

Annual Report
2022/2023

SHIRE OF DENMARK

Acknowledgements

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 and our community.

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

Other Acknowledgements
Images in this year's *Annual Report* are supplied by Nic Duncan, Serena Kirby, Aeroture, the Shire of Denmark and others.

Alternate Formats and Previous Editions
Electronic copies of Shire of Denmark *Annual Reports* are available for download online via the Shire of Denmark website at www.denmark.wa.gov.au.

Copies of all Shire documents can be made available in alternative formats upon request.

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Welcome Message

I am pleased to present the Shire of Denmark's *2022/2023 Annual Report*, which provides an overview of the Shire's activities in the year gone by.

The 2022/23 year has seen our community fully emerge from Covid restrictions and re-establish a degree of normality in our everyday lives. It is abundantly clear from the building approval numbers in this report, and other evidence, that this new-normal is one where the Denmark Shire, more than ever, represents a place which people want to call home.

This growth represents very real challenges. We know getting a rental is nigh-on impossible and that our homelessness rate is far higher than many of our neighbours. Council continues to work on planning, land-supply, support services and advocacy work to address these challenges. We are also very grateful to the many volunteers and generous donors who work to support those in housing distress.

We have also completed a significant review of our *Strategic Community Plan*, the Shire's highest-order guiding document and the one almost solely shaped by community. In it, you have asked for an ongoing commitment to the environment, a greater focus on roads and youth and improved leadership and accountability from council. We are intent on delivering.

Our work to protect and enhance our natural, social and built environment and to respond to the increasingly obvious risks and challenges of climate change, particularly fire, have been gaining pace.

At the same time, our core role of providing facilities and services is being strengthened. I am pleased to see us catering to ever-increasing numbers of Denmark Public Library and Denmark Recreation Centre users, for example. We are fortunate to have so many fantastic and dedicated staff in the Shire of Denmark, across all parts of the organisation.

We continue to allocate more money to roads each year and have begun realizing an ambitious plan for the renewal and improvement of many important facilities over the next few years, starting with Prawn Rock Channel and the Ocean Beach Surf Club precinct, an upgraded boat and kayak facility at Nornalup and a major revamp of Berridge Park, with a focus on youth facilities, to name just a few. It is also pleasing to see the growth and vibrancy of our agriculture, education, tourism, retail and hospitality and building sectors.

However, growing pains can be, and often are, uncomfortable. As we navigate this next part of Denmark Shire's path together, I encourage you all to play an active role as citizens through volunteering as well as through your social, sporting and work networks. Please remember that we often have different ideas and different ways of being, but in the end we all want what is best for our community.

I wish you all well.

Cr Kingsley Gibson
Deputy Shire President

Our Community Snapshot

Population



6534
Estimated residents 2022

Volunteers



29.4%
Persons aged 15+

Unpaid Care



12.5%
Persons providing assistance to a person with a disability, long term illness or old age

Economic Output



$757.9 Million

Homeless



84
Estimated

First Nations



1.3%
Aboriginal and Torres Strait Islander population

Number of Jobs



2074

Disability



4.7%
People who need assistance with core activities

Median House Price



$523,000

Unemployment Rate



3.7%

Top 5 Performing Areas

- **Community Safety and Crime Prevention**
- **Festivals, events, art and cultural activities**
- **Library and information services**
- **Tourism attractions and marketing**
- **Efforts to promote and adopt sustainable practices to manage climate change**

References: *2021 ABS Census data, REIWA and MARKYT Community Scorecard*

2022/2023 Elected Members

The next Local Government election in the Shire of Denmark will be held in October 2023.

Council Demographics
67% female, 33% male
22% aged 40-50, 34% aged 51-60, 44% aged 61+

Elected Member	Position/Ward	Term Expiry	Meeting Attendance	Total Meetings Held
Ceinwen Gearon	Shire President	2023	13	16
Kingsley Gibson	Deputy Shire President	2023	16	16
Janine Phillips	Kent/Nornalup	2023	13	16
Jackie Ormsby	Kent/Nornalup	2025	11	16
Donna Carman	Town	2025	15	16
Donald Clarke	Town	2023	16	16
Jan Lewis	Scotsdale/Shadforth	2025	15	16
Nathan Devenport	Scotsdale/Shadforth	2023	15	16
Clare Campbell	Scotsdale/Shafforth	2025	14	16



Committees and Working Groups

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 2022/2023:

Audit Advisory
- Cr Gibson (3/3)
- Cr Devenport (2/3)
- Cr Ormsby (2/3)
- Cr Carman (3/3)
- Cr Campbell (2/3)
- Cr Clarke (3/3)

Bushfire Advisory
- Cr Gearon (1/4)
- Cr Campbell (3/4)

Disability Advisory
- Cr Carman (2/2)

Local Emergency Management
- Cr Gearon (3/5)
- Cr Ormsby (2/5)
- Cr Campbell (2/5)

Council has a number of **Working Groups** which are tasked with a specific project or objective/s. The following Elected Members represented Council in 2022/2023:

