local tourism industry in the coming years.</p> <p>An agreement with the Denmark Chamber of Commerce (DCC) was also reached in September 2021 to confirm the future of management at the Denmark Visitor Centre. The DCC has taken charge of the facility and service delivery at the centre.</p>
Governance	<b>Business Initiatives</b>	<b>Advocate</b> for initiatives for communal travel options (e.g. shuttle bus to Greens Pool)	<p>The Shire supported a Denmark Community Resource Centre initiative to trial a public bus service to Albany. If this was successful, extension of the service was to be reviewed for peak holiday periods to Greens Pool. The trial project (Denmark to Albany) was successfully delivered, however was not sustainable due to low patronage. As a result, the service was discontinued.</p>
Governance	<b>Affordable Housing</b>	<b>Deliver</b> a written policy position to advocate for affordable housing	<p>In March 2022, Council adopted the Housing Affordability Strategy. The adoption of this policy followed 18 months of consultation across the region with other Local Governments, State Government agencies and the Not for Profit sector.</p>

Team	Project	Action	Comment
Technical Services	<b>Sustainable Procurement</b>	<b>DELIVER</b> a plan to prioritise the purchase of sustainable local building materials in Shire procurement practices through on-going education of Shire staff	It is now ongoing practice to use local contractors and materials on upcoming works projects. New employees with purchasing authority are educated on the Shire's purchasing policy to ensure continuity in this space.
Civil Infrastructure	<b>Road construction resource planning</b>	<b>DELIVER</b> a plan to future-proof road construction material availability and to consider alternative construction materials to meet the road construction needs of the Shire	Work has started to deliver this plan. More research is needed to understand alternative construction materials. Currently the Shire is well resourced and has a good reputation with suppliers allowing us the opportunity to obtain gravel from private properties.

# N2.0 Our Natural Environment

Our natural environment is highly valued and carefully managed to meet the needs of our community, now and in the future

**N2.1** To preserve and protect the natural environment

**N2.2** To promote and encourage responsible development

**N2.3** To reduce human impact on natural resources, reduce waste and utilise renewable energy

**N2.4** To acknowledge and adapt to climate change



# Bushland Healer stars in film

## Short movie shines light on Shire stalwart

ISABEL VIEIRA

The legacy of lifelong environmentalist and revegetation officer for the Shire of Denmark Mark Parre has been captured in a short film produced by a local filmmaker.

Having worked for the Shire for almost 30 years, Mr Parre has revegetated 22 sites around Denmark using seeds and plant cuttings from a variety of native species.

His efforts, with the help of the community, have resulted in more than 700,000 plants being reintroduced to the environment.

The Shire commissioned local filmmaker Craig Carter, owner of Earthrise Productions, to produce an instructional film from Mr Parre's plant propagation workshop, which regularly runs at the Kwooraboo Community Gardens.

But Mr Parre's charming personality shone too brightly for the cameras, and the film developed into a longer profile piece capturing the Denmark stalwart's work and legacy.

The short film, *Bushland Healer*, follows Mr Parre at work and also includes a more intimate sit-down interview at his home.

"My day begins when I get to the Shire depot and unlock the nursery sheds, and for me it has always



Shire of Denmark revegetation officer Mark Parre. Picture: Craig Carter

felt like coming to a second home," Mr Parre says in the film.

"There has never been this feeling of 'oh, I'm at work', because I love what I do.

"I consider myself a healer in the sense that what I do, which is using plants by positioning them in the environment to help country go back to being healthy again."

Most of the films Carter produces are centred on the environment.

He has previously worked within

the natural resource management sector, but always had a desire to create films.

Ten years ago, Carter decided to pick up the camera and pursue producing films full time, creating Earthrise Productions, based in the Great Southern.

Carter said he enjoyed being able to capture Mr Parre's personality in a different light.

"It was nice to see him at home and enjoying where he lives surrounded by the forest," he said.

"At the end of our interview I asked him if there was anything else he'd like to say and he said going forward we need to co-exist with our environment.

"That's just Mark, he's very in touch with the environment, with Noongar culture and he knows his plants back to front.

"He looks at a plant and it basically propagates itself."

Carter said Mr Parre's passion for the environment was what made the film. "I've known Mark

for 15 years—he's very passionate and can speak very confidently and naturally from the heart to the camera," he said. "I asked him questions about what he does but also about how he feels about the environment and his life and I used that as the backbone to the story."

"The film just works because Mark is so passionate and genuine, as well as the use of music, which was done by Peter Fisher." The film is available to watch on the Shire of Denmark's website.



ORANGE HALLS BELIEVE AUSTRALIA  
The Garage Sale Trail  
GARAGESALESTRAIL.COM.AU



## Council votes on bird haven

ISABEL VIEIRA

A proposal for a migratory shorebirds sanctuary at Praven Rock Channel will be put out for public comment after securing unanimous support from the Shire of Denmark council on Tuesday.

The proposed sanctuary aims to protect shorebirds by limiting interactions between birds, dogs and other users and would sit alongside a no-dogs zone and dog exercise area on Wilson Inlet sand flats.

More than 60 species of shorebirds, sea birds and waterbirds have been recorded at Wilson Inlet from the sandstone up to Poldyslot Bay, with three of those species listed as critically endangered and two as endangered.

At a council meeting on May 19, 2021 the council adopted the option to channel upgrades concept plan which endorsed the consultation plan for the sanctuary.

The officer's recommendations include a permanent and removable fencing around Praven Rock Island, a bird-observation hide, educational signage and improved access for dog walkers from Ocean Beach lookout in future years.



## 107 Public Comments Submitted Online for Bird Sanctuary Discussion

Visit [yourdenmark.wa.gov.au/bird-sanctuary](http://yourdenmark.wa.gov.au/bird-sanctuary). Thank you for sharing your thoughts and ideas with us!

## Shire support for local environmental education programs

A VARIETY of community-led environmental education programs will receive financial and in-kind support from the Shire of Denmark again this year, with the Shire's Sustainability Office pleased to receive several submissions from a range of community environmental groups.

Successful programs which met the criteria were submitted by organisations including Green Skills, Earthrise Productions, Denmark Bird Group and South Coast Bush Care Services with education programs and events covering topics like plant propagation, guided walks in park urban reserves, beachcare and information sheets on the Bats, Home values and cultural significance of our bushland areas.

Also included were waste audits and education workshops, on-site bushcare, weed management and an arts festival celebrating indigenous heritage cultural values of the Wilson Inlet and Poldyslot Peninsula.

"We are very lucky to be able to harness and engage with the depth of skills and expertise in the environmental sphere that exists within our community," Sustainability Officer Victoria Carter said.

Denmark Shire president Catherine Coonan said the Shire has a history of supporting public education programs for sustainability in the community.

"By offering our support to these educational activities we help even more members of our community be able to access the incredible bank of knowledge which exists in our community," Cr Coonan said.

"We're also pleased to continue our community leadership in the sustainable holiday space which we committed to do when we adopted our Sustainability Strategy and Action Plan a year ago."

In addition to landscaping commitments made, key objectives included the promotion of sustainable best practice within the broader community and supporting the provision of education to the broader community on protection of the natural environment.

The various workshops will be held over the coming months with further submissions and detail found on the My Community Diary page: <http://www.environmentalshire.com.au/>

Western Australia Denmark and the Shire Sustainability and Biodiversity Environmental Events website: [www.denmark.wa.gov.au/environmental-events](http://www.denmark.wa.gov.au/environmental-events)

For further information please contact Shire of Denmark Sustainability Officer Victoria Carter on (08) 9448 6146 or email: [vcarter@yourdenmark.wa.gov.au](mailto:vcarter@yourdenmark.wa.gov.au)

Green Skills Bush School bushcare programs are an exciting opportunity for Denmark Bird Group (Denmark Bushcare) and South Coast Bush Care Services. Contact: [denmarkbirdgroup@gmail.com](mailto:denmarkbirdgroup@gmail.com)

Harwood dwag@vccm.com.au

The recent fires have provided new access for wood control programs.



# Our Natural Environment Highlights

## **Bird Sanctuary Resolution**

After years of community discussion and user conflict at Prawn Rock Channel island, community consultation concerning the creation of Bird Sanctuary was completed in June. Council subsequently resolved to create a Bird Sanctuary and formalised dog 'off leash' areas in efforts to reach a compromise for all users at the site.

## **Community Propagation Workshops**

In July 2021, a free community workshop was organised and run by Revegetation Officer Mark Parre and Sustainability Officer Yvette Caruso to give community members the understanding and skill to propagate native plants. The workshop was so popular that a second workshop was organised and run in October 2021.

## **Instructional Video Series on Native Plant Propagation**

To celebrate Mark Parre's legacy whilst in his role as Shire Revegetation Officer, a short film 'Bushland Healer' was produced by Earthrise Productions showcasing the fantastic work that Mark has been able to achieve through his revegetation efforts healing the bush.

Additionally, an eight-part series of short instructional films on Plant Propagation tips was also produced by Earthrise Productions featuring Mark as a flow-on from the popular plant propagation workshops.

## **Community Environmental Education Program**

The Community Environmental Education Program continued to fund a range of community-focused initiatives and activities designed to provide community members with opportunities to learn more about our natural environment and how to act sustainably.

## **Kwoorabup Park Boardwalk Revegetation**

Revegetation works near the Kwoorabup Park boardwalk were completed in the winter of 2022.

## **Cultural Burn Trail near Wilson Inlet**

In May 2022, a cultural burn trial was completed in Denmark, in a two-way learning multi-agency collaboration. The intention is for the trial to set the precedent for future cultural burns in the Shire of Denmark, allowing authorities to reduce fuel loads while working closely with traditional custodians.

### **Bin Lid Changeover**

In early 2022, our Waste Services team and contractors completed the Bin Lid Changeover project. All kerbside collection bins in the Shire are now compliant with the national standard for bin lids. This is aimed at reducing recycling contamination caused by visitors to the Shire who expect bin lid colours to be the same for general waste and recycling throughout Australia.

### **Electric Vehicles Join Shire Fleet**

The first electric vehicles joined the Shire corporate fleet this year in line with the key objectives of the Sustainability Strategy. In early 2022, a Hyundai Ionic was the very first Shire fleet replacement, representing a new, low carbon footprint era for Shire of Denmark vehicles. The new electric vehicle was joined by a Tesla Model 3 in March with all future out-of-lease fleet vehicles at the Shire set to be electric vehicles.

### **Garage Sale Trail**

Another success for the November 2021 Garage Sale Trail in the Shire of Denmark. 13 tonnes of waste were diverted from landfill locally.

### **Environmentally Friendly Christmas Decorations**

The Shire will no longer buy plastic Christmas decorations in line with Sustainability Strategy key objectives. A collaborative project between the Shire of Denmark, local community activist group Plastic Reduction Denmark and local schools worked together to produce sustainable events bunting using upcycled materials in a zero waste initiative.

The project is aligned with the Sustainability Pillar of Sustainable Materials and Products to phase out the purchase of replacement tinsel and other plastic Christmas decorations going forward.

### **Lights Beach Revegetation**

Lights Beach revegetation was delivered in partnership with WA College of Agriculture, Denmark.

# Project Tracking

The following projects that address **Our Natural Environment** were listed in the *Corporate Business Plan 2021-2024* for delivery in 2021/2022.

Team	Project	Action	Comment
Technical Services	<b>Shire Building Energy Audit</b>	<b>DELIVER</b> building audit on the introduction of solar energy power sources for each key Shire site including admin building, rec centre, library and depot.	<p>This year, the Sustainable Projects Team was created within the organisation in order to lead and implement Shire projects with a focus on sustainable outcomes and delivery. As part of the restructure this is now a Sustainable Projects Team project for delivery in 2022/23.</p> <p>The Shire has engaged Power Research and Development to develop the project scope. This will be delivered in 2022/23.</p>
Technical Services	<b>Denmark CBD</b>	<b>FUND</b> electric vehicle charging station in CBD	<p>This project became a Sustainable Projects Team project for 2022/23 as part of the organisation restructure this year. The Shire of Denmark and the Community Windfarm Ltd are partnering to progress this initiative during 2022/23.</p>
Technical Services	<b>Berridge Park / Wilson Inlet</b>	<b>DELIVER</b> upgraded fish cleaning stations at Poddy Shot and Rivermouth	<p>Due to Covid19 impacts this project was unable to be completed.</p> <p>Project to be completed in 2022/23.</p>
Technical Services	<b>Berridge Park / Wilson Inlet</b>	<b>DELIVER</b> upgrade to community infrastructure with the McLean Oval Water Re-use project	<p>This project is a partnership between the Shire of Denmark and the Water Corporation. The Shire's contractor to supply and install the pipeline had experienced delays obtaining the recommended pipe and Water Corp experienced delays delivering the critical infrastructure on their property.</p>
Waste and Reserves	<b>FOGO</b>	<b>DELIVER</b> a feasibility study for a Food and Organics Waste collection service	<p>Ongoing.</p> <p>In 2022/23, this project sits with the newly created Sustainable Projects team.</p>
Waste and Reserves	<b>Water Accreditation</b>	<b>DELIVER</b> the Shire's Waterwise accreditation	<p>Council endorsed as a Waterwise Council again.</p>

Team	Project	Action	Comment
Technical Services	<b>Private property fence line construction</b>	<b>DELIVER</b> guidelines and application templates for native vegetation clearing for private property fence line construction and maintenance	Due to Covid19 impacts this project was unable to be completed. Works to be completed in 2022/23.
Waste and Reserves	<b>Kwoorabup Park Revegetation and Development</b>	<b>DELIVER</b> a revegetation plan for Millars Creek at the entrance to Kwoorabup park to the board walk including revitalisation of the storm water ponds at the board walk	Majority of site preparation was completed 2021 and initial planting was completed in winter 2022.  Further works required in rehabilitating the main pond area to be completed 2022/23.
Waste and Reserves	<b>Waste Reform</b>	<b>DELIVER</b> actions from the 10-year Master Plan for the implementation of more sustainable waste management practices	Ongoing.
Waste and Reserves	<b>Greenhouse Gas Emissions</b>	<b>DELIVER</b> greenhouse gas emissions monitoring for Shire operations	The project was delayed due to the Regional Climate Alliance project, which aimed to deliver a Greenhouse Gas Emissions monitoring tool. The Regional Climate Alliance is a partnership between four local government entities: Shires of Denmark, Plantagenet and Jerramungup, plus the City of Albany. Unfortunately, this project did not proceed as the monitoring tool investigated was deemed not to deliver the outcomes required by our Local Government. Shire officers will look to progress the implementation of a monitoring tool internally.
Waste and Reserves	<b>Annual Tree Planting</b>	<b>LEAD</b> the rehabilitation of Shire land, including increasing annual tree planting and revegetation program	Weed control and revegetation at Little River mouth to Poddy Shot.

# B3.0 Our Built Environment

We have a functional built environment that reflects our rural and village character and supports a connected, creative, active and safe community

**B3.1** To have public spaces and infrastructure that are accessible and appropriate for our community

**B3.2** To have community assets that are flexible, adaptable and of high quality to meet the purpose and needs of multiple users

**B3.3** To have a planning framework that is visionary, supports connectivity and enables participation

**B3.4** To manage assets in a consistent and sustainable manner

**B3.5** To have diverse and affordable housing, building and accommodation options





# Seawall work under budget

THE Shire of Denmark ran under budget in building a \$300,000 seawall at Ocean Beach to protect the beach and surrounding infrastructure, which were hammered in storms last year.

The Denmark Surf Life Saving Club patrol room and clubrooms are earmarked for demolition when new, safer and bigger clubrooms can be built.

Shire chief executive David Schober said the new seawall was important for the Ocean Beach precinct and surf club operations for the next 10-15 years for community access to the beach and effective surf lifesaving.

The old timber seawall structure was inadequate when storms threatened the patrol room and the clubrooms.

Nearby sand dunes collapsed and binumen walkways toppled into the ocean.

After the patrol room was left protruding into the sea the Denmark Surf Life Saving Club put out a call to empty its contents into a storage room.

Since 2019 the surf club has been



hiding for funding to build bigger and safer clubrooms but a Regional Development Australia Building Better Regions Fund application of \$4 million was rejected last year.

The surf club has \$1.5 million committed from Lotterywest and the Shire has \$625,000 committed from the Department of Sport and Recreation for the project.

"Unfortunately, whilst the Shire received positive feedback from the (BRRF) assessors, submissions have been unsuccessful to date," Mr Schober said.

The Shire had submitted another BRRF application to the Federal Government but was unsure of the outcome following the recent election.

Mr Schober said the Shire was working on a 'scaled back project scope' to fund new clubrooms over the next two years irrespective of a BRRF funding outcome.

# Detour information for up-coming works on Mount Shadforth Road

During the course of the Mount Shadforth Road reconstruction works, a road closure will be implemented for three weeks in February 2022. **A detour will be in place on Peace Street** (approx 4 mins drive). Traffic will be reduced to **one-lane for the remainder of the project.**



# Funding shock Beach plans go back to the drawing board

THE Shire of Denmark has gone back to the drawing board to consider its options over the recent knockback of \$4 million from the Building Better Regions Fund.

Shire chief executive David Schober has written to the State Government asking if a \$625,000 from the CSRFF (Sport and Recreation grants) can be held over for another 12 months.

Likewise, the Denmark Surf Life Saving Club will ask the same from LotteryWest regarding a \$1.5 million grant.

Mr Schober said another BRRF Round 6, was expected before Christmas, ahead of the next Federal Election.

The \$4 million BRRF application was set to match funds already committed by Department of Local Government, Sport and Cultural Industries, Lotterywest, the Surf Club and the Shire.

"We worked very hard to write a compelling application and to champion it through the approval process at every stage," Mr Schober said.

"We had been led to believe our application was at the very top of the pile, so to



## Ocean Beach Road upgrades to commence early November

Commencing the week of 1 November, a short section of Ocean Beach Road will be undergoing drainage and road surface upgrades.

Road users can expect **minor delays** during the works schedule which is **expected to take four weeks** (weather permitting).

# Our Built Environment Highlights

## **Mount Shadforth Road Landslide Repair**

Reconstruction work on the Mount Shadforth Road landslide was completed by local contractors in early 2022 with funding from Disaster Recovery Funding Arrangements WA.