Denmark Bushfire Mitigation
- Cr Ormsby
- Cr Carman
- Cr Campbell

Local Planning Strategy
- Cr Lewis
- Cr Gibson

Strategic Community Plan
- Cr Gibson
- Cr Phillips
- Cr Devenport

Trails Advisory Group
- Cr Gibson
- Cr Carman
- Cr Clarke

Council Delegates

Council is represented on a number of external organisations, agencies and committees as listed below. The following Elected Members represented Council in 2022/2023:

Denmark Aquatic Centre Committee Inc: Cr Clarke

Denmark Arts Inc: Cr Clarke

Denmark Chamber of Commerce Inc: Cr Gibson

Denmark Community Resource Centre Inc Committee: Cr Gearon

Denmark Historical Society Inc: Cr Campbell

Denmark Mountain Bike Club Inc: Cr Gibson

Denmark Residents and Ratepayers Association: Cr Gibson

Great Southern Recreation Advisory Group: Cr Devenport

Great Southern Regional Road Group: Crs Gibson & Lewis (proxy)

Joint Development Assessment Panel: Crs Gibson and Phillips (Crs Carman and Devenport alternate members)

Lake Muir/Denbarker Community Feral Pig Eradication Group: Cr Devenport

Nornalup Ratepayers and Residents Association Inc: Cr Ormsby

Peaceful Bay Progress Association Inc: Cr Phillips

South Coast Alliance Inc: Crs Gearon and Lewis

WA Local Government Association, Great Southern Zone: Crs Phillips and Carman

Walpole Work Camp Committee (Dept. Corrective Services): Cr Phillips

Wilson Inlet Catchment Committee Inc: Cr Lewis

Executive Message

On behalf of our hard-working staff here at the Shire of Denmark, I am proud to reflect on the *2022/23 Annual Report* which highlights the accomplishments, challenges and strategic visioning we have achieved over the past year.

This year's report focuses, in particular, on themes of community engagement, sustainability, volunteering and more, reported against our five *Strategic Community Plan Denmark 2027* pillars: Our Economy, Our Natural Environment, Our Built Environment, Our Community and Our Local Government.

As you read through this report, you'll find our highlights for each pillar, as well as reporting on our *Corporate Business Plan 2022-2025* projects scheduled for this year which our team worked hard to progress or complete for the benefit of our community.

I am particularly proud of the continued focus on community engagement and collaboration, as this report showcases outcomes including:

- Boosted levels of participation at Youth Fest 2023
- All ages input into the concept planning process for our future Berridge Park revitalisation
- Community-led initiatives such as our new Pump Track and Beach Volleyball Courts
- Heightened participation and awareness of Bushfire Ready initiatives
- More than 1700 submissions to our Strategic Community Plan review
- Strong levels of participation in environmental education programs and initiatives
- Reconciliation engagement at our 26 January community event
- Collaboration with local clubs and stakeholders for our Denmark Down Under campaign

All of this, plus many, many more achievements in the past year, serves to highlight how closely our team here at the Shire works with our community with dedication, diligence and professionalism.

As we look forward to 2023/24, we will continue working collaboratively with our community as we work towards our new community vision: "**A vibrant coastal community, connected to the environment, living the village lifestyle**."

This new vision, created with our community this year for our *Strategic Community Plan Our Future 2033*, will be our focus for the next 10 years, and our commitment to our community is to "**Protect what makes us special, improve our quality of life, and plan for future generations**."

We look forward to taking the first steps towards these worthwhile aspirations in 2023/24.

David King
Chief Executive Officer

Aligning to *Denmark 2027*

Our operations are guided by our community through our *Strategic Community Plan Denmark 2027* and its five pillars as listed below. One of our *Corporate Business Plan* projects this year was a major review of *Denmark 2027* which was completed in June 2023, culminating in the adoption of a new *Strategic Community Plan Our Future 2033.*

This year's achievements are reported against the pillars from *Denmark 2027* which remained in place as the Shire's principal guiding document until it was replaced by *Our Future 2033* at the end of the financial year in late June 2023.

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

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.

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

Our Economy

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Highlights

Tourism WA and FIFA Women's World Cup 2023 'Denmark Down Under' Campaign
Officers partnered with Tourism WA and a videographer to capture international attention in the lead up to the FIFA Women's World Cup Australia and New Zealand 2023. Featuring the local women's and girl's soccer teams, a video was produced inviting the Danish Women's Football team (and Crown Princess Mary) to come to Denmark, Western Australia, while the team was set to be in WA for the group stage of the tournament.

Launched in May 2023, with support from the Denmark Chamber of Commerce and the Member for Warren Blackwood, the video gained lots of traction online, with multiple news organisations covering the story. The Danish Women's team saw and 'loved' the video, reposting the video - which showed off various tourism features of our Shire - via their Instagram stories to their 104,000 followers in Denmark (Scandanavia), with individual players on the team also reposting the video for their own followers to see.