## **Lights Beach Reopened Following Upgrades**

In July 2021, the Shire was pleased to reopen the newly upgraded Lights Beach precinct. Several improvements were made to the site, including carpark and access points, lookouts and pathways.

## **Erosion Damage at Ocean Beach**

Following a major storm event, erosion damage at Ocean Beach threatened buildings and infrastructure at Ocean Beach. In June 2022, works were completed to shore-up the buildings to prevent them falling into the ocean. The next step is to progress plans for further upgrades to the area, following a failed bid to the Building Better Regions Fund.

## **Improved Firebreak and Fuel Management Notice**

A new look Firebreak and Fuel Management Notice was distributed with the rates notices in September 2021. This simplified, easy-to-read document is more accessible for residents and ratepayers to understand, making it more likely for community members to not only maintain their properties as compliant under the notice for the duration of the fire season, but also to better understand safe asset protection and property access ahead of bushfire season.

## **New Cricket Pitch Cover**

In May 2022, a new cricket pitch cover was installed at Mclean Oval and old cover moved to the Highschool Oval giving a much safer and more practical management for multiple sport uses at both ovals.

## **Record numbers of Development Applications and Enquiries**

The Building, Planning and Health team processed more than \$25 million worth of Development Applications and record numbers of enquiries in 2021/22. Federal and State Government stimulus packages in response to the pandemic have impacted this workload.

# Project Tracking

The following projects that address **Our Built Environment** were listed in the *Corporate Business Plan 2021-2024* for delivery in 2021/2022.

Team	Project	Action	Comment
Technical Services	<b>Shovel Ready Projects</b>	<b>DELIVER</b> three identified projects to concept planning stage in order for projects to be ready for funding opportunities that may emerge	Projects identified: Ocean Beach, Prawn Rock Channel works and waste water treatment for McLean Park.
Technical Services	<b>Project Management Services</b>	<b>DELIVER</b> project management services for Denmark Surf Club Precinct Development	The Project has been required to undertake several re-scoping stages. This is due to unsuccessful funding applications, namely the Federal Government's Building Better Regions Fund Round 5, which was for \$4 million. The project will progress in 2022/23.
Technical Services	<b>Project Management Services</b>	<b>DELIVER</b> project management services for Denmark East Development Project	A proposed project was identified to construct a fire suppression system for the Light Industrial Area. The Shire's Technical Services team tendered the project however due to the market being saturated with construction the tender results weren't within the allocated budget and the project was put on hold. Project scope to be investigated further in 22/23.
Technical Services	<b>Project Management Services</b>	<b>DELIVER</b> project management services for Mt Shadforth Road	Mount Shadforth road culverts have been upgraded including localised reconstruction. Final seal to be completed in November 2022.
Technical Services	<b>Project Management Services</b>	<b>DELIVER</b> project management services for Lights Road	Survey, Geotechnical testing and detail designs completed with minimal impact on mature trees. Project to commence in 2022/23.
Technical Services	<b>Project Management Services</b>	<b>DELIVER</b> project management services for Peaceful Bay Road	Peaceful bay Road has been reconstructed and lifted by approximately 200mm near the Irwin Inlet to prevent seasonal flooding over the road.



Team	Project	Action	Comment
Technical Services	<b>Project Management Services</b>	<b>DELIVER</b> project management services for Atkinson Road / South Coast Highway	Atkinson Road was nominated as a blackspot project due to a unsealed road exiting onto a highway. Project scope was to seal the first 50m and upgrade signage
Technical Services	<b>Project Management Services</b>	<b>DELIVER</b> project management services for Mount Shadforth Road / Ti Tree Lane	Ti Tree Lane was nominated as a blackspot project due to a unsealed road exiting onto a local distributor and lack of safe stopping distance. Project scope to seal the lane and create a cul-de-sac to improve truck movements for the rubbish service.
Technical Services	<b>Project Management Services</b>	<b>DELIVER</b> project management services for Praed Lane	Praed Lane has been constructed, drained and sealed.
Technical Services	<b>Project Management Services</b>	<b>DELIVER</b> project management services for Denmark Airport - fencing upgrade	The Denmark airport has been fenced to prevent animals entering the airstrip during landing and departure. This project has increased safety and reduced the requirement of the rangers being called out afterhours to attending and make sure the runway is cleared prior to an emergency RFDS flights.
Technical Services	<b>Project Management Services</b>	<b>DELIVER</b> project management services for Access Road Renewal (Sheoak Dr, Anning Rd, Buckley St)	Sheoak Drive failed box culverts have been replaced. Sealing was postponed due to the inclement weather. Sealing works have been scheduled for November 2022.
Technical Services	<b>Storm Damage Rectification Works</b>	<b>DELIVER</b> project management services for the rebuild of infrastructure projects impacted by storm in August 2020	The section of road that failed along Mount Shadforth road has been reconstructed, including another 30 sites that received damage.

Team	Project	Action	Comment
Technical Services	<b>Storm Damage Rectification Works</b>	<b>DELIVER</b> project management services for the rebuild of infrastructure projects impacted by storm in July 2021	Emergency repairs were complete within the first three months and the remainder of the works are scheduled to be completed in 2022/23.
Technical Services	<b>Denmark CBD</b>	<b>DELIVER</b> renewal of Civic Centre carpark lighting	Due to Covid19 related impacts, this project was unable to be completed. Future project to convert the car park lighting to solar.
Technical Services	<b>Berridge Park / Wilson Inlet</b>	<b>FUND</b> Berridge Park Gazebo replacement	The ageing gazebo near the playground has been removed and replaced with an upgraded gazebo.
Technical Services	<b>Berridge Park / Wilson Inlet</b>	<b>DELIVER</b> upgrades to the Berridge Park BBQ and seating area	The Berridge Park BBQ and seating area upgrade has been completed.
Technical Services	<b>Berridge Park / Wilson Inlet</b>	<b>DELIVER</b> upgrades to Gazebo and BBQ (corner Inlet Drive and Crelin Street)	The old gas bottle BBQ has been removed and the foundation slab has been completed ready for installation. Currently waiting on western power to install underground power to the site. Project to be completed in 2022/23.
Technical Services	<b>Trails and Paths</b>	<b>DELIVER</b> more sustainable transport options for the community through tracks and trails maintenance and construction	Works Completed with the construction of Wattle Way – Mount Shadforth footpath.
Technical Services	<b>Trails and Paths</b>	<b>FUND</b> construction of Wattle Way footpath and Riverside Drive to McPherson Drive footpath link	Due to large works program this project was unable to be completed. Works to be completed in 2022/23.

Team	Project	Action	Comment
Technical Services	<b>Trails and Paths</b>	<b>FUND</b> upgrade to Kwoorabup Park footbridge	Works completed on the reinforcement of the piles.
Technical Services	<b>Trails and Paths</b>	<b>FUND</b> upgrade to beach access steps at Lights Beach with handrail	Handrail has been installed from the lookout to the steps on the dog access beach side.
Technical Services	<b>Peaceful Bay</b>	<b>FUND</b> replacement of Peaceful Bay lookout and boardwalk infrastructure	Peaceful Bay boardwalk and beach access has been completed.
Technical Services	<b>Peaceful Bay</b>	<b>DELIVER</b> replacement of two Peaceful Bay water tanks	Due to Covid19 impacts this project was unable to be completed. Works to be completed in 2022/23.
Technical Services	<b>Peaceful Bay</b>	<b>FUND</b> maintenance to Peaceful Bay jetty	Due to Covid19 impacts this project was unable to be completed. Works to be completed in 2022/23.
Technical Services	<b>Nornalup</b>	<b>FUND</b> upgrade to Nornalup jetty, boat ramp and carpark area	The project has been delayed waiting on the funding outcome from the Regional Boating Facilities Scheme Round 26 which was unsuccessful. The Shire of Denmark in Partnership with the Department of Biodiversity, Conservation & Attractions will deliver this project in 2022/23.
Technical Services	<b>Parry Beach</b>	<b>DELIVER</b> drainage upgrade to Parry Beach cottage	Due to large works program this project was unable to be completed. Works to be completed in 2022/23.

Team	Project	Action	Comment
Technical Services	<b>Solar Energy</b>	<b>DELIVER</b> renewable energy options for Shire facilities when upgrading and undertaking new projects where practical including energy efficient climate control in Council Chambers in 2021	Climate control system has been installed in Council Chambers.
Technical Services	<b>Audit vacant land and halls</b>	<b>DELIVER</b> an audit of vacant land holdings and Community Halls	Audit was completed on vacant land holdings.
Technical Services	<b>Sign audit rectifications</b>	<b>DELIVER</b> the necessary rectifications from the sign audit	Audit has been completed with proposed recommendations. Recommendations to be implemented.

Harewood Road gravel sheet was completed early in the past financial year. On time and on budget. Ocean Beach Road out of town section was completed on budget but was held up by contractors not providing a quality service. This job was challenging on several fronts and the works crew did a fantastic job to complete their section of the work in a timely manner.

Civil Infrastructure	<b>Road Maintenance</b>	<b>DELIVER</b> maintenance work to Ocean Beach Road and Harewood Road	Ocean Beach Road town section has been waiting for completion by contractors. All of the work that can be completed by the Shires work team was completed a little behind the estimated timeframe but well within budget. Traffic management on this section of road was very complex and slowed the work down. The works crew however did a massive job of managing this and once the last of the asphalt has been laid it will be a testament to the work that was done.
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Team	Project	Action	Comment
Community Services	<b>Traffic Management</b>	<b>DELIVER</b> on recommendations to signage from the audit conducted in 20/21, undertake work to ensure that all traffic management signage within the Shire is correctly displayed	<p>Shire officers have completed an audit of the existing parking signs within the Central Business District. Parking recommendations have been discussed further with the Shire's rangers and Technical Services staff.</p> <p>The final recommendations will be advertised in 2022/23 for public comment prior to Council adoption.</p>

# C4.0 Our Community

We live in a happy, healthy, diverse and safe community with services that support a vibrant lifestyle and foster community spirit

**C4.1** To have services that foster a happy, healthy, vibrant and safe community

**C4.2** To have services that are inclusive, promote cohesiveness and reflect our creative nature

**C4.3** To create a community that nurtures and integrates natural, cultural and historical values

**C4.4** To recognise and respect our local heritage and Aboriginal history





## Library's seeds a gift that keeps on giving

Story and pictures by SERENA KIRBY



"Seeds are definitely the gateway into permaculture," Brown said. "It's a great start at helping attendees to learn permaculture practically through using permaculture principles. Brown explained the focus with educational materials. A relative newcomer to WA, Brown has distributed numerous books promoting permaculture principles. Mark and Patricia, the first seed kit in a climate, is now in its third year. She's collaborated with the likes of Stephanie Alexander and former Australian Livestock Auctioneer, Bob Brown. The ABC TV's Gardening Australia has highlighted her work and she's also on the radio in Farm Kitchen, on bank, Clive's World. "Historically the Seed Library help help common knowledge in the hands of the common people and the sharing of information is a good example of permaculture," Brown said. "Denmark, YAF's Sustainable Income Karla Herby said the best tip for learning permaculture is to immerse yourself in it. "If you want to be a permaculture you need to have limited growing season," Karla said. "You just need to be in the dirt and get your hands dirty. There are plenty growing clubs to permaculture people, earth care and soil care."



# FIRE TRUCK WASH-UP

SATURDAY 12 FEB | 9.30AM-12PM  
DENMARK RECREATION CENTRE CARPARK



## Cultural burn marks start of a new partnership

Noongar Elder Carol Petterson conducting a cultural burn. Picture: Shire of Denmark



## UNITE TO IGNITE

ISABEL VIEIRA

A cultural burn was held near the shores of the Wilson Inlet on Tuesday under a new partnership to merge Noongar cultural burning practices with fire services to reduce the risk of bushfires in

the Shire of Denmark. The trial was led by Merang Noongar elder Carol Petterson, with Noongar elders joined by firefighters and representatives from the University of WA and the Shire of Denmark. "I see this as an opportunity for a two-way learning," Ms Petterson said.

"This collaboration is a blessing and a relief. It's important to work together." Shire president Catherine Goussard said it was a significant step towards greater collaboration between fire authorities and traditional custodians. **REPORT PAGE 6**



## Vital propagation skills passed on

From page 1

"Things just grew from there. As the Shire's revegetation officer, Mark has been involved in the planting of more than 700,000 native seedlings and worked with more than 500 volunteers. He considers himself lucky to have had volunteer help from Greenalls, Wookless and the Southern Aboriginal Corporation, and local schools have lent a hand. In the past decade, the majority of volunteers have come from the WA College of Agriculture Denmark creating a great relationship between Mark and the College. Born on a large property south of the Stirling Range, Mark grew up exploring the large areas of native bush where he lived. He saw it as a wonderland, a place of discovery and it was there that his interest in native plants began. "While I'd been interested in native plants well before working at the Shire I'd never actually been employed in this kind of role," Mark said. "I did have a Certificate II in Horticulture and I later got involved in running a bush care course but it wasn't until much later that I got my Diploma in Conservation and Land Management." And while working mostly on his own and developing his own programs to achieve the Shire's revegetation goals, Mark realised the importance of accountability. "Every day I would write notes in a little diary about what I did, when I went and



Mark Parrin in his propagation bathhouse.

things about my job that were worthy of recording," he said. "I now have 29 of those little diaries and they have stood me in good stead. "When the Shire asked for facts and figures I could just refer back to my notes. "Being diligent, transparent and accountable, and able to show results helped me retain this job year after year. I've always had wonderful support from the Shire councillors and for the work I do." A current project is to photograph and document the impact of the recent bushfire on one of Mark's first revegetation sites. The aim is to see what plants survived, what new plants appear as a result of natural germination and what the impact is on every plant's worst enemy - weeds. After joining Mark on his field visits, Terry Abbott, 23, was struck in awe. "Mark said the highlights of his long career had simply been being able to do what he does. "The work is the greatest reward and when I revisit a site I planted up years before and see the diversity of flora that has simply been able to make its way in."



# Our Community Highlights

## **Volunteer Response to Bayview Rise Bushfire Emergency**

In February 2022, severe and catastrophic fire danger weather fanned the flames of a bushfire which raged for several days to the west of the Denmark township. The incident escalated rapidly to a Level 3 incident, which saw State Emergency Services work alongside countless volunteers including the Country Womens Association, Airport Association, St John Ambulance, Denmark Community Foundation, Denmark Community Resource Centre and hundreds of Bushfire volunteers. Numerous Denmark community groups also played an important role in community recovery.

## **Community Fire Truck Wash Up**

The Denmark community showed its gratitude for local firefighters when impacted residents and grateful families descended on McLean Oval for the Community Fire Truck Wash Up in February 2022 as the rains arrived after the worst of the Bayview Rise Bushfire. The community was able to connect, share stories and thank the volunteers in person for their efforts over the fire.

## **Staff support for Bushfire Recovery**

The Shire re-positioned staff from their normal roles into bushfire recovery and relief efforts.

## **Creative Solutions Dementia Program**

The Shire of Denmark partnered with the Denmark Community Resource Centre to trial a new program designed for people with early onset dementia or people at risk of acquiring dementia. The program provided a safe, inclusive and creative space that generated a sense of calm, memory stimulation, confidence and ongoing connection.

## **Book a Ranger Program**

The annual Book a Ranger program received a lot of media and community attention this year, running for the second year in a row in the lead up to the summer bushfire season. The service was well received again with rangers taking the opportunity to educate community members about Asset Protection Zones and other requirements under the annual Firebreak and Fuel Management Notice.

## **Surf Life Saving Services at Ocean Beach**

In the summer months, surf life saving services at Ocean Beach were contracted to Surf Life Saving WA (SLSWA). The SLSWA team conducted 14 rescues and took 437 preventative actions throughout the season.



### **Community Grants**

The annual Community Grants program is designed to provide financial assistance to local not-for-profit groups and organisations to help them deliver projects which will benefit the Denmark community.

### **My Community Directory launched**

My Community Directory launched this year. Community groups are able to share events and programs more broadly with the community.

### **Community Partnerships**

The Shire has continued to invest heavily in partnering with the not for profit sector, which includes formal service agreements with GreenSkills, Wilson Inlet Catchment Committee, Plastic Reduction Denmark, Denmark Chamber of Commerce, Denmark Airport Association, Denmark Lions, Walpole Work Camp, Denmark Bush Carers and others.

# Project Tracking

The following projects that address **Our Community** were listed in the *Corporate Business Plan 2021-2024* for delivery in 2021/2022.

Team	Project	Action	Comment
Technical Services	<b>Denmark CBD</b>	<b>DELIVER</b> refurbishment to the stage and backstage / green room space at Denmark Civic Centre	Grant funding was received in late 2021/22 and project scope has been confirmed. The project will be delivered in 2022/23.
Technical Services	<b>Denmark CBD</b>	<b>DELIVER</b> an additional all abilities carpark as per the Disability Access and Inclusion Plan	Due to Covid19 related impacts, this project was unable to be completed. Project to commence in 2022/23.
Community Services	<b>Youth Outreach</b>	<b>LEAD</b> discussion on a new contract to support the delivery of the Albany Youth Support Association youth program for youth at risk. Explore external funding opportunities from charitable and not-for-profit organisations to support extended services and programs for youth	The new contract has been amended to target more females and youth not previously engaged with due to location of Albany Youth Support Association (AYSA) worker. AYSA worker is now more accessible for broader youth community.
Community Services	<b>Community Grants</b>	<b>DELIVER</b> an annual grant funding program to support community projects	Sixteen local community groups and organisations received Shire of Denmark support this financial year through the annual Community Grants program. Funding provided local support in areas including sports, arts and environmental protection. Council approved funding to a combined value of \$25,000.

Team	Project	Action	Comment
Community Services	<b>My Community</b>	<b>DELIVER</b> a My Community platform incorporating a sustainable environmental section to encourage community members to volunteer with local community groups that care for our environment	Delivered and continuing to promote. Volunteer aspect was recently established by the platform provider. We look forward to continuing to promote this addition.
Community Services	<b>Seed Library</b>	<b>LEAD</b> the ongoing development of a Seed Library	The popular Seed Library initiative continued again this year, providing another pathway to promote sustainable living in our community. The Seed Library also donated free packs of veggie, herb and flower seeds to residents who were impacted by bushfire in February.
Community Services	<b>Bushfire brigade volunteer recruitment, retention, and succession</b>	<b>DELIVER</b> support for recruitment, retention, training, and succession planning to bushfire brigade volunteers including general support for emergency services volunteering	Following the Bayview Rise bushfire incident, a number of awareness opportunities arose. The Shire and brigades worked together to leverage events such as the Community Fire Truck Wash Day to promote volunteer sign ups.
Community Services	<b>Volunteering</b>	<b>PARTNER</b> with sporting groups to trial an online community volunteering model	The My Community Directory is in its infancy. It will be shared with all groups and will need additional work to ensure higher uptake by community.