WA Government Ministers Roger Cook and David Templeman joined Jane Kelsbie, Member for Warren Blackwood, in posting their own video invitation to the Danish team to visit Denmark Down Under during their stay. Thanks to their support, representatives from our local soccer club were invited to attend a closed training session with the team and later to watch a game during the group stages of the World Cup between Denmark and China.



Community Organisation Takes Over Reigns of Container Deposit Scheme at the Tip
In late 2022/23, Green Skills Denmark took control of the Container Deposit Scheme program at the Denmark Waste Transfer Station, delivering the recycling reward program for the community, in a move that allows community-based and led fund-raising in a win for local community groups and keeping cash circulating within the local community.

Commercial Activity Moves into the Denmark Light Industrial Area
Offers have been made on lots within the Denmark Light Industrial Area, designed to enable businesses to gain a foothold in the Denmark economy.

Event Management Outsourced
The management for this year's Australia Day event was outsourced to a local contractor, in another move to support local businesses to operate within our local economy.



Project Tracking

The following projects that address **Our Economy** were listed in the *Corporate Business Plan 2022-2025* for delivery or progression in 2022/2023.

Project	Action	Comment
Electric Vehicle Charging	**DELIVER** an electric vehicle charging station in the Denmark CBD	A 22-kilowatt dual electric vehicle charger was installed and operational by March 2023 at Hollings Road near Berridge Park, providing a much-needed service to the community and to visitors. Progression of a power upgrade from Western Power is also in the works to facilitate DC fast charging in the CBD, further encouraging electric vehicle users and owners to spend time in the CBD while their vehicles charge.
Tourism Signage	**FUND** the upgrade to Community Noticeboards	No funding allocated in 2022/23.
Paths and Trails Workforce	**PARTNER** with external bodies on the creation of a local workforce for paths and trails maintenance	Relationship with Pardelup Prison established in advance of trails and paths maintenance planned for 2023/24.
Venue Hire Program	**DELIVER** the introduction of a venue hire program through 'Space to Co' to create a more effective booking of Shire facilities to the community	On track for delivery in 2023/24.
Art Exhibition Space	**DELIVER** the creation of an art space within the Administration Building to support local artists	The layout of the lobby in the Shire Administration Building has been reconfigured in preparation for this initiative to go live. Due for delivery by the end of 2023.
Review of Financial Contributions to Community Groups	**DELIVER** a policy and communication plan to Council that reviews the process for setting the annual financial contributions to each community group within the Shire	Resources allocated to commence in 2023/24.

Our Natural Environment

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Highlights

A Solution for Trails in Denmark and the Future of Mount Hallowell
Following extensive community debate and consultation about a concept proposal for a trail network on Mount Hallowell, in October 2022 focus turned to the development of trails at a degraded site on Turner Rd to prevent development of trails in the 'core' of the A-class reserve on Mount Hallowell.

A Trails Advisory Group was also established to provide advice on trails development in the Shire and to facilitate stakeholder input into Council decision-making through collaborations.

Environmental Education Workshops
Following the success of community-oriented environmental education programs last year, more environmental education workshops were facilitated by the Shire through not-for-profits for the promotion and protection of the Shire's biodiversity values and to facilitate and encourage sustainable behaviour change. These workshops included community garden workshops, habitat gardening workshops, worm farm and composting workshops, and foreshore vegetation workshops.

Cloth Nappy Initiative
From July 2022, thanks to a collaboration between the Shire, the Department of Health Western Australian Country Health Services and Plastic Reduction Denmark, each new baby born as a resident of the Shire of Denmark is gifted a cloth nappy as a sustainable initiative towards reducing waste to landfill.



Sustainable Christmas Decorations
Thanks to Plastic Reduction Denmark and local school students, the Denmark CBD was once again decked with environmentally friendly bunting in an effort to make sure that unnecessary plastic was not used to decorate our town for the 2022/23 festive season. No new plastic decorations will be purchased in future, and we are making sure to continue to use what we already have until it is no longer usable, at which point it will be phased out of use.

Mug Library
Several local cafes took part in our Mug Library initiative this year. The library consisted of donated mugs, bundled in hampers and distributed to businesses around town in November 2022. This zero-waste initiative to reduce single-use disposable coffee cup items was instigated by local community group Plastic Reduction Denmark, in line with the State Government WA Plan for Plastics ban and has been a priority focus of the Shire's Sustainable Projects Committee through the Shire's *Sustainability Strategy*.



Reusable Coffee Cup Trial
In continued collaboration with local community group Plastic Reduction Denmark, the Shire of Denmark took another step to tackle single use coffee cups, with a three-month subsidy of the ReturnR subscription and starter pack program. Local food retailers were provided with a gifted subscription of a reusable coffee cup starter pack. Participating cafes included the Green Pantry, Teahouse Books, Ravens, Tarifa, Shell, Reminisce Café, Strickland French Hot Bakery and Denmark Gelato.

Weed Management Control Continues
The Shire's weed management program was continued on Shire roads and reserves, specifically targeting blackberries, arum lilies, and eastern state wattles.

In September 2022, community engagement and promotions were carried out, in addition to direct communications