Team	Project	Action	Comment
Waste and Reserves	<b>Playground upgrades</b>	<b>DELIVER</b> an audit on the Shire's playground infrastructure and action plan to renew, consolidate and/or create new playground areas	Comprehensive audit of our playground assets and asset management plan was completed by a consultant. The document will assist the Shire to make informed decisions on upgrades and maintenance to playground infrastructure.
Waste and Reserves	<b>Reduce, Reuse, Recycle</b>	<b>ADVOCATE</b> for educational programs to encourage community members to reduce, reuse and recycle. Support and encourage initiatives that promote zero plastic packaging for fruit, vegetables, and associated products	Provided funding to deliver compost workshop, Garage Sale Trail promotion, and Cloth Nappy Initiative.
Waste and Reserves	<b>Sustainability Education</b>	<b>FUND</b> education workshops for the community on areas of sustainability as outlined in the Sustainability Action Plan	Funding Assistance to deliver a Community Environmental Education Program including Plant propagation, Earthrise Bushland, earthrise Plant propagation workshops. Funded Denmark Bird Group and South Coast Bush Care Services educational brochures.

# L5.0 Our Local Government

The Shire of Denmark is recognised as a transparent, well governed and effectively managed Local Government

**L5.1** To be high functioning, open, transparent, ethical and responsive

**L5.2** To have meaningful, respectful and proactive collaboration with the community

**L5.3** To be decisive and to make consistent and well considered decisions

**L5.4** To be fiscally responsible

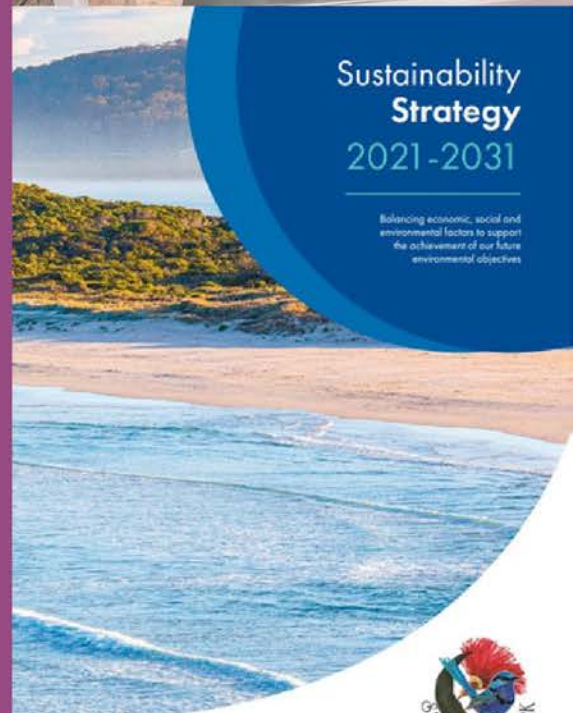
**L5.5** To embrace change, apply technological advancement and pursue regional partnerships that drive business efficiency

**L5.6** To seek two-way communication that is open and effective



DENMARK  
**2027**

A happy, healthy and eclectic community that embraces creativity, values the natural environment and is invested in a strong local economy.



# Shire takes first step on an electric journey

The first electric vehicle, a \$45,049 Hyundai Ioniq, has joined the Shire of Denmark's fleet heralding a low-carbon footprint era for Shire vehicles. A \$55,704 Tesla Model 3 will arrive this month with all future out-of-lease fleet vehicles set to be electric vehicles.

The cost of 'fuelling' these electric vehicles will be negligible as the Shire Administration Building collects solar power which can charge the cars at no cost.

Operational and maintenance costs are also lower for electric vehicles than for internal combustion engines.

The Tesla can travel longer distances, such as to Perth, with minimal delays to charge while the Hyundai will be suitable for shorter distances.

The change is in step with the Shire's objectives in the 2021-

This was an important step in tackling climate change, and to reduce the carbon footprint of the fleet.

Cr Gearson said the Denmark Shire Council had voted unanimously to make the change.

The vehicle purchases would not only make sense from an environmental standpoint, but also provide financial value to the community.

Cr Gearson hoped that more and more members of the community would think about changing to electric vehicles when it came to trading in their vehicles.

In the 2021-2022 Shire budget the council allocated \$40,000 of funding towards the installation of a fast-charging point in



## Workforce Development Plan 2022-2025



### E1.0

#### Our Economy

*We are an attractive location to live, invest, study, visit and work*

- E1.1 To have a stable and locally supported business community that embraces innovation, creativity, resourcefulness and originality
- E1.2 To be a vibrant and unique tourist destination, that celebrates our natural and historical assets
- E1.3 To have diverse education and employment opportunities
- E1.4 To recognise the importance of agriculture in our local economy and protect prime agricultural land

### N2.0

#### Our Natural Environment

*Our natural environment is highly valued and carefully managed to meet the needs of our community, now and in the future*

- N2.1 To preserve and protect the natural environment
- N2.2 To promote and encourage responsible development
- N2.3 To reduce human impact on natural resources, reduce waste and utilise renewable energy
- N2.4 To acknowledge and adapt to climate change

### B3.0

#### Our Built Environment

*We have a functional built environment that reflects our rural and village character and supports a connected, creative, active and safe community*

- B3.1 To have public spaces and infrastructure that are accessible and appropriate for our community
- B3.2 To have community assets that are flexible, adaptable and of high quality to meet the purpose and needs of multiple users
- B3.3 To have a planning framework that is visionary, supports connectivity and enables participation
- B3.4 To manage assets in a consistent and sustainable manner
- B3.5 To have diverse and affordable housing, building and accommodation options

### C4.0

#### Our Community

*We live in a happy, healthy, diverse and safe community with services that support a vibrant lifestyle and foster community spirit*

- C4.1 To have services that foster a happy, healthy, vibrant and safe community
- C4.2 To have services that are inclusive, promote cohesiveness and reflect our creative nature
- C4.3 To create a community that nurtures and integrates natural, cultural and historical values
- C4.4 To recognise and respect our local heritage and Aboriginal history

### L5.0

#### Our Local Government

*The Shire of Denmark is recognised as a transparent, well governed and effectively managed Local Government*

- L5.1 To be high functioning, open, transparent, ethical and responsive
- L5.2 To have meaningful, respectful and proactive collaboration with the community
- L5.3 To be decisive and to make consistent and well considered decisions
- L5.4 To be fiscally responsible
- L5.5 To embrace change, apply technological advancement and pursue regional partnerships that drive business efficiency
- L5.6 To seek two-way communication that is open and effective

*These five pillars represent the community's feedback and the way forward for the Shire of Denmark. Naturally some decisions may reflect a greater alignment to one aspiration over another, however Council and staff consider the impact that a decision will have across all pillars when considering projects, activities and requests.*

# Our Local Government Highlights

## **Sustainable Projects Team Created**

In 2021/22, a new team called Sustainable Projects was created within the organisation in order to lead and implement Shire projects with a focus on sustainable outcomes and delivery.

## **Sustainable Projects Committee Formed**

The Sustainable Projects Committee was formed to assist the Shire of Denmark in achieving the key principles and objectives contained within the Sustainability Strategy. The Committee will achieve this in two distinct ways:

- Develop actions and policies to make the organisation more sustainable
- Support the broader Denmark community to become more sustainable

## **Community Meeting Livestreams during Bayview Rise Emergency**

Our team worked closely with the Department of Fire and Emergency Services (DFES) Community Liaison Unit to bring about livestreams of the three community meetings which were held during the bushfire emergency in February. Good teamwork and problem-solving meant we could keep many more members of our community informed during the emergency than could have been reached otherwise. The first livestream (held on Saturday 5 February) was viewed by more than 16,100 people.

## **Impacted Residents Community Meeting**

The Impacted Residents Community Meeting enabled residents to have face time with the DFES, the Shire, Denmark Police, and support agencies. The purpose of the meeting was to share important information on how the event unfolded and to enable residents to meet people available to assist them in their recovery.

## **Executive Leadership Confirmed**

In July 2021, it was announced that our new Director Corporate and Community Services would be Gina McPharlin, and that our Director Assets and Sustainable Development David King was confirmed as our Deputy CEO. The appointments came following the confirmation of David Schober as CEO in early 2021.

## **Regional Climate Alliance**

The Shire of Denmark was appointed to join other Local Governments as part of the Regional Climate Alliance in July 2021.

## **Electronic Payments**

In a staff-driven effort to reduce reliance on paper in the finance department and improve sustainability processes, an electronic payments program was adopted that eliminated paper copies of invoices and purchase orders from the weekly payments process.

### **Digital Transformation**

As part of the Shire's digital transformation journey, several projects were completed that improved the efficiency and delivery of information and communication services for staff and Shire customers. The key platform to enable better use of cloud-based software programs, data sharing and data storage was to upgrade and connect NBN enterprise fibre to the Administration building. This enabled higher upload and download speeds of data across the digital network. To provide improved support and better hardware and software application programs, each Councillor was provided with a new standard portable laptop devices.

### **Cloud-based Financial Accounting System**

As part of the Shire's transition to a cloud based financial accounting system, a significant accounting project was planned and delivered across the financial year. A new cloud based payroll system was delivered, giving staff across all sites improved payroll processing mobility, flexibility and access to personal information in a secure environment.

### **Successful Audit**

In December 2021, the Office of Auditor General (OAG) provided a certified opinion of the Shire of Denmark's 2020/21 Annual Financial Statements as fair and in accordance with the Local Government Act 1995 and the Australian Accounting Standards.



# Project Tracking

The following projects that address **Our Local Government** were listed in the *Corporate Business Plan 2021-2024* for delivery in 2021/2022.

Team	Project	Action	Comment
Governance	<b>Cat Local Law</b>	<b>Regulate</b> to introduce a local law regarding keeping cats within the Shire, including the number that can be kept, the places where cats can be kept and the areas where cats are prohibited	After seeking public comment and considering submissions Council made a Local Law at the September 2022 Meeting.
Governance	<b>Council Policy Review</b>	<b>Deliver</b> a review and update of Council policies	A number of policies were updated throughout the financial year including Housing Affordability Policy, Dog Areas Policy, Continued Professional Development Policy, Code of Conduct Behaviour Complaints Management Policy.
Governance	<b>Corporate Planning</b>	<b>Deliver</b> updates to the Long Term Financial Plan, Strategic Asset Management Plan, Workforce Development Plan and an annually reviewed four-year Corporate Business Plan in line with the Integrated Planning and Reporting review cycle	<p>The Long Term Financial Plan and annually reviewed Corporate Business Plan were adopted in September 2021. The Workforce Development Plan was completed in June 2022 and adopted in July 2022.</p> <p>A large body of work has been completed on the Strategic Asset Management Plan but completion was put on hold as global economic conditions shifted substantially following the invasion of Ukraine in March 2022. Plans are in place for a review and update of the Long Term Financial Plan by the end of the 2022 calendar year to ensure accuracy and relevance, at which time, the Strategic Asset Management Plan will also be reviewed and updated before being presented to Council for adoption.</p>

Team	Project	Action	Comment
Governance	<b>Denmark 2031</b>	<b>Deliver</b> a major review of the Strategic Community Plan to ensure Shire's activities continue to be in alignment with community expectations	<p>A Working Group was established in late 2021 to inform the consultation process and wheels were turning on the Catalyse Community Scorecard which was due to be released in February 2022. The Bayview Rise bushfire incident in February put a halt to this process as officers were required to focus their time on bushfire recovery duties. Subsequently, the arrival of Covid19 in the community contributed to further delays.</p> <p>The project recommenced in 2022/23 with the release of the Community Scorecard in August 2022.</p>
Governance	<b>Reconciliation Action Plan</b>	<b>Lead</b> the development of a structured Reconciliation Action Plan	<p>Discussions with Council and further research into the Reconciliation Action Plan (RAP) process identified the need to take preliminary steps in the Reconciliation space before progressing to a RAP in order to ensure the process is meaningful and avoids becoming a tokenistic project. This Project has been reimaged for the current Corporate Business Plan to properly reflect the intent to work towards building meaningful and respectful relationships as we progress as an organisation towards the RAP process.</p> <p>A number of projects have been identified including the Genestreams Songline project led by Green Skills and Gondwana Link.</p>
Governance	<b>Public Health Plan</b>	<b>Deliver</b> a Public Health Plan that protects, improves, and promotes public health and well-being in the Shire	<p>Covid19 caused disruptions to the consultation and writing process for the Public Health Plan. Despite disruptions, the delay was relatively minor and the Plan was completed in September 2022.</p>

Team	Project	Action	Comment
Governance	<b>Workplace Health and Safety</b>	<b>Deliver</b> improved workplace health and safety reporting through the introduction of SKYTRUST software that provides additional support in the areas of injury management, human resource training, and safety inductions	<p>The Shire purchased the software program and commenced training supervisors and staff in its implementation.</p> <p>The implementation of this project is critical for the Shire to meet its obligations under the new Workplace Health and Safety legislative requirements.</p>
Governance	<b>Flexible Work Arrangements</b>	<b>Deliver</b> a workplace Standard Operating Procedure to ensure staff have clear processes to follow when seeking a flexible work arrangement	Processes and procedures were developed for staff and supervisors to effectively manage officers working from home as a requirement of the Covid19 response measures.
Governance	<b>Nornalup and Peaceful Bay Service Agreements</b>	<b>DELIVER</b> a service level agreement with the Peaceful Bay and Nornalup communities	<p>Worked has commenced on the Service Agreements however complex WHS issues required further investigation and changes around contractor engagement.</p> <p>The Service Agreements are expected to be resolved and completed by the end of the 2022/23 financial year, but are dependant upon the Progress Associations resourcing and support.</p>
Technical Services	<b>Capital Works Forward Planning</b>	<b>Deliver</b> a 10-year capital works program for all asset classes that demonstrates the spend required each year as set out in the Shire's Long Term Financial Plan	<p>Unable to complete this action due to Covid19 impacts.</p> <p>Aim to deliver the program within 2022/23.</p>

Team	Project	Action	Comment
Technical Services	<b>Innovation in Engineering</b>	<b>LEAD</b> investigations to employ innovative technologies for pavement stabilisation, reinvigoration, seal design for construction and repair of roading	A crumb rubber reseal was scheduled to be completed in 2021/22 financial year however due to contractor delays works has been carried over to the 2022/23 financial year.
Technical Services	<b>Review asset management data</b>	<b>DELIVER</b> a review of existing data to improve confidence in the Shire's financial projections to maintain, renew and replace assets	Shire Officers continue to update asset database (Think Project) once assets have been renewed through the capital works and proposed subdivision. No budget allocations for data updating.
Technical Services	<b>Asset valuation</b>	<b>DELIVER</b> a comprehensive valuation and condition rating of all assets within each portfolio	No budget allocation. Transport data is scheduled to be updated 2022/23 financial year.
Planning, Building and Health	<b>Local Planning Scheme and Strategy</b>	<b>DELIVER</b> a review of the entire local planning framework. Develop a draft Strategy for Council consideration	A draft Strategy document was completed and communicated to Council in a series of briefing sessions. Substantially progressed the Local Planning Strategy ready for presentation to Council in September 2022.
Planning, Building and Health	<b>Delivering online resources</b>	<b>DELIVER</b> online information packages for development applications and building approvals	Staff shortages combined with high number of applications and enquiries left no internal resources available to complete this work. The team will prepare this work as part of the website review in 2022/23.
Community Services	<b>Mitigation Activity</b>	<b>DELIVER</b> fire mitigation works in line with MAF contract and strategic fire management local needs	Mitigation activities are an ongoing, yearly focus for our newly funded Bushfire Risk Mitigation Coordinator position, thanks to support from Department of Fire and Emergency Services.

Team	Project	Action	Comment
Civil In- frrastructure	<b>Depot Re- development Master Plan</b>	<b>DELIVER</b> a Master Plan with a staged approach to asset and facilities upgrades at the depot with a focus on sustainable resource use including recycling water, renewable energy options and ongoing operations of the seed bank and nursery	<p>This project has been put on hold until the Local Planning Strategy (LPS) is completed.</p> <p>The LPS may have implications as to the long term location of the works depot.</p>
Corporate Services	<b>Stage Two of the Rating Review</b>	<b>DELIVER</b> an equitable rating structure across all properties within the Shire including modelling split rating, undertaking a community engagement plan and implementation of UV review outcomes	<p>Engagement with Rural property owners continued in regards to applying split rating to the rural properties with non rural uses. We are now waiting on interim valuations from Landgate to assess the financial impacts of split rating for the property owner and the Shire.</p>
Corporate Services	<b>ICT Strategy</b>	<b>FUND</b> actions from the Shire's ICT Strategy	<p>As part of the Shire's digital transformation journey, several projects were completed that improved the efficiency and delivery of information and communication services for staff and Shire customers. The key platform to enable better use of cloud-based software programs, data sharing and data storage was to upgrade and connect NBN enterprise fibre to the Administration building. This enabled higher upload and download speeds of data across the digital network. To provide improved support and better hardware and software application programs, each Councillor was provided with a new standard portable laptop devices.</p>

Team	Project	Action	Comment
Corporate Services	Land Development / Use Strategy	<b>DELIVER</b> a plan that identifies land to be sold that could fund major projects identified in the Long Term Financial Plan	An external valuation report was commissioned for vacant land lots at the Industrial Estate, East River Road. In addition, a land audit of Shire owned freehold land, strategic reserves and community infrastructure was commissioned to provide Council and officers with relevant information ahead of the draft Local Planning Strategy (LPS) and to assist with the review of the 2022/23 Long Term Financial Plan.
Corporate Services	Revenue Streams	<b>DELIVER</b> a plan that investigates alternative revenue streams	This project was carried forward to 2023/24.
Corporate Services	Financial Software Program Update	<b>DELIVER</b> the migration from Synergy Soft to Altus to access improvements in technology via the new cloud-based software	New modules were implemented as part of the accounting software migration. This included a bank reconciliation module, a payroll module, and an electronic authorisation and payments module.
Corporate Services	ICT Infrastructure for Council Chambers	<b>DELIVER</b> improved ICT capability to Council Chambers	The IT infrastructure order was unavailable due to worldwide supply shortages, therefore pushing back the install into September 2022.
Corporate Services	Document Management	<b>DELIVER</b> an internal document control system that delivers work efficiencies and improves document management functions	Internal resources unavailable to commence and complete project as scheduled.
Waste and Reserves	Sustainability Action Plan	<b>DELIVER</b> an annual review and update to the Sustainability Action Plan	Completed July 22. 66% of Actions Completed, ongoing or commenced. 34% yet to commence.

# Key Statistics

Team	Statistic	20/21	21/22
<b>Community Services</b>			
Denmark Public Library	Physical Loans	45,041	44,378
Denmark Public Library	eResource Usage	15,735	17,563
Denmark Public Library	Reference Enquiries	9,165	7,683
Denmark Public Library	eResource Enquiries	390	442
Denmark Public Library	Programs for Adults and Kids	113	185
Denmark Public Library	Program Attendance	1,236	1,873
Denmark Public Library	Customer Visits	37,271	35,888
Denmark Public Library	Online Catalogue Visits	4,533	4924
Denmark Public Library	Seed Library Users	270	448
Denmark Recreation Centre	Total Attendance	37,519	40,473
Denmark Recreation Centre	Gym Visits	14,558	17,276
Denmark Recreation Centre	Fitness Class Attendees	3,654	5490
Denmark Recreation Centre	Sports Hall Attendees	15,808	16,808

Statistic	20/21	21/22
<b>Public Safety</b>		
Call Out - Snakes	13	7
Call Out - Straying Stock	27	34
Call Out - Injured and Dead Kangaroos	28	34
Call Out - Dog Attacks	10	12
Call Out - Barking Dogs	6	11
Call Out - Dogs Found	38	85
Property Fire Inspections	1036	961
Book a Ranger Appointments	25	15
Bushfire Ready Groups	35	41
<b>Planning and Health</b>		
Onsite Conventional Septic System Approvals	35	40
Aerobic Treatment Unit Approvals	15	10
Water Samples	192	214
Food Samples	1	0
Covid-19 Event Approvals	7	20
Asbestos Fibre Identification Samples	1	1
Food Premises Assessments	149	159
Stall Holder Licenses	52	50



Statistic	20/21	21/22
Section 39 Certificates	3	4
Alfresco and Dining Licenses	11	11
Childcare and Family Daycare Inspections	2	2
Trading in Thoroughfare and Public Place Permits	5	3
Holiday Home Accommodation Inspections	11	28
Peaceful Bay Leasehold Property Inspections	8	9
Temporary Accommodation Approvals	1	3
Lodging House Inspections	2	2
Home Inspections (regarding noise, air pollution etc)	52	56
Public Building Inspections	17	12
Meat Inspections	80	79
Caravan and Camping Inspections	9	9
<b>Waste and Reserves</b>		
Kerbside Bin Services	2589	
Public Place Bin Services	136	136
Total Waste to Landfill	2125.637t	2076.78t
<b>Corporate Services</b>		
Incoming Correspondence Recorded	8535	14,007
Outgoing Mail Recorded	5912	6045

Statistic	20/21	21/22
Internal Memos Recorded	2473	2648
Department of Transport Licencing Transactions Total	8421	7675
Department of Transport Licencing Transactions Average per Month	702	640
Contributions	\$404,309	
Donations	\$8,546	
Rate Waivers	\$47,777	
Rate Waivers - statutory property revaluations (one-off Covid-19 response)	\$74,493	
Awards	\$1,130	
Governance		
Minor Complaints Recorded	0	
Gift and Travel Declarations	0	
Public Interest Disclosure	0	0
Number of Local Laws Created/Adopted/Amended	0	0
Freedom of Information Requests	4	4
Citizenship Ceremonies	4	4
New Citizens Conferred	11	18
Your Denmark Total Visits	9500+	6600+
Facebook Reach	290,551	104,416



Statistic	20/21	21/22
Facebook Page Visits	17,252	41,056
Website Page Views	312,048	386,944
SMS Alerts Subscribers	993	1664
e-Newsletter Subscribers	283	525
News Items Published to Website	141	203
Total Approximate Number of Shire References in Media	129	351

# Development Use

	2019/ 2020		2020/ 2021		2021/ 2022	
Single Dwelling	39	\$12,417,863	65	\$19,522,227	55	\$20,420,065
Additions to Single Dwelling	27	\$1,138,293	31	\$1,561,115	34	\$1,250,850
Outbuildings	54	\$1,796,276	53	\$1,436,642	25	\$723,189
Rural Outbuildings	5	\$307,185	10	\$329,360	20	\$971,120
Commercial and Industrial	5	\$360,000	11	\$1,835,294	7	\$1,486,500
<b>Year Totals</b>	130	\$16,019,617	170	\$24,684,638	141	\$24,851,724

# Planning Applications

Proposal Type	Number of Applications	Cost of Development	Delegated Authority	Council	SJDAP
Single House	52	\$19,511,542	52		
Single House Additions/ Alterations	35	\$ 12,508,50	34	1	
Second House	3	\$908,523	3		
Ancillary Accommodation	3	\$298,323	3		

Proposal Type	Number of Applications	Cost of Development	Delegated Authority	Council	SJDAP
Rural Pursuit	3		3		
Holiday Home (Standard)	13		13		
Holiday Home (Large)	8		8		
Holiday Accommodation	7	\$914,500	7		
Outbuilding	25	\$723,189	25		
Rural Outbuilding	20	\$971,720	20		
Change of Use	6		5		
Signage	4	\$8,475	4		
Use Not Listed	2	\$861,000	2		
Commercial & Industrial	5	\$625,500	5		
Dam	2		2		
Extractive Industry	1		1		
Rainwater Tank	5	\$228,990	5		
Holiday Home Approval Renewals	10	-	10		

Proposal Type	Number of Applications	Cost of Development	Delegated Authority	Council	SJDAP
Subsequent (retrospective) approval	13	\$298,200	13		
Amendments to Planning Approvals	29		28	1	
<b>Totals</b>	<b>246</b>	<b>\$25,349,962</b>	<b>243</b>	<b>2</b>	<b>0</b>

# Compliance

## Register of Complaints

A local government is required to keep a register of minor complaints that result in a finding by the Local Government Standards Panel. During 21/22 there were no minor complaints recorded in the Register.

## Compliance Audit Return (CAR)

Each year a local government is required to carry out a compliance audit return for the period 1 January to 31 December. In the period 1 January 2021 to 31 December 2021, the Shire had only one area of non-compliance related to timing for adopting a revised code of conduct for Councillors, committee members and candidates. A copy of the CAR is available on Council's website.

## Financial Returns

All Elected Members, designated employees and employees who have delegated authority under the Local Government Act 1995 and section 2014(2), (3) or (5) of the Planning and Development Act 2005, must complete a Primary Return within three months of commencing a relevant position. An Annual Return must then be completed prior to 31 August each year. All required Financial Returns were submitted on time in the 21/22 Financial Year.

## Delegations of Authority

Delegations provide Council employees with the power to carry out certain functions and duties and make determinations which would ordinarily be required to be determined by a formal Council decision. The Council can delegate to the CEO the exercise of any of its powers or duties under various Acts, apart from those specified in section 5.43 of the Local Government Act 1995. The CEO may sub-delegate to any employee any of those powers or duties, other than the power of delegation, subject to any conditions imposed by the Council. The Act requires the CEO to keep a register of Delegations and for those delegations to be reviewed once annually. A copy of the Register can be found on the Shire's website.

## Gift and Travel Declarations

Council Members and Designated Employees are required to declare notifiable gifts within 10 days of their acceptance. In 21/22 there were no declarations of notifiable gifts or travel made. All declarations made are recorded in a public register which is available at the Shire Office or on the Shire's website.

## Public Interest Disclosures

As a public authority, the Shire has an obligation to provide information under the Public Interest Disclosure Act 2003. No public interest disclosures were received during 21/22.

## Citizenship Ceremonies

Australian Citizenship Ceremonies are important events. Whilst fulfilling the requirements under Australian citizenship law, they also offer Local Governments an opportunity to welcome new citizens as full members of the Australian community. Local Governments have delegated authority from the Federal Government to officiate Citizenship Ceremonies with the Shire President, Deputy Shire President or the CEO able to preside at the service. In 21/22, four ceremonies were held, welcoming 18 new Australian citizens.

## Local Laws

During 21/22 Council did not adopt any new local laws.

## Record Keeping Report

The Shire's Recordkeeping Plan completed its 5-year revision in 2021. The next review is due in 2026.

As part of the review, it was acknowledged that the Shire was lacking in several areas which were reported on last year. Progression has been made in proper recording of Personnel records and information. New Cemetery software has been populated and recording of administrative information has begun. The Shire was also found to be lacking in adequate storage facilities for State Archives. This situation remains. Storage of archived records including State Archives continues to be outsourced to an approved records storage facility. The Shire continues to provide training to all new staff within one month of commencement. The program includes information on the requirement to keep business evidence, the responsibilities of all Shire officers; training on the use of the electronic Documents & Records Management System (eDRMS); the processes of recording business evidence. Staff are provided a copy of the RKP as well as the RIMPPM (Records Information Management Policy and Process Manual) and advised of their responsibility to comply.

As part of RKP 2021005, the training program includes:

- One on one induction training on commencement of employment
- Implementing annual compulsory recordkeeping training
- Annual training for elected members on their responsibilities
- Implementation of Individual on-line training and assessment on the requirements of keeping business evidence
- Support made available to all staff during working hours

The training program is evaluated regularly with the following procedures to determine that all staff receive regular training and are keeping adequate business evidence.

- Maintaining records of staff training and reporting attendance to the Executive
- Inclusion of recordkeeping as a Performance Requirement in staff Annual Performance reviews
- Maintaining Statistical evidence to monitor the number of records created, thus gauging staff participation in recording

Both Records Officers have completed all applicable record keeping courses including Records Management, Keyword Classification, Record Disposal and Implementing a Digitisation Program.

This financial year the Shire recorded 14,007 (8,535 in 2020/21) pieces of incoming correspondence, 6,045 (5,912 in 2020/21) pieces of outgoing correspondence and 2,648 (2,473 in 2020/21) internal memos. This shows an increase of 34% over last financial year. 91 boxes of records were archived. Due to resourcing, no destruction of records has taken place for three years.

## Freedom of Information Report

In the 2021/22 financial year the Shire received two valid applications for access to non-personal information and carried over two valid applications from the previous financial year. All four applications were completed within financial year 2021/22. There were no applications for Internal Review. The Shire collected a total of \$946.00 comprising of the statutory application fee (\$30) for 2 applications and the remainder for the time spend processing the applications. The average time to complete each application was 27 days of the 45 permitted.



## Employee 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 entitlements. Set out below, in bands of \$10,000, is the number of employees of the Shire remunerated with an annual salary of \$130,000 or more. The figures below represent a cash base salary but do not include vehicle allowances, non-monetary benefits such as professional memberships or superannuation of up to 14.5%.

### 2021/22 Employee Remuneration

Salary Range \$	Number of Employees
130,000 - 139,999	
140,000 - 149,999	1
150,000 - 159,999	1
160,000 - 169,999	
170,000 - 179,999	
180,000 - 189,999	1

The CEO remuneration package totalled \$241,616.

## Risk Management

Shire's policy is to achieve best practice (aligned with AS/NZS ISO 31000:2018 Risk Management) in managing all risks that may affect the Shire, its customers, people, assets, functions, objectives, operations, or members of the public. A Risk Management Framework ensures:

- strong corporate governance
- compliance with relevant legislation, regulations, and internal policies
- compliance with Integrated Planning and Reporting requirements
- uncertainty and its effects on objectives are understood

This Framework aims to balance a documented, structured and systematic process with the current size and complexity of the Shire.

## Disability, Access and Inclusion

Under the *Disability Services Act 1993*, all Western Australian public authorities are required to develop and implement a Disability Access and Inclusion Plan, addressing seven desired outcomes;

- 1. People with disability have the same opportunities as other people to access the services of the Shire of Denmark and any events organised by the Shire of Denmark.
- 2. People with disability have the same opportunities as other people to access the buildings and other facilities of the Shire of Denmark.

- 3. People with disability receive information from the Shire of Denmark in a format that enables them to access the information as readily as other people are able to access it.
- 4. People with disability receive the same level and quality of service from the staff of the Shire of Denmark as other people receive.
- 5. People with disability have the same opportunities as other people to make complaints to the Shire of Denmark
- 6. People with disability have the same opportunities as other people to participate in any public consultation with the Shire of Denmark.
- 7. People with disability have the same opportunities as other people to obtain and maintain employment with the Shire of Denmark.

Progress for the 2021/2022 year includes:

- International Day of People with Disability - free screenings of From Sky to Sea in partnership with Movies With Meanings.
- Creative Solutions pilot program for early-onset dementia in partnership with the Denmark Community Resource Centre.
- Installation of a hand-rail at Lights Beach on the pathway leading from the car park to the dog beach to facilitate access to users of different abilities.
- Upgrade of two accessible parking bays at the Shire's Administration Office.
- Operated a monthly book group for seniors and for people with visual disabilities at Denmark Public Library.



# Auditor General

## INDEPENDENT AUDITOR'S REPORT 2022 Shire of Denmark

To the Councillors of the Shire of Denmark

### Opinion

I have audited the financial report of the Shire of Denmark (Shire) which comprises:

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, and Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

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

### Emphasis of Matter – Restatement of comparative balances

I draw attention to Note 30 of the financial report which states that the amounts reported in the previously issued 30 June 2021 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

### Other information

The Chief Executive Officer (CEO) is responsible for preparing and the Council for overseeing, the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

### **Responsibilities of the Chief Executive Officer and Council for the financial report**

The Chief Executive Officer of the Shire is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

### **Auditor's responsibilities for the audit of the financial report**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## **My independence and quality control relating to the report on the financial report**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Matters relating to the electronic publication of the audited financial report**

This auditor's report relates to the financial report of the Shire of Denmark for the year ended 30 June 2022 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Renuka Venkatraman  
Acting Senior Director  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
14 April 2023

**SHIRE OF DENMARK**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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



**SHIRE OF DENMARK  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

The attached financial report of the Shire of Denmark for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Denmark at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the

13th day of April 2023



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Chief Executive Officer

David Schober

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Name of Chief Executive Officer



**SHIRE OF DENMARK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	25(a),2(a)	7,036,139	7,053,662	6,578,908
Operating grants, subsidies and contributions	2(a)	2,473,161	3,289,288	2,417,208
Fees and charges	24(c),2(a)	3,644,429	3,458,312	3,186,752
Interest earnings	2	64,486	72,908	83,080
Other revenue	2(a)	306,406	188,487	289,180
		<u>13,524,621</u>	<u>14,062,657</u>	<u>12,555,128</u>
<b>Expenses</b>				
Employee costs		(7,162,734)	(6,939,943)	(6,560,422)
Materials and contracts		(4,467,775)	(5,502,014)	(3,244,949)
Utility charges		(225,932)	(220,985)	(219,277)
Depreciation	10(a)	(3,494,777)	(3,820,875)	(4,647,759)
Finance costs	2(b)	(98,198)	(123,877)	(112,481)
Insurance		(431,694)	(427,679)	(423,325)
Other expenditure	2(b)	(386,994)	(445,300)	(411,539)
		<u>(16,268,104)</u>	<u>(17,480,673)</u>	<u>(15,619,752)</u>
		<u>(2,743,483)</u>	<u>(3,418,016)</u>	<u>(3,064,624)</u>
Capital grants, subsidies and contributions	2(a)	2,474,294	4,411,103	4,665,549
Profit on asset disposals	10(b)	47,105	54,000	42,716
Loss on asset disposals	10(b)	(2,492)	(34,000)	0
Fair value adjustments to financial assets at fair value through profit or loss		2,998	0	1,939
		<u>2,521,905</u>	<u>4,431,103</u>	<u>4,710,204</u>
<b>Net result for the period</b>	24(b)	<b>(221,578)</b>	<b>1,013,087</b>	<b>1,645,580</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	11,636,014	0	0
<b>Total other comprehensive income for the period</b>	16	<b>11,636,014</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>11,414,436</b>	<b>1,013,087</b>	<b>1,645,580</b>

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





**SHIRE OF DENMARK  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022**

	NOTE	2022 \$	2021 (Restated) * \$	01 July 2020 (Restated) * \$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3	6,877,882	8,254,599	6,802,245
Trade and other receivables	5	533,138	637,417	658,569
Other financial assets	4(a)	23,729	22,872	22,048
Inventories	6	101,695	112,195	160,415
Other assets	7	764,092	803,613	264,054
<b>TOTAL CURRENT ASSETS</b>		<b>8,300,536</b>	<b>9,830,696</b>	<b>7,907,331</b>
<b>NON-CURRENT ASSETS</b>				
Trade and other receivables	5	125,394	70,008	45,367
Other financial assets	4(b)	519,616	540,347	561,280
Property, plant and equipment	8	38,665,754	28,284,565	29,335,122
Infrastructure	9	63,507,063	62,595,734	60,283,474
Right-of-use assets	11(a)	110,129	222,018	240,456
<b>TOTAL NON-CURRENT ASSETS</b>		<b>102,927,956</b>	<b>91,712,672</b>	<b>90,465,699</b>
<b>TOTAL ASSETS</b>		<b>111,228,492</b>	<b>101,543,368</b>	<b>98,373,030</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	12	1,198,948	2,992,430	1,529,621
Other liabilities	13	775,904	474,570	200,789
Lease liabilities	11(b)	82,250	104,743	119,315
Borrowings	14	171,350	199,801	245,164
Employee related provisions	15	1,243,075	1,228,532	1,199,636
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,471,527</b>	<b>5,000,076</b>	<b>3,294,525</b>
<b>NON-CURRENT LIABILITIES</b>				
Other liabilities	13	500,238	430,238	424,747
Lease liabilities	11(b)	31,367	116,738	121,141
Borrowings	14	1,495,117	1,666,467	1,866,268
Employee related provisions	15	113,730	127,771	109,851
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,140,452</b>	<b>2,341,214</b>	<b>2,522,007</b>
<b>TOTAL LIABILITIES</b>		<b>5,611,979</b>	<b>7,341,290</b>	<b>5,816,532</b>
<b>NET ASSETS</b>		<b>105,616,513</b>	<b>94,202,078</b>	<b>92,556,498</b>
<b>EQUITY</b>				
Retained surplus		25,574,722	25,951,030	24,583,041
Reserve accounts	28	4,808,385	4,653,656	4,376,065
Revaluation surplus	16	75,233,406	63,597,392	63,597,392
<b>TOTAL EQUITY</b>		<b>105,616,513</b>	<b>94,202,078</b>	<b>92,556,498</b>

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

\* - Please refer to Note 30 - Correction of Prior Period Error

**SHIRE OF DENMARK  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2020</b>		<b>24,583,041</b>	<b>4,376,065</b>	<b>65,261,484</b>	<b>94,220,590</b>
Correction of prior period error	30	0	0	(1,664,092)	(1,664,092)
<b>Restated balance at the beginning of the financial year</b>		<b>24,583,041</b>	<b>4,376,065</b>	<b>63,597,392</b>	<b>92,556,498</b>
Comprehensive income for the period					
Net result for the period		1,645,580	0	0	1,645,580
Total comprehensive income for the period		1,645,580	0	0	1,645,580
Transfers from reserves	28	520,523	(520,523)	0	0
Transfers to reserves	28	(798,114)	798,114	0	0
<b>Balance as at 30 June 2021</b>		<b>25,951,030</b>	<b>4,653,656</b>	<b>63,597,392</b>	<b>94,202,078</b>
Comprehensive income for the period					
Net result for the period		(221,578)	0	0	(221,578)
Other comprehensive income for the period	16	0	0	11,636,014	11,636,014
Total comprehensive income for the period		(221,578)	0	11,636,014	11,414,436
Transfers from reserves	28	578,397	(578,397)	0	0
Transfers to reserves	28	(733,124)	733,124	0	0
<b>Balance as at 30 June 2022</b>		<b>25,574,722</b>	<b>4,808,385</b>	<b>75,233,406</b>	<b>105,616,513</b>

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



**SHIRE OF DENMARK  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		7,077,612	7,053,662	6,569,493
Operating grants, subsidies and contributions		2,659,667	3,244,490	2,851,663
Fees and charges		3,644,429	3,458,312	3,186,752
Interest received		64,486	72,908	83,080
Goods and services tax received		403,366	0	397,496
Other revenue		306,406	188,487	289,180
		<u>14,155,966</u>	<u>14,017,859</u>	<u>13,377,664</u>
<b>Payments</b>				
Employee costs		(7,325,826)	(6,939,943)	(6,472,164)
Materials and contracts		(6,027,730)	(5,748,866)	(2,295,378)
Utility charges		(225,932)	(220,985)	(219,277)
Finance costs		(98,198)	(123,877)	(112,481)
Insurance paid		(431,694)	(427,679)	(423,325)
Goods and services tax paid		(231,030)	0	(566,295)
Other expenditure		(386,994)	(445,300)	(411,539)
		<u>(14,727,404)</u>	<u>(13,906,650)</u>	<u>(10,500,459)</u>
<b>Net cash provided by (used in) operating activities</b>	17(b)	(571,438)	111,209	2,877,205
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(396,054)	(5,352,650)	(844,906)
Payments for construction of infrastructure	9(a)	(2,687,165)	(3,620,551)	(4,966,861)
Non-operating grants, subsidies and contributions		2,474,294	4,411,103	4,665,549
Proceeds from financial assets at amortised cost - self supporting loans		22,872	0	22,049
Proceeds from sale of property, plant & equipment	10(b)	85,320	147,000	72,880
		<u>(500,733)</u>	<u>(4,415,098)</u>	<u>(1,051,289)</u>
<b>Net cash provided by (used in) investing activities</b>				
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	27(a)	(199,801)	(272,505)	(245,165)
Payments for principal portion of lease liabilities	27(c)	(104,742)	(102,490)	(128,395)
Proceeds from new borrowings	27(a)	0	2,279,225	0
		<u>(304,543)</u>	<u>1,904,230</u>	<u>(373,560)</u>
<b>Net cash provided by (used in) financing activities</b>				
<b>Net increase (decrease) in cash held</b>		(1,376,717)	(2,399,659)	1,452,354
Cash at beginning of year		8,254,599	8,254,445	6,802,245
<b>Cash and cash equivalents at the end of the year</b>	17(a)	<u>6,877,882</u>	<u>5,854,786</u>	<u>8,254,599</u>

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



**SHIRE OF DENMARK  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>	26(b)	1,582,425	1,553,964	1,659,493
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities (excluding general rate)</b>				
Operating grants, subsidies and contributions		2,473,161	3,289,288	2,417,208
Fees and charges		3,644,429	3,458,312	3,186,752
Interest earnings		64,486	72,908	83,080
Other revenue		306,406	188,487	289,180
Profit on asset disposals	10(b)	47,105	54,000	42,716
Fair value adjustments to financial assets at fair value through profit or loss		2,998	0	1,939
		<u>6,538,585</u>	<u>7,062,995</u>	<u>6,020,875</u>
<b>Expenditure from operating activities</b>				
Employee costs		(7,162,734)	(6,939,943)	(6,560,422)
Materials and contracts		(4,467,775)	(5,502,014)	(3,244,949)
Utility charges		(225,932)	(220,985)	(219,277)
Depreciation		(3,494,777)	(3,820,875)	(4,647,759)
Finance costs		(98,198)	(123,877)	(112,481)
Insurance		(431,694)	(427,679)	(423,325)
Other expenditure		(386,994)	(445,300)	(411,539)
Loss on asset disposals	10(b)	(2,492)	(34,000)	0
		<u>(16,270,596)</u>	<u>(17,514,673)</u>	<u>(15,619,752)</u>
Non-cash amounts excluded from operating activities	26(a)	3,567,020	3,939,618	4,645,341
<b>Amount attributable to operating activities</b>		<u>(6,164,991)</u>	<u>(6,512,060)</u>	<u>(4,953,536)</u>
<b>INVESTING ACTIVITIES</b>				
Capital grants, subsidies and contributions		2,474,294	4,411,103	4,665,549
Proceeds from disposal of assets	10(b)	85,320	147,000	72,880
Proceeds from financial assets at amortised cost - self supporting loans	27(a)	22,872	0	22,049
Purchase of property, plant and equipment	8(a)	(396,054)	(5,352,650)	(844,906)
Purchase and construction of infrastructure	9(a)	(2,687,165)	(3,620,551)	(4,966,861)
		<u>(500,733)</u>	<u>(4,415,098)</u>	<u>(1,051,289)</u>
<b>Amount attributable to investing activities</b>		<u>(500,733)</u>	<u>(4,415,098)</u>	<u>(1,051,289)</u>
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	27(a)	(199,801)	(272,505)	(245,165)
Proceeds from borrowings	27(a)	0	2,279,225	0
Payments for principal portion of lease liabilities	27(c)	(104,742)	(102,490)	(128,395)
Transfers to reserves (restricted assets)	28	(733,124)	(731,612)	(798,114)
Transfers from reserves (restricted assets)	28	578,397	1,146,914	520,523
<b>Amount attributable to financing activities</b>		<u>(459,270)</u>	<u>2,319,532</u>	<u>(651,151)</u>
<b>Surplus/(deficit) before imposition of general rates</b>		<u>(5,542,569)</u>	<u>(7,053,662)</u>	<u>(4,996,483)</u>
<b>Total amount raised from general rates</b>	25(a)	7,036,139	7,053,662	6,578,908
<b>Surplus/(deficit) after imposition of general rates</b>	26(b)	<u><b>1,493,570</b></u>	<u><b>0</b></u>	<u><b>1,582,425</b></u>

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



**SHIRE OF DENMARK**  
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**FOR THE YEAR ENDED 30 JUNE 2022**

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**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**1. BASIS OF PREPARATION**

The financial report comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

**Local Government Act 1995 requirements**

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**The local government reporting entity**

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 of the financial report.

**Judgements and 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.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- estimation of useful lives of non-current assets
- estimation uncertainties made in relation to lease accounting

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Operating grants, subsidies and contributions with / from customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Easte treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	Output method based on works completed

Consideration from contracts with customers is included in the transaction price.

**Revenue Recognition**

Revenue recognised during the year under each basis of recognition by nature or types of goods or services is provided in the table below:

**For the year ended 30 June 2022**

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Operating grants, subsidies and contributions	566,977	0	0	0	566,977
Fees and charges	0	0	2,547,936	0	2,547,936
Interest earnings	0	0	32,560	0	32,560
Other revenue	0	0	0	4,000	4,000
Capital grants, subsidies and contributions	0	2,474,294	0	0	2,474,294
<b>Total</b>	<b>566,977</b>	<b>2,474,294</b>	<b>2,580,496</b>	<b>4,000</b>	<b>5,625,767</b>

**For the year ended 30 June 2021**

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Operating grants, subsidies and contributions	895,713	0	0	0	895,713
Fees and charges	0	0	2,450,677	0	2,450,677
Interest earnings	0	0	39,787	0	39,787
Other revenue	0	0	0	4,000	4,000
Capital grants, subsidies and contributions	0	4,665,549	0	0	4,665,549
<b>Total</b>	<b>895,713</b>	<b>4,665,549</b>	<b>2,490,464</b>	<b>4,000</b>	<b>8,055,726</b>

Note	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
<b>Interest earnings</b>			
Financial assets at amortised cost - self supporting loans	14,035	14,598	12,749
Interest on reserve funds	9,920	8,408	17,631
Rates instalment and penalty interest (refer Note 25(c))	32,560	41,000	39,787
Other interest earnings	7,971	8,902	12,913
	<b>64,486</b>	<b>72,908</b>	<b>83,080</b>

**(b) Expenses**

**Auditors remuneration**

- Audit of the Annual Financial Report	32,600	34,000	32,000
- Other services	5,600	5,000	3,100
	<b>38,200</b>	<b>39,000</b>	<b>35,100</b>

**Finance costs**

Borrowings	27(a)	95,334	118,759	107,778
Lease liabilities	27(c)	2,864	5,118	4,703
		<b>98,198</b>	<b>123,877</b>	<b>112,481</b>

**Other expenditure**

Sundry expenses		386,994	445,300	411,539
		<b>386,994</b>	<b>445,300</b>	<b>411,539</b>

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**3. CASH AND CASH EQUIVALENTS**

Note	2022	2021
	\$	\$
Cash at bank and on hand	1,319,497	940,312
Term deposits	5,558,385	7,314,287
<b>Total cash and cash equivalents</b>	<b>6,877,882</b>	<b>8,254,599</b>
17(a)		
Held as		
- Unrestricted cash and cash equivalents	2,069,497	3,600,943
- Restricted cash and cash equivalents	4,808,385	4,653,656
17(a)	<b>6,877,882</b>	<b>8,254,599</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and 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.

Bank overdrafts (if applicable) are reported as short term borrowings in current liabilities in the statement of financial position.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

**Restricted financial assets**

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

Details of restrictions on financial assets can be found at Note 17.

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

	2022	2021
	\$	\$
Financial assets at amortised cost	23,729	22,872
	<b>23,729</b>	<b>22,872</b>

**Other financial assets at amortised cost**

Self supporting loans receivable	26(b) 23,729	22,872
	<b>23,729</b>	<b>22,872</b>

Held as

- Unrestricted other financial assets at amortised cost	23,729	22,872
	<b>23,729</b>	<b>22,872</b>

**(b) Non-current assets**

Financial assets at amortised cost	461,163	484,892
Financial assets at fair value through profit and loss	58,453	55,455
	<b>519,616</b>	<b>540,347</b>

**Financial assets at amortised cost**

Self supporting loans receivable	326,463	350,192
Other Financial Assets	134,700	134,700
	<b>461,163</b>	<b>484,892</b>

**Financial assets at fair value through profit and loss**

Units in Local Government House Trust	58,353	55,355
Denmark Co-op Shares	100	100
	<b>58,453</b>	<b>55,455</b>

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 27(a) as self supporting loans.

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 23 (i)) due to the observable market rates.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

**Financial assets at fair value through profit and loss**

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 21.



**SHIRE OF DENMARK  
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**5. TRADE AND OTHER RECEIVABLES**

	Note	2022	2021
		\$	\$
<b>Current</b>			
Rates receivable		316,882	392,444
Trade and other receivables		188,977	45,358
GST receivable		27,279	199,615
		533,138	637,417
<b>Non-current</b>			
Pensioner's rates and ESL deferred		84,185	70,008
Receivables for employee related provisions	15	41,209	0
		125,394	70,008

**SIGNIFICANT ACCOUNTING POLICIES**

**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 grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 21.

**Classification and subsequent measurement**

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

**6. INVENTORIES**

	Note	2022	2021
		\$	\$
<b>Current</b>			
Fuel and materials		101,695	112,195
		101,695	112,195

The following movements in inventories occurred during the year:

<b>Balance at beginning of year</b>		112,195	160,415
Inventories expensed during the year		(376,967)	(267,854)
Additions to inventory		366,467	219,634
<b>Balance at end of year</b>		101,695	112,195

**SIGNIFICANT ACCOUNTING POLICIES**

**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 held for development and 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.

**Land held for resale (Continued)**

Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

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

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**7. OTHER ASSETS**

	<u>2022</u>	<u>2021</u>	
	\$	\$	
<b>Other assets - current</b>			
Prepayments	5,118	0	
Accrued income	11,006	109,518	
Contract assets	747,968	694,095	
	<u>764,092</u>	<u>803,613</u>	
	<b>30 June 2022 Actual</b>	<b>30 June 2021 Actual</b>	<b>1 July 2020 Actual</b>
<b>Contract assets</b>	\$	\$	\$
Contract assets	747,968	694,095	213,775
Loss Allowance	0	0	0
Total Contract Assets	<u>747,968</u>	<u>694,095</u>	<u>213,775</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

**Contract assets**

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at the end of the period.

Impairment of assets associated with contracts with customers are detailed at note 2 (b).

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8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

Note	Land \$	Buildings \$	Total land and buildings \$	Furniture and equipment \$	Plant and equipment \$	Total property, plant and equipment \$
<b>Balance as at 30 June 2020</b>	3,206,517	23,421,236	26,627,753	109,422	4,262,039	30,999,214
Correction of prior period error	0	(1,664,092)	(1,664,092)	0	0	(1,664,092)
<b>Restated Balance at 1 July 2020</b>	3,206,517	21,757,144	24,963,661	109,422	4,262,039	29,335,122
Additions	0	272,782	272,782	0	572,124	844,906
Disposals	0	0	0	0	(30,164)	(30,164)
Depreciation	0	(642,007)	(642,007)	(43,266)	(1,180,026)	(1,865,299)
<b>Balance at 30 June 2021</b>	3,206,517	21,387,919	24,594,436	66,156	3,623,973	28,284,565
<b>Comprises:</b>						
Gross balance amount at 30 June 2021	3,206,517	23,915,371	27,121,888	569,117	8,907,647	36,598,652
Accumulated depreciation at 30 June 2021	0	(2,527,452)	(2,527,452)	(502,961)	(5,283,674)	(8,314,087)
<b>Balance at 30 June 2021</b>	3,206,517	21,387,919	24,594,436	66,156	3,623,973	28,284,565
Additions	0	97,656	97,656	0	298,398	396,054
Disposals	0	0	0	0	(40,707)	(40,707)
Revaluation increments / (decrements) transferred to revaluation surplus	1,374,483	10,261,531	11,636,014	0	0	11,636,014
Depreciation	0	(641,493)	(641,493)	(33,852)	(739,333)	(1,414,678)
Transfers	0	(109,262)	(109,262)	0	(86,232)	(195,494)
<b>Balance at 30 June 2022</b>	4,581,000	30,996,351	35,577,351	32,304	3,056,099	38,665,754
<b>Comprises:</b>						
Gross balance amount at 30 June 2022	4,581,000	50,271,600	54,852,600	408,613	8,864,173	64,125,386
Accumulated depreciation at 30 June 2022	0	(19,275,249)	(19,275,249)	(376,309)	(5,808,074)	(25,459,632)
<b>Balance at 30 June 2022</b>	4,581,000	30,996,351	35,577,351	32,304	3,056,099	38,665,754

**SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**8. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2022	Using market value
Buildings	2	Market	Independent registered valuer	June 2022	Using market value and current condition, residual values and remaining useful life assessments

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.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

<b>(ii) Cost</b>					
<b>Furniture and equipment</b>					
		Cost approach using current replacement cost	Cost approach		Price per item
<b>Plant and equipment</b>					
		Cost approach using current replacement cost	Cost approach		Price per item

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**9. INFRASTRUCTURE**

**(a) Movements in Balances**

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

Note	Infrastructure - Roads & Paths \$	Infrastructure - Parks & Reserves \$	Infrastructure - Airstrip \$	Infrastructure - Bridges \$	Total Infrastructure \$
<b>Balance at 1 July 2020</b>	48,826,340	2,535,605	780,866	8,140,663	60,283,474
Additions	3,231,531	54,577	0	1,680,753	4,966,861
Depreciation	(2,270,022)	(199,583)	(19,213)	(165,783)	(2,654,601)
<b>Balance at 30 June 2021</b>	49,787,849	2,390,599	761,653	9,655,633	62,595,734
<b>Comprises:</b>					
Gross balance at 30 June 2021	99,233,753	4,644,618	962,734	14,186,920	119,028,025
Accumulated depreciation at 30 June 2021	(49,445,904)	(2,254,019)	(201,081)	(4,531,287)	(56,432,291)
<b>Balance at 30 June 2021</b>	49,787,849	2,390,599	761,653	9,655,633	62,595,734
Additions	2,060,423	501,111	113,637	11,994	2,687,165
Depreciation	(1,550,407)	(202,312)	(19,214)	(199,397)	(1,971,330)
Transfers	0	195,494	0	0	195,494
<b>Balance at 30 June 2022</b>	50,297,865	2,884,892	856,076	9,468,230	63,507,063
<b>Comprises:</b>					
Gross balance at 30 June 2022	101,294,177	5,397,674	1,076,371	14,198,914	121,967,136
Accumulated depreciation at 30 June 2022	(50,996,312)	(2,512,782)	(220,295)	(4,730,684)	(58,460,073)
<b>Balance at 30 June 2022</b>	50,297,865	2,884,892	856,076	9,468,230	63,507,063

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 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - Roads & Paths	3	Cost approach using current replacement cost	Independent Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Parks & Reserves	3	Cost approach using current replacement cost	Independent Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Airstrip	3	Cost approach using current replacement cost	Independent Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Bridges	3	Cost approach using current replacement cost	Independent Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments

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.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

**SHIRE OF DENMARK**  
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**10. FIXED ASSETS**

**(a) Depreciation**

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	8(a)	641,493	635,278	642,007
Furniture and equipment	8(a)	33,852	39,420	43,266
Plant and equipment	8(a)	739,333	1,205,549	1,180,026
Infrastructure - Roads & Paths	9(a)	1,550,407	1,428,399	2,270,022
Infrastructure - Parks & Reserves	9(a)	202,312	206,794	199,583
Infrastructure - Airstrip	9(a)	19,214	19,300	19,213
Infrastructure - Bridges	9(a)	199,397	183,645	165,783
Right-of-use assets - plant and equipment	11(a)	108,769	102,490	127,859
		<u>3,494,777</u>	<u>3,820,875</u>	<u>4,647,759</u>

**Depreciation rates**

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	40 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Right of use (plant and equipment)	Based on the remaining lease

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10. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	40,707	85,320	47,105	(2,492)	127,000	147,000	54,000	(34,000)	30,164	72,880	42,716	0
	40,707	85,320	47,105	(2,492)	127,000	147,000	54,000	(34,000)	30,164	72,880	42,716	0

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
	\$	\$	\$	\$
<b>Plant and Equipment</b>				
<b>Recreation and culture</b>				
John Deere Mower	15,707	13,215	0	(2,492)
<b>Transport</b>				
Nissan UD GW470 Truck	25,000	72,105	47,105	0
	40,707	85,320	47,105	(2,492)



## 10. FIXED ASSETS (Continued)

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

#### Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

#### Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

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 zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire 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 that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

#### Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

At the end of each period the carrying amount for each asset class is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

#### Revaluation (continued)

For property, plant and equipment and infrastructure, 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 class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

#### Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, 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.

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.

#### Depreciation on revaluation

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

#### Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 10(a).

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**11. LEASES**

**(a) Right-of-Use Assets**

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - plant and equipment	Right-of-use assets Total
		\$	\$
<b>Balance at 1 July 2020</b>		240,456	240,456
Additions		136,186	136,186
Revaluation (loss) / reversals transferred to profit or loss		(26,765)	(26,765)
Depreciation		(127,859)	(127,859)
<b>Balance at 30 June 2021</b>		222,018	222,018
Gains/(losses) from sale and leaseback transactions		(3,120)	(3,120)
Depreciation	10(a)	(108,769)	(108,769)
<b>Balance at 30 June 2022</b>		110,129	110,129

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

		2022 Actual	2021 Actual
		\$	\$
Depreciation on right-of-use assets	10(a)	(108,769)	(127,859)
Interest expense on lease liabilities	27(c)	(2,864)	(4,703)
<b>Total amount recognised in the statement of comprehensive income</b>		(111,633)	(132,562)
Total cash outflow from leases		(107,606)	(133,098)

**(b) Lease Liabilities**

Current		82,250	104,743
Non-current		31,367	116,738
	27(c)	113,617	221,481

**Secured liabilities and assets pledged as security**

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 27(c).

**Right-of-use assets - valuation measurement**

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the significant accounting policies applying to vested improvements.

**Right-of-use assets - depreciation**

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

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**12. TRADE AND OTHER PAYABLES**

**Current**

	<u>2022</u>	<u>2021</u>
	\$	\$
Sundry creditors	740,787	2,227,639
Prepaid rates	71,734	91,646
Accrued payroll liabilities	20,365	183,959
Bonds and deposits held	200,882	247,147
Accrued Interest on Loans	9,851	10,714
Income in Advance	27,100	11,389
Accrued Expenses	128,229	219,936
	<u>1,198,948</u>	<u>2,992,430</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. 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.

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire 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 usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**Prepaid rates**

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

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**13. OTHER LIABILITIES**

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>Current</b>		
Contract liabilities	775,904	474,570
	<u>775,904</u>	<u>474,570</u>
<b>Non-current</b>		
Contract liabilities	500,238	430,238
	<u>500,238</u>	<u>430,238</u>
<b>Reconciliation of changes in contract liabilities</b>		
Opening balance	904,808	625,536
Additions	845,904	102,693
Revenue from contracts with customers included as a contract liability at the start of the period	<u>(474,570)</u>	<u>176,579</u>
	1,276,142	904,808

The Shire expects to satisfy the performance obligations from contracts with customers classified as current liabilities unsatisfied at the end of the reporting period to be satisfied within the next 12 months.

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

**Capital grant/contribution liabilities**

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as revenue when the obligations in the contract are satisfied.

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

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**14. BORROWINGS**

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Debentures		171,350	1,495,117	1,666,467	199,801	1,666,467	1,866,268
<b>Total secured borrowings</b>	27(a)	171,350	1,495,117	1,666,467	199,801	1,666,467	1,866,268

**Secured liabilities and assets pledged as security**

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Denmark.

The Shire of Denmark has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 years.

**SIGNIFICANT ACCOUNTING POLICIES**

**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.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

**Risk**

Information regarding exposure to risk can be found at Note 21.

Details of individual borrowings required by regulations are provided at Note 27(a).

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**15. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual Leave, Time in Lieu & Accrued RDO's	745,035	798,577
Long Service Leave	498,040	429,955
	<u>1,243,075</u>	<u>1,228,532</u>
<b>Non-current provisions</b>		
Long Service Leave	113,730	127,771
	<u>113,730</u>	<u>127,771</u>
	<u>1,356,805</u>	<u>1,356,303</u>

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

**Amounts are expected to be settled on the following basis:**

	<u>Note</u>	<u>2022</u>	<u>2021</u>
		\$	\$
Less than 12 months after the reporting date		461,538	437,517
More than 12 months from reporting date		895,267	918,786
		<u>1,356,805</u>	<u>1,356,303</u>

Expected reimbursements of employee related provisions from other WA local governments included within other receivables

5	41,209	0
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**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

**Short-term employee benefits**

Provision is made for the Shire'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 Shire'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.

**Other long-term employee benefits**

Long-term employee benefits provisions 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 of 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.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire 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.

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16. REVALUATION SURPLUS

	2022 Opening Balance \$	2022 Revaluation Increment \$	2022 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2022 Closing Balance \$	2021 Opening Balance \$	2021 Revaluation Increment \$	2021 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2021 Closing Balance \$
Revaluation surplus - Plant and equipment	2,572,846	0	0	0	2,572,846	2,572,846	0	0	0	2,572,846
Revaluation surplus - Land & Buildings	10,637,835	11,636,014	0	11,636,014	22,273,849	10,637,835	0	0	0	10,637,835
Revaluation surplus - Other infrastructure	50,386,711	0	0	0	50,386,711	50,386,711	0	0	0	50,386,711
	63,597,392	11,636,014	0	11,636,014	75,233,406	63,597,392	0	0	0	63,597,392

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

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**17. 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:

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	6,877,882	5,854,786	8,254,599

**Restrictions**

The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	3	4,808,385	4,238,354	4,653,656
		<u>4,808,385</u>	<u>4,238,354</u>	<u>4,653,656</u>

The restricted financial assets are a result of the following specific purposes to which the assets may be used:

Restricted reserve accounts	28	4,808,385	4,238,354	4,653,656
<b>Total restricted financial assets</b>		<u>4,808,385</u>	<u>4,238,354</u>	<u>4,653,656</u>

**(b) Reconciliation of Net Result to Net Cash Provided  
By Operating Activities**

Net result		(221,578)	1,013,087	1,645,580
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(2,998)	0	(1,939)
Depreciation/amortisation		3,494,777	3,820,875	4,647,759
(Profit)/loss on sale of asset		(44,613)	(20,000)	(42,716)
Loss on revaluation of fixed assets		0	0	0
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		48,893	(108,560)	(3,489)
(Increase)/decrease in other assets		39,521	32,480	(539,559)
(Increase)/decrease in inventories		10,500	(24,682)	48,220
Increase/(decrease) in trade and other payables		(1,793,482)	(222,170)	1,462,810
Increase/(decrease) in employee related provisions		502	0	0
Increase/(decrease) in other provisions		0	0	46,816
Increase/(decrease) in other liabilities		371,334	31,282	279,272
Non-operating grants, subsidies and contributions		(2,474,294)	(4,411,103)	(4,665,549)
Net cash provided by/(used in) operating activities		<u>(571,438)</u>	<u>111,209</u>	<u>2,877,205</u>

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	25,000	20,000
Credit card balance at balance date	<u>(2,831)</u>	<u>(3,303)</u>
<b>Total amount of credit unused</b>	22,169	16,697

**Loan facilities**

Loan facilities - current	171,350	199,801
Loan facilities - non-current	<u>1,495,117</u>	<u>1,666,467</u>
<b>Total facilities in use at balance date</b>	1,666,467	1,866,268

<b>Unused loan facilities at balance date</b>	0	0
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**SHIRE OF DENMARK**  
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**18. CONTINGENT LIABILITIES**

In compliance with the Contaminated Sites Act 2003 Section 11, the Shire has listed a site to be a possible source of contamination. Details of that site are:

- McIntosh Road Denmark Waste Management Facility

The Shire has a licence agreement with the Department of Water and Environmental Regulation which requires the site to be remediated at the end of its current permitted use.

Until the Shire conducts an investigation to determine the presence and scope of the contamination, assess the risk, and agree with the Department of Water and Environmental Regulation (DWER) on the need and criteria for remediation on a risk based approach, the Shire is unable to estimate the potential costs associated with the remediation of this site. This approach is consistent with the Department of Water and Environmental Regulation guidelines.

**19. CAPITAL COMMITMENTS**

	<u>2022</u>	<u>2021</u>
	\$	\$
Contracted for:		
- capital expenditure projects	271,300	554,084
- plant & equipment purchases	724,205	0
	<u>995,505</u>	<u>554,084</u>
Payable:		
- not later than one year	995,505	554,084

As at 30 June 2021 the Shire had two (2) capital commitments in relation to works to be completed. The first was to Denmark Plumbing Service in relation to the water re-use pipeline project works at McLean Oval and totalled \$206,397 inclusive of GST. The second related to ongoing works for the reconstruction of a section of Peaceful Bay Road for a tender awarded to WCP Civil. The amount outstanding as at 30 June 2021 was \$347,687 inclusive of GST. Both projects were budgeted for during the 2021-2022 financial year but only the Peaceful Bay Road project was completed.

As at 30 June 2022 the Shire has three (3) capital commitments in relation to ongoing works. The first is in relation to the water re-use pipeline project at McLean Oval and totals \$188,033 inclusive of GST and includes payments still due to Denmark Plumbing Service. The remainder totalling \$83,267 inclusive of GST relates to two (2) MRWA road reconstruction projects for Ocean Beach Road and Mount Shadforth Road which require completion.

All projects have been budgeted for completion during the 2022-2023 financial year.

The Shire also ordered several items of plant & equipment budgeted for replacement during 2021-2022, due to delays in supply experienced worldwide these items with a total value of \$724,205 including GST were not received as at 30 June 2022.

The expenditure associated with these acquisitions which include a replacement Waste Collection Truck has been included in the adopted budget for the 2022-2023 financial year.

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**20. RELATED PARTY TRANSACTIONS**

(a) Elected Member Remuneration	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Councillor C Gearon</b>				
President's annual allowance		23,957	23,957	12,671
Meeting attendance fees		10,639	10,639	10,302
Annual allowance for ICT expenses		2,555	2,555	2,472
Travel and accommodation expenses		0	1,200	0
		37,151	38,351	25,445
<b>Councillor K Gibson</b>				
Deputy President's allowance		4,209	4,242	0
Meeting attendance fees		10,639	10,639	10,302
Annual allowance for ICT expenses		2,555	2,555	2,472
Travel and accommodation expenses		0	850	0
		17,403	18,286	12,774
<b>Councillor J Lewis</b>				
Meeting attendance fees		10,639	10,639	10,302
Annual allowance for ICT expenses		2,555	2,555	2,472
Travel and accommodation expenses		2,557	850	0
		15,751	14,044	12,774
<b>Councillor J Phillips</b>				
Meeting attendance fees		10,639	10,639	10,302
Annual allowance for ICT expenses		2,555	2,555	2,472
Travel and accommodation expenses		0	850	0
		13,194	14,044	12,774
<b>Councillor C Campbell (from October 2021)</b>				
Meeting attendance fees		7,535	10,639	0
Annual allowance for ICT expenses		1,810	2,555	0
Travel and accommodation expenses		0	850	0
		9,345	14,044	0
<b>Councillor D Carman (from October 2021)</b>				
Meeting attendance fees		7,535	7,535	0
Annual allowance for ICT expenses		1,810	1,810	0
Travel and accommodation expenses		0	600	0
		9,345	9,945	0
<b>Councillor J Ormsby (from October 2021)</b>				
Meeting attendance fees		7,535	7,535	0
Annual allowance for ICT expenses		1,810	1,810	0
Travel and accommodation expenses		0	600	0
		9,345	9,945	0
<b>Councillor N Devenport (from October 2021)</b>				
Meeting attendance fees		7,535	7,535	0
Annual allowance for ICT expenses		1,810	1,810	0
Travel and accommodation expenses		0	600	0
		9,345	9,945	0
<b>Councillor D Clarke (from October 2021)</b>				
Meeting attendance fees		7,535	7,535	0
Annual allowance for ICT expenses		1,810	1,810	0
Travel and accommodation expenses		0	600	0
		9,345	9,945	0
<b>Councillor M Allen (to October 2021)</b>				
Deputy President's allowance		1,760	1747	3168
Meeting attendance fees		3,126	3,104	10,302
Other expenses		0	0	55
Annual allowance for ICT expenses		750	745	2,472
Travel and accommodation expenses		0	250	0
		5,636	5,846	15,997

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**20. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration (continued)**

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Councillor I Osborne (to October 2021)</b>			
Meeting attendance fees	3,126	3,104	10,302
Annual allowance for ICT expenses	750	745	2,472
Travel and accommodation expenses	242	250	945
	4,118	4,099	13,719
<b>Councillor R Seeney (to October 2021)</b>			
Meeting attendance fees	3,126	3,104	10,302
Annual allowance for ICT expenses	750	745	2,472
Travel and accommodation expenses	0	250	0
	3,876	4,099	12,774
<b>Councillor G Bowley (to October 2021)</b>			
Meeting attendance fees	3,126	3,104	10,302
Annual allowance for ICT expenses	750	745	2,472
Travel and accommodation expenses	0	250	0
	3,876	4,099	12,774
<b>Councillor S Jones (retired 2020)</b>			
Meeting attendance fees	0	0	5,151
Annual allowance for ICT expenses	0	0	1,236
	0	0	6,387
	147,730	156,692	125,418

Fees, expenses and allowances to be paid or reimbursed to elected council members.

	2022 Actual \$	2022 Budget \$	2021 Actual \$
President's annual allowance	23,957	23,957	12,671
Deputy President's annual allowance	5,969	5,989	3,168
Meeting attendance fees	92,735	95,751	87,567
Other expenses	0	0	55
Annual allowance for ICT expenses	22,270	22,995	21,012
Travel and accommodation expenses	2,799	8,000	945
20(b)	147,730	156,692	125,418

**(b) Key Management Personnel (KMP) Compensation**

The total of compensation paid to KMP of the Shire during the year are as follows:

	2022 Actual \$	2021 Actual \$
Short-term employee benefits	567,110	516,224
Post-employment benefits	63,369	61,510
Employee - other long-term benefits	12,221	11,511
Council member costs	147,730	125,418
20(a)	790,430	714,663

*Short-term employee benefits*

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

*Post-employment benefits*

These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

*Other long-term benefits*

These amounts represent annual leave and long service leave entitlements accruing during the year.

*Termination benefits*

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

*Council member costs*

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

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**20. RELATED PARTY TRANSACTIONS**

**(c) Transactions with related parties**

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
Sale of goods and services	75,697	95,895
Purchase of goods and services	41,953	29,657

**(d) Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel.

*ii. Other Related Parties*

An associate person of KMP was employed by the Shire under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

*iii. Entities subject to significant influence by the Shire*

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

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**21. FINANCIAL RISK MANAGEMENT**

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
<b>Market risk - interest rates</b>	Long term borrowings at variable rates.	Sensitivity analysis	Utilise fixed interest rate borrowings.
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets and debt investments.	Aging analysis, Credit analysis	Diversification of bank deposits, credit limits. Investment policy.
<b>Liquidity risk</b>	Borrowings and other liabilities.	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.

The Shire 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 finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

**(a) Interest rate risk**

**Cash and cash equivalents**

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2022</b>					
Cash and cash equivalents	0.003%	6,877,882	5,558,385	1,309,225	10,272
<b>2021</b>					
Cash and cash equivalents	0.002%	8,254,599	7,314,287	930,040	10,272

**Sensitivity**

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit and loss and equity*	68,779	82,546

\* Holding all other variables constant

**Borrowings**

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire 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 Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 27(a).

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**21. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

**Trade and Other Receivables**

The Shire's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire 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 the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Shire is 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.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
<b>30 June 2022</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	112,596	89,148	48,952	66,186	316,882	
Loss allowance	0	0	0	0	0	5
<b>30 June 2021</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	217,794	97,334	48,104	29,212	392,444	
Loss allowance	0	0	0	0	0	5

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
<b>30 June 2022</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	164,893	15,124	959	8,001	188,977	
Loss allowance	0	0	0	0	0	5
<b>30 June 2021</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	32,133	901	6,258	6,066	45,358	
Loss allowance	0	0	0	0	0	5

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**21. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

The loss allowances for trade receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Rates receivable		Trade and other receivables		Contract Assets	
	2022	2021	2022	2021	2022	2021
	Actual	Actual	Actual	Actual	Actual	Actual
Opening loss allowance as at 1 July	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Closing loss allowance at 30 June	0	0	0	0	0	0

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

**Contract Assets**

The Shire's contract assets represent work completed, which have not been invoiced at year end. This is due to the Shire not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The Shire applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Shire has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

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**21. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Liquidity risk**

**Payables and 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. The Shire 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 and disclosed in Note 17(c).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b><u>2022</u></b>					
Trade and other payables	1,198,948	0	0	1,198,948	1,198,948
Borrowings	244,178	896,053	939,971	2,080,202	1,666,467
Lease liabilities	82,250	31,367	0	113,617	113,617
	<u>1,525,376</u>	<u>927,420</u>	<u>939,971</u>	<u>3,392,767</u>	<u>2,979,032</u>
<b><u>2021</u></b>					
Trade and other payables	2,992,430	0	0	2,992,430	2,992,430
Borrowings	284,233	1,003,338	1,116,919	2,404,490	1,866,268
Lease liabilities	104,743	116,738	0	221,481	221,481
	<u>3,381,406</u>	<u>1,120,076</u>	<u>1,116,919</u>	<u>5,618,401</u>	<u>5,080,179</u>



**SHIRE OF DENMARK  
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**22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

The Shire of Denmark did not have any events occurring after the reporting date that have had a significant effect on the financial statements for the year ended 30 June 2022.

## **23. OTHER SIGNIFICANT ACCOUNTING POLICIES**

### **a) 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.

### **b) Current and non-current classification**

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire 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 or non-current based on the Shire's intentions to release for sale.

### **c) Rounding off figures**

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

### **d) Comparative figures**

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

### **e) 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.

### **f) Superannuation**

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

### **g) Fair value of assets and liabilities**

Fair value is the price that the Shire 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 specific asset or liability. The fair values of assets 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.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) 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.

### **h) Interest earnings**

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

### **i) 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.

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 Shire 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 Shire 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 the service capacity of an asset.

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 Shire 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 are 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.

### **j) Impairment of assets**

In accordance with Australian Accounting Standards the Shire's cash generating non-specialise 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 (e.g. 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 specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

### **k) Initial application of accounting standards**

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

### **New accounting standards for application in future years**

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

It is not expected these standards will have an impact on the financial report.

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**24. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

<b>Objective</b>	<b>Description</b>
<p><b>Governance</b> To provide a decision making process for the effective allocation of scarce resources</p>	Administration and operation of facilities and services to elected members of Council; other costs that relate to strategic planning, policy making and assisting elected members and ratepayers on matters which do not directly relate to other specific Council services.
<p><b>General purpose funding</b> To collect revenue to allow for the provision of Council services.</p>	Rates, interest revenue and other general purpose government funding grants together with any expenses incurred in realising these incomes.
<p><b>Law, order, public safety</b> To provide services to help ensure a safer and environmentally conscious community.</p>	Supervision and enforcement of various Local Laws, fire prevention, animal control and other aspects of public safety including emergency services.
<p><b>Health</b> To provide an operational framework for environmental and community health needs.</p>	Inspections and controls of various food outlets, noise control, waste disposal compliance, pest control.
<p><b>Education and welfare</b> To provide services for the elderly, children and youth.</p>	Youth service, disability service and aged service support programs.
<p><b>Housing</b> To provide and maintain elderly residents housing.</p>	Costs associated with the redevelopment of the Hardy Street property.
<p><b>Community amenities</b> To provide a range of general amenity services required by the community.</p>	Includes rubbish collection and disposal services, recycling initiatives, septic tank inspection services, urban stormwater drainage networks, environmental protection initiatives, cemetery facility operation costs, as well as the administration of Council's Town Planning Scheme and associated policies and obligations.
<p><b>Recreation and culture</b> To establish and effectively manage infrastructure and resources which assist in the social well-being of the community.</p>	Maintenance of public halls, swimming areas and beaches, various recreation and natural reserves, recreation programs, the operation of the library facility, the maintenance and operation of the Recreation Centre and assistance to local sporting clubs and organisations.
<p><b>Transport</b> To provide safe, effective and efficient transport services to the community.</p>	Construction and maintenance of roads, bridges, drainage networks, footpaths, parking facilities, local traffic signs and the depot facility. This program also includes street cleaning, street lighting and the control and maintenance of the regional airport. Road Plant purchases.
<p><b>Economic services</b> To help promote the Shire and its economic wellbeing.</p>	The regulation and provision of tourism initiatives and facilities including the Denmark Tourism Association, Parry Beach camping grounds and area promotion. Building Controls, income and expenditure relating to the old sale yard facilities site and operation of the lime sand quarry. Provision of rural services including standpipes.
<p><b>Other property and services</b> To monitor and control Council's overheads operating accounts.</p>	Private works operations, plant repairs and operation costs, engineering supervision operating costs, stock and salaries & wages allocations.

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**24. FUNCTION AND ACTIVITY (Continued)**

**(b) Income and expenses**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Income excluding grants, subsidies and contributions</b>			
Governance	69,664	19,854	78,188
General purpose funding	7,191,772	7,184,462	6,769,101
Law, order, public safety	29,254	45,500	42,125
Health	27,905	18,500	24,369
Education and welfare	16,463	16,300	16,300
Community amenities	1,982,313	1,828,010	1,771,330
Recreation and culture	356,298	291,720	293,709
Transport	165,830	127,375	136,716
Economic services	1,220,207	1,249,848	1,001,342
Other property and services	41,857	45,800	49,395
	<b>11,101,563</b>	<b>10,827,369</b>	<b>10,182,575</b>
<b>Grants, subsidies and contributions</b>			
Governance	54,463	8,200	45,222
General purpose funding	1,337,348	483,761	1,104,709
Law, order, public safety	494,630	925,676	874,255
Education and welfare	35,581	37,500	64,486
Community amenities	36,252	2,000	256,123
Recreation and culture	572,151	2,669,002	185,689
Transport	2,189,057	3,411,552	4,363,596
Economic services	9,500	9,500	10,000
Other property and services	218,473	153,200	178,677
	<b>4,947,455</b>	<b>7,700,391</b>	<b>7,082,757</b>
<b>Total Income</b>	<b>16,049,018</b>	<b>18,527,760</b>	<b>17,265,332</b>
<b>Expenses</b>			
Governance	(994,343)	(939,079)	(849,834)
General purpose funding	(537,283)	(531,772)	(499,287)
Law, order, public safety	(2,001,990)	(2,625,318)	(2,447,434)
Health	(217,598)	(207,379)	(213,976)
Education and welfare	(330,961)	(330,889)	(357,009)
Housing	(31,654)	(31,653)	(64,160)
Community amenities	(3,292,896)	(3,292,032)	(3,033,179)
Recreation and culture	(3,065,754)	(3,151,723)	(2,642,756)
Transport	(4,367,603)	(5,098,096)	(4,451,689)
Economic services	(1,074,069)	(1,126,527)	(868,820)
Other property and services	(356,445)	(180,205)	(191,608)
<b>Total expenses</b>	<b>(16,270,596)</b>	<b>(17,514,673)</b>	<b>(15,619,752)</b>
<b>Net result for the period</b>	<b>(221,578)</b>	<b>1,013,087</b>	<b>1,645,580</b>

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**24. FUNCTION AND ACTIVITY (Continued)**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>(c) Fees and Charges</b>			
Governance	35,407	3,547	17,250
General purpose funding	79,821	53,000	85,717
Law, order, public safety	29,254	31,900	26,339
Health	27,905	18,500	24,369
Education and welfare	16,463	16,300	16,300
Community amenities	1,765,315	1,714,470	1,621,124
Recreation and culture	342,263	270,622	275,017
Transport	118,400	96,415	111,160
Economic services	1,220,207	1,246,758	1,001,342
Other property and services	9,394	6,800	8,134
	<b>3,644,429</b>	<b>3,458,312</b>	<b>3,186,752</b>
<b>(d) Total Assets</b>			
Governance	6,320,479	4,034,915	
General purpose funding	401,067	462,452	
Law, order, public safety	4,014,390	3,251,460	
Health	8,181	15,615	
Education and welfare	810,157	251,750	
Housing	148,296	205,590	
Community amenities	2,724,536	2,638,531	
Recreation and culture	23,964,801	18,870,949	
Transport	63,761,581	61,608,860	
Economic services	3,168,495	3,263,413	
Other property and services	2,100,896	2,657,311	
Unallocated	3,805,613	4,282,522	
	<b>111,228,492</b>	<b>101,543,368</b>	

SHIRE OF DENMARK  
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25. RATING INFORMATION

(a) General Rates

RATE TYPE	Basis of valuation	Rate in \$	Number of Properties	2021/22 Actual Rateable Value *	2021/22 Actual Rate Revenue	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Actual Total Revenue	2021/22 Budget Rate Revenue	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue
Rate Description		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Gross rental valuations</b>													
1 Non-Rural Improved	Gross rental valuation	0.099553	2,254	39,973,237	3,979,456	4,407	434	3,984,297	3,979,456	25,000	0	4,004,456	3,779,752
2 Holiday Purposes	Gross rental valuation	0.119464	131	1,971,372	235,508	0	0	235,508	235,508	0	0	235,508	214,855
3 Vacant	Gross rental valuation	0.198474	220	2,224,780	441,559	0	0	441,559	441,559	0	0	441,559	453,027
<b>Unimproved valuations</b>													
4 Rural	Unimproved valuation	0.005009	467	230,588,000	1,155,016	0	0	1,155,016	1,155,016	0	0	1,155,016	1,185,583
5 Rural - Add. Use 1 - Holiday Purposes	Unimproved valuation	0.006010	19	9,439,000	56,728	0	0	56,728	56,728	0	0	56,728	0
6 Rural - Add. Use 2 - Commercial	Unimproved valuation	0.008515	16	6,540,000	55,688	0	0	55,688	55,688	0	0	55,688	0
<b>Sub-Total</b>			3,107	290,736,389	5,923,955	4,407	434	5,928,796	5,923,955	25,000	0	5,948,955	5,633,217
<b>Minimum payment</b>													
<b>Gross rental valuations</b>													
Non-Rural Improved	Gross rental valuation	1,141	633	4,470,095	633,255	0	0	633,255	633,255	0	0	633,255	631,872
Holiday Purposes	Gross rental valuation	1,369	11	87,442	12,321	0	0	12,321	12,321	0	0	12,321	4,832
Vacant	Gross rental valuation	1,220	219	1,048,070	279,380	0	0	279,380	279,380	0	0	279,380	202,947
<b>Unimproved valuations</b>													
Rural	Unimproved valuation	1,397	159	29,490,217	203,962	0	0	203,962	203,962	0	0	203,962	228,310
Rural - Add. Use 1 - Holiday Purposes	Unimproved valuation	1,676	4	991,600	25,140	0	0	25,140	25,140	0	0	25,140	0
Rural - Add. Use 2 - Commercial	Unimproved valuation	2,654	5	1,467,000	13,270	0	0	13,270	13,270	0	0	13,270	0
<b>Sub-Total</b>			1,031	37,554,424	1,167,328	0	0	1,167,328	1,167,328	0	0	1,167,328	1,067,961
			4,138	328,290,813	7,091,283	4,407	434	7,096,124	7,091,283	25,000	0	7,116,283	6,701,178
Concessions and Waivers on general rates (Refer note 25(b))								(59,985)				(62,621)	(122,270)
<b>Total amount raised from general rates</b>								<b>7,036,139</b>				<b>7,053,662</b>	<b>6,578,908</b>

\* Rateable value is based on the value of properties at the time the rate is raised.

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 *Income for not-for-profit entities*.

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25. RATING INFORMATION (Continued)

(b) Waivers or Concessions

Rate of Fee and Charge to which the Waiver or Concession is Granted	Type	Waiver/ Concession	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$
Rates A5731 - Denmark Arts Council	Rate	Waiver	100	5,327	5,227	5,327	5,026
Rates A5585 - Denmark Boating & Angling Club	Rate	Waiver	100	1,709	1,676	1,709	1,343
Rates A5587 - DB&AC, Denmark Sea Rescue Group	Rate	Waiver	100	1,709	1,676	1,709	1,343
Rates A3565 - Denmark Clay Target Club	Rate	Waiver	100	1,709	1,676	1,709	1,343
Rates A5584 - Denmark Cottage Crafts Inc.	Rate	Waiver	100	1,163	1,141	1,163	1,097
Rates A3088 - Denmark Country Club Inc.	Rate	Waiver	100	2,770	2,718	2,770	2,613
Rates A5960 - Denmark Environment Centre Inc.	Rate	Waiver	100	2,654	2,604	2,654	2,504
Rates A5599 - Denmark Machinery Restoration Group Inc.	Rate	Waiver	100	1,163	1,141	1,163	1,097
Rates A3179 - Denmark Occ. Day Care Centre & Playgroup	Rate	Waiver	100	1,163	1,141	1,163	1,097
Rates A3167 - Denmark Pistol Club	Rate	Waiver	100	1,709	1,676	1,709	1,343
Rates A3189 - Denmark Equestrian Club Inc.	Rate	Waiver	100	1,163	1,141	1,163	1,097
Rates A5601 - Denmark Riverside Club	Rate	Waiver	100	1,163	1,141	1,163	1,097
Rates A3069 - Denmark Riverside Club	Rate	Waiver	100	10,324	10,129	10,324	1,134
Rates A5588 - Denmark Surf Life Saving Club	Rate	Waiver	100	1,709	1,676	1,709	1,343
Rates A3186 - Denmark Tourism Inc.	Rate	Waiver	100	5,834	0	5,834	5,504
Rates A5590 - Green Skills Inc.	Rate	Waiver	100	1,709	1,676	1,709	1,343
Rates A5593 - Kentdale Community Hall Committee Inc.	Rate	Waiver	100	1,709	1,676	1,709	1,343
Rates A5600 - Lions Club of Denmark Inc.	Rate	Waiver	100	1,163	1,141	1,163	1,097
Rates A5591 - Nornalup Residents & Ratepayers Assoc.	Rate	Waiver	100	1,163	1,141	1,163	1,097
Rates A5592 - Parry's Beach Volunteers Management Group	Rate	Waiver	100	1,709	1,676	1,709	1,343
Rates A5615 - Peaceful Bay Progress Association Inc.	Rate	Waiver	100	1,163	1,141	1,163	1,097
Rates A5616 - Peaceful Bay Progress Association Inc.	Rate	Waiver	100	1,163	1,141	1,163	1,097
Rates A5596 - Peaceful Bay RSL Sub Branch	Rate	Waiver	100	1,163	1,141	1,163	1,097
Rates A5595 - Peaceful Bay Sea Rescue Group Inc.	Rate	Waiver	100	1,163	1,141	1,163	1,097
Rates A5597 - Scouts Association of Australia	Rate	Waiver	100	1,163	1,141	1,163	1,097
Rates A3097 - RSL of Australia (WA Branch) Inc.	Rate	Waiver	100	1,163	1,141	1,163	1,097
Rates A5594 - Tingedale Hall Committee Inc.	Rate	Waiver	100	1,709	1,676	1,709	1,343
Rates A3041 - Scotsdale Hall & Tennis Courts	Rate	Waiver	100	1,709	1,676	1,709	1,343
Rates A5729 - Denmark Community Resource Centre Inc.	Rate	Waiver	100	1,163	1,141	1,163	1,097
Rates A5730 - Denmark Over 50's Association	Rate	Waiver	100	1,163	0	1,163	1,097
Rates A3256 - Denmark Historical Society Inc.	Rate	Waiver	100	1,177	1,155	1,177	1,111
Rates A6021 - Denmark Men's Shed	Rate	Waiver	100	0	3,136	0	0
Rates A6066 - Denmark Chamber of Commerce	Rate	Waiver	100	0	1,141	0	0
Rates A6054 - The Woodturners of Denmark	Rate	Waiver	100	0	1,141	0	0
General Rates - New Rating System 2020/21	Rate	Concession	N/A	0	0	0	74,493
					59,985	62,621	122,270
Total discounts/concessions (Note 25)					59,985	62,621	122,270

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25. RATING INFORMATION (Continued)

(b) Waivers or Concessions (Continued)

Rate or Fee and Charge to which the Waiver or Concession is Granted and to whom	Circumstances in which the Waiver or Concession is Granted	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Rates A5731 - Denmark Arts Council	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5585 - Denmark Boating & Angling Club	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5587 - DB&AC, Denmark Sea Rescue Group	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A3565 - Denmark Clay Target Club	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5584 - Denmark Cottage Crafts Inc.	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A3088 - Denmark Country Club Inc.	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5960 - Denmark Environment Centre Inc.	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5599 - Denmark Machinery Restoration Group Inc.	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A3179 - Denmark Occ. Day Care Centre & Playgroup	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A3167 - Denmark Pistol Club	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A3189 - Denmark Equestrian Club Inc.	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5601 - Denmark Riverside Club	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A3069 - Denmark Riverside Club	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5588 - Denmark Surf Life Saving Club	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A3186 - Denmark Tourism Inc.	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5590 - Green Skills Inc.	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5593 - Kentdale Community Hall Committee Inc.	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5600 - Lions Club of Denmark Inc.	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5591 - Nornalup Residents & Ratepayers Assoc.	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5592 - Parry's Beach Volunteers Management Group	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5615 - Peaceful Bay Progress Association Inc.	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5616 - Peaceful Bay Progress Association Inc.	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5596 - Peaceful Bay RSL Sub Branch	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5595 - Peaceful Bay Sea Rescue Group Inc.	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5597 - Scouts Association of Australia	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A3097 - RSL of Australia (WA Branch) Inc.	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5594 - Tingledale Hall Committee Inc.	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A3041 - Scotsdale Hall & Tennis Courts	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5729 - Denmark Community Resource Centre Inc.	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A5730 - Denmark Over 50's Association	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A3256 - Denmark Historical Society Inc.	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A6021 - Denmark Men's Shed	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A6066 - Denmark Chamber of Commerce	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
Rates A6054 - The Woodturners of Denmark	LG Act 1995 S4.47 & Council Policy P110102	Community Group	Community Group
General Rates - New Rating System 2020/21	2020/2021 year differential rate levy higher than prior year levy	Rates levy for 2020/2021 year not to be higher than 2019/2020 year	





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26. RATE SETTING STATEMENT INFORMATION

Note	2021/22	2021/22	2021/22	2020/21
	(30 June 2022 Carried Forward)	Budget (30 June 2022 Carried Forward)	(1 July 2021 Brought Forward)	(30 June 2021 Carried Forward)
	\$	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	10(b)	(47,105)	(54,000)	(42,716)
Less: Movement in liabilities associated with restricted cash		218,072	138,743	48,958
Less: Fair value adjustments to financial assets at fair value through profit and loss		(2,998)	0	(1,939)
Add: Loss on disposal of assets	10(b)	2,492	34,000	0
Add: Loss on revaluation of fixed assets	9(a)	0	0	0
Add: Depreciation	10(a)	3,494,777	3,820,875	4,647,759
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(14,177)		(24,641)
Employee benefit provisions		(14,041)		17,920
Contract liabilities		(70,000)		0
<b>Non-cash amounts excluded from operating activities</b>		<b>3,567,020</b>	<b>3,939,618</b>	<b>4,645,341</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserve accounts	28	(4,808,385)	(4,238,354)	(4,653,656)
Less: Financial assets at amortised cost - self supporting loans	4(a)	(23,729)	(22,872)	(22,872)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	171,350	0	199,801
- Current portion of lease liabilities	11(b)	82,250	0	0
- Employee benefit provisions	15	1,243,075	1,228,532	1,228,532
<b>Total adjustments to net current assets</b>		<b>(3,335,439)</b>	<b>(3,032,694)</b>	<b>(3,248,195)</b>
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets		8,300,536	7,516,237	9,830,696
Less: Total current liabilities		(3,471,527)	(4,483,543)	(5,000,076)
Less: Total adjustments to net current assets		(3,335,439)	(3,032,694)	(3,248,195)
<b>Net current assets used in the Rate Setting Statement</b>		<b>1,493,570</b>	<b>0</b>	<b>1,582,425</b>

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27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget				
		Principal		Actual		Principal		Principal		Principal		
		Principal at 1 July 2020	New Loans During 2020-21	Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Repayments During 2021-22	Principal at 30 June 2022
Lionsville		383,613	0	(29,782)	353,831	0	(31,866)	321,965	353,831	0	(31,866)	321,965
Rubbish Truck		54,868	0	(54,868)	0	0	0	0	0	0	0	0
Football Clubrooms		146,810	0	(10,894)	135,916	0	(11,599)	124,317	135,916	0	(11,599)	124,317
Riverside Club Stage 1		425,274	0	(20,075)	405,199	0	(20,704)	384,495	405,199	0	(20,704)	384,495
Purchase Lot 228 Res. 18587		309,606	0	(48,204)	261,402	0	(49,514)	211,888	261,402	0	(49,514)	211,888
Airport		36,636	0	(6,453)	30,183	0	(6,863)	23,320	30,183	0	(6,863)	23,320
Visitors Centre		69,579	0	(33,608)	35,971	0	(35,971)	0	35,971	0	(35,971)	0
Purchase Reserve 27101		289,933	0	(19,232)	270,702	0	(20,411)	250,291	270,702	0	(20,411)	250,291
Rubbish Truck 1		0	0	0	0	0	0	0	0	510,000	(34,402)	475,598
Surf Club Precinct		0	0	0	0	0	0	0	0	1,769,225	(38,303)	1,730,922
<b>Total</b>		<b>1,716,319</b>	<b>0</b>	<b>(223,116)</b>	<b>1,493,204</b>	<b>0</b>	<b>(176,928)</b>	<b>1,316,276</b>	<b>1,493,204</b>	<b>2,279,225</b>	<b>(249,633)</b>	<b>3,522,796</b>
<b>Self Supporting Loans</b>												
Scouts		13,388	0	(3,550)	9,838	0	(3,764)	6,074	9,838	0	(3,764)	6,074
Riverside Club		381,725	0	(18,499)	363,226	0	(19,108)	344,118	363,225	0	(19,108)	344,117
<b>Total Self Supporting Loans</b>		<b>395,113</b>	<b>0</b>	<b>(22,049)</b>	<b>373,064</b>	<b>0</b>	<b>(22,872)</b>	<b>350,192</b>	<b>373,063</b>	<b>0</b>	<b>(22,872)</b>	<b>350,191</b>
<b>Total Borrowings</b>	14	<b>2,111,432</b>	<b>0</b>	<b>(245,165)</b>	<b>1,866,268</b>	<b>0</b>	<b>(199,801)</b>	<b>1,666,467</b>	<b>1,866,267</b>	<b>2,279,225</b>	<b>(272,505)</b>	<b>3,872,987</b>

\* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending	Budget for year ending	Actual for year ending
						30 June 2022	30 June 2022	30 June 2021
Lionsville		Housing	142	WATC*	6.88%	(25,930)	(25,930)	(28,217)
Rubbish Truck		Community amenities	156	WATC*	3.70%	0	0	(1,649)
Football Clubrooms		Recreation and culture	147	WATC*	6.37%	(9,413)	(10,341)	(10,185)
Riverside Club Stage 1		Recreation and culture	159	WATC*	3.11%	(14,938)	(14,938)	(15,718)
Purchase Lot 228 Res. 18587		Recreation and culture	158	WATC*	2.70%	(8,332)	(8,332)	(9,985)
Airport		Transport	143	WATC*	6.26%	(2,004)	(2,220)	(2,454)
Visitors Centre		Economic services	131	WATC*	6.91%	(2,224)	(2,224)	(4,795)
Purchase Reserve 27101		Economic services	152	WATC*	6.04%	(17,896)	(19,745)	(19,192)
Rubbish Truck 1		Community amenities	161	WATC*	1.75% (Est)	0	(4,462)	0
Surf Club Precinct		Recreation and culture	160	WATC*	1.75% (Est)	0	(15,969)	0
<b>Total</b>						<b>(80,736)</b>	<b>(104,161)</b>	<b>(92,194)</b>
<b>Self Supporting Loans Interest Repayments</b>								
Scouts		Recreation and culture	129	WATC*	5.84%	(473)	(473)	(715)
Riverside Club		Recreation and culture	157	WATC*	3.27%	(14,125)	(14,125)	(14,869)
<b>Total Self Supporting Loans Interest Repayments</b>						<b>(14,598)</b>	<b>(14,598)</b>	<b>(15,584)</b>
<b>Total Interest Repayments</b>	2(b)					<b>(95,334)</b>	<b>(118,759)</b>	<b>(107,778)</b>

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27. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2021/22

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed 2022		Amount (Used) 2022		Total Interest & Charges \$	Actual Balance Unspent \$
					Actual \$	Budget \$	Actual \$	Budget \$		
Loan 161 - Rubbish Truck 1	WATC*	Debenture	7	1.75% (Est)	0	510,000	0	(510,000)	0	0
Loan 160 - Surf Club Precinct	WATC*	Debenture	20	1.75% (Est)	0	1,769,225	0	(1,769,225)	0	0
					0	2,279,225	0	(2,279,225)	0	0

\* WA Treasury Corporation

(c) Lease Liabilities

Purpose	Note	Actual						Budget				
		Principal			Principal			Principal			Principal	
		Principal at 1 July 2020	New Leases During 2020-21	Repayments During 2020-21	Principal at 30 June 2021	New Leases During 2021-22	Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Leases During 2021-22	Repayments During 2021-22	Principal at 30 June 2022
Mitel Phone System		50,439	0	(15,571)	34,868	0	(15,897)	18,971	34,868	0	(15,898)	18,970
Subaru Forester - DE 09		12,547	0	(10,013)	2,534	0	(2,534)	0	2,534	0	(2,534)	0
Toyota RAV4 - DE 245		19,785	0	(8,701)	11,084	0	(8,849)	2,235	11,084	0	(8,849)	2,235
Nissan X-Trail - DE 7005		15,254	0	(13,053)	2,201	0	(2,201)	0	2,201	0	(2,201)	0
Subaru XV - DE 87		8,985	0	(7,169)	1,816	0	(1,816)	0	1,816	0	(1,816)	0
Toyota Camry - 1HBO 848		0	22,705	(5,603)	17,102	0	(7,542)	9,560	17,102	0	(7,543)	9,559
Managed Print Services		0	91,134	(25,004)	66,130	0	(30,309)	35,821	66,130	0	(30,309)	35,821
Isuzu Utility - 1GJH 357		21,360	0	(9,006)	12,354	(3,121)	(9,233)	0	12,354	0	(9,233)	3,121
Nissan X-Trail - DE 992		2,290	0	(2,290)	0	0	0	0	0	0	0	0
Toyota RAV4 - DE 992		0	22,347	(6,732)	15,615	0	(7,434)	8,181	15,615	0	(7,434)	8,181
Subaru Forester - DE 45		9,429	0	(8,068)	1,361	0	(1,361)	0	1,361	0	(1,361)	0
Gym - Cardio Equipment		23,087	0	(7,536)	15,551	0	(7,695)	7,856	14,909	0	(7,211)	7,698
Gym - Strength Equipment		50,514	0	(9,649)	40,865	0	(9,871)	30,994	36,672	0	(8,101)	28,571
<b>Total Lease Liabilities</b>	11(b)	213,690	136,186	(128,395)	221,481	(3,121)	(104,742)	113,617	216,646	0	(102,490)	114,156

Lease Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021	Lease Term
						\$	\$	\$	
Mitel Phone System		Governance		Capital Finance	2.10%	(574)	(575)	(902)	60 months
Subaru Forester - DE 09		Governance		CBA	2.00%	(9)	(9)	(158)	36 months
Toyota RAV4 - DE 245		Community amenities		CBA	1.70%	(119)	(119)	(267)	36 months
Nissan X-Trail - DE 7005		Governance		CBA	2.00%	(6)	(5)	(185)	36 months
Subaru XV - DE 87		Governance		CBA	2.00%	(5)	(5)	(114)	36 months
Toyota Camry - 1HBO 848		Governance		CBA	1.10%	(150)	(149)	(166)	36 months
Managed Print Services		Governance		3E Advantage	1.20%	(624)	(625)	(774)	36 months
Isuzu Utility - 1GJH 357		Law, order, public safety		CBA	2.10%	(170)	(170)	(359)	36 months
Nissan X-Trail - DE 992		Health		CBA	2.00%	0	0	(5)	36 months
Toyota RAV4 - DE 992		Health		CBA	1.30%	(158)	(158)	(228)	36 months
Subaru Forester - DE 45		Community amenities		CBA	2.10%	(4)	(4)	(120)	36 months
Gym - Cardio Equipment		Recreation and culture		MAIA	2.10%	(237)	(721)	(395)	48 months
Gym - Strength Equipment		Recreation and culture		MAIA	2.30%	(808)	(2,578)	(1,030)	72 months
<b>Total Interest Repayments</b>	2(b)					(2,864)	(5,118)	(4,703)	

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**28. RESERVE ACCOUNTS**

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by legislation/agreement</b>												
(a) Denmark East Development Reserve	721,357	324	(10,771)	710,910	721,357	360	(550,000)	171,717	876,869	780	(156,292)	721,357
	721,357	324	(10,771)	710,910	721,357	360	(550,000)	171,717	876,869	780	(156,292)	721,357
<b>Restricted by council</b>												
(b) Employee Entitlements Reserve	448,410	1,094	(21,104)	428,400	448,410	897	0	449,307	446,261	2,149	0	448,410
(c) Plant Reserve	586,098	326,430	(163,567)	748,961	586,098	326,172	(265,650)	646,620	588,265	202,833	(205,000)	586,098
(d) Parry Inlet Reserve	198,448	10,484	0	208,933	198,448	10,397	(14,000)	194,845	197,497	951	0	198,448
(e) Cemetery Reserve	2,118	5	(2,123)	0	2,118	4	(2,122)	0	2,108	10	0	2,118
(f) Lime Quarry Rehabilitation Reserve	414,701	1,012	(30,000)	385,712	414,700	829	(30,000)	385,529	382,857	31,844	0	414,701
(g) Infrastructure Reserve	709,778	134,938	(42,674)	802,042	709,778	134,626	(50,000)	794,404	425,218	294,560	(10,000)	709,778
(h) Waste Services Reserve	621,627	171,517	(160,004)	633,140	621,628	171,426	(88,000)	705,054	654,706	53,153	(86,232)	621,627
(i) Parks and Gardens Reserve	78,985	193	(79,178)	0	78,984	158	(79,142)	0	78,606	379	0	78,985
(j) Aquatic Facility Development Reserve	96,863	236	(11,180)	85,920	96,863	194	(10,000)	87,057	101,375	488	(5,000)	96,863
(k) Lionsville Reserve	205,590	502	(57,796)	148,296	205,590	411	(58,000)	148,001	262,326	1,263	(57,999)	205,590
(l) Peaceful Bay Reserve	209,541	35,511	0	245,052	209,541	35,419	0	244,960	120,988	88,553	0	209,541
(m) Rivermouth Caravan Park Reserve	101,213	5,247	0	106,460	101,213	5,202	0	106,415	95,752	5,461	0	101,213
(n) Peaceful Bay Caravan Park Reserve	63,243	5,154	0	68,398	63,244	5,126	0	68,370	57,964	5,279	0	63,243
(o) Recreation Centre Reserve	95,684	10,233	0	105,917	95,684	10,191	0	105,875	85,273	10,411	0	95,684
(p) Strategic Reserve	100,000	5,244	0	105,244	100,000	5,200	0	105,200	0	100,000	0	100,000
(q) ICT Reserve	0	15,000	0	15,000	0	15,000	0	15,000	0	0	0	0
(r) Legal Contingency Reserve	0	10,000	0	10,000	0	10,000	0	10,000	0	0	0	0
	3,932,299	732,800	(567,626)	4,097,475	3,932,299	731,252	(596,914)	4,066,637	3,499,196	797,334	(364,231)	3,932,299
	4,653,656	733,124	(578,397)	4,808,385	4,653,656	731,612	(1,146,914)	4,238,354	4,376,065	798,114	(520,523)	4,653,656

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Denmark East Development Reserve	2023	- to be used for the Denmark East Development Project.
(b) Employee Entitlements Reserve	Ongoing	- to be used to fund employee leave entitlements as required.
(c) Plant Reserve	Ongoing	- to be used to fund major plant purchase requirements.
(d) Parry Inlet Reserve	Ongoing	- to develop and maintain the Parry facility including Parryville Hall upgrades and maintenance of adjoining recreation reserves.
(e) Cemetery Reserve	2022	- to develop and maintain the Cemetery.
(f) Lime Quarry Rehabilitation Reserve	Ongoing	- to maintain or rehabilitate the Lime Quarry site.
(g) Infrastructure Reserve	Ongoing	- to be used for the purchase or construction or upgrade of Infrastructure Assets including Land and Buildings.
(h) Waste Services Reserve	Ongoing	- to be used for the purpose of providing for the proper performance of all or any of the waste services provided by Council.
(i) Parks and Gardens Reserve	2022	- to be used for upgrades to or the development of Parks and Gardens within the Shire.
(j) Aquatic Facility Development Reserve	Ongoing	- to be used for the development of aquatic facilities.
(k) Lionsville Reserve	Ongoing	- to be used for the repayment of the Lionsville loan fund.
(l) Peaceful Bay Reserve	Ongoing	- to be used for future requirements, including those linked to the asset management plan.
(m) Rivermouth Caravan Park Reserve	Ongoing	- to be used for future requirements with respect to site and end of lease conditions including adjoining recreation reserves.
(n) Peaceful Bay Caravan Park Reserve	Ongoing	- to be used for future requirements with respect to site and end of lease conditions including adjoining recreation reserves.
(o) Recreation Centre Reserve	Ongoing	- to be used for upgrades to the Recreation Centre facility including equipment.
(p) Strategic Reserve	Ongoing	- to be used to fund strategic projects as identified in the Shire's Strategic Community Plan & Corporate Business Plan as required.
(q) ICT Reserve	Ongoing	- to finance the acquisition and enhancement of Information Technology and digital service delivery initiatives.
(r) Legal Contingency Reserve	Ongoing	- to fund unanticipated legal expenses in excess of budget in any given year.

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**29. TRUST FUNDS**

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	<u>1 July 2021</u>	<u>Amounts Received</u>	<u>Amounts Paid</u>	<u>30 June 2022</u>
	\$	\$	\$	\$
DPI Licensing	0	1,221,035	(1,221,035)	0
Denmark Parks & Trails	850	0	0	850
	<u>850</u>	<u>1,221,035</u>	<u>(1,221,035)</u>	<u>850</u>

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**FOR THE YEAR ENDED 30 JUNE 2022**

**30. CORRECTION OF PRIOR PERIOD ERRORS**

Land & Buildings are independently valued every 5 years by a professional valuation service provider, with the last valuation performed in 2017. During the preparation of the data for the 2022 revaluation the Shire noted that there were assets associated with Caravan Parks with a carrying value of \$849,775 at 1 July 2020, that had been incorrectly recorded within the Shire's books of account. There was also a number of structures (gazebo's, lookouts etc.) with a carrying value of \$814,317, that were incorrectly included in buildings. This resulted in an overstatement of Property, Plant & Equipment and Revaluation Surplus by \$1,664,092 respectively at 1 July 2020. These errors have been rectified by crediting Property, Plant & Equipment and debiting Revaluation surplus at 1 July 2020 by \$1,664,092 respectively.

The Shire also discovered two parcels of freehold land which had previously not been brought to account. Due to the impracticability of restating prior year comparatives, the land parcels valued at \$460,000 have been recognised for the first time in 2021-22 as part of the revaluation increment, with a corresponding credit to other comprehensive income and Revaluation Surplus.

<b>Statement of Financial Position (Extract)</b>	<b>30 June 2021</b>	<b>Increase/ (Decrease)</b>	<b>30 June 2021 (Restated)</b>	<b>1 July 2020</b>	<b>Increase/ (Decrease)</b>	<b>1 July 2020 (Restated)</b>
	\$	\$	\$	\$	\$	\$
Property, plant and equipment	29,948,657	(1,664,092)	28,284,565	30,999,214	(1,664,092)	29,335,122
Net assets	95,866,170	(1,664,092)	94,202,078	94,220,590	(1,664,092)	92,556,498
Revaluation Surplus	65,261,484	(1,664,092)	63,597,392	65,261,484	(1,664,092)	63,597,392
Total equity	95,866,170	(1,664,092)	94,202,078	94,220,590	(1,664,092)	92,556,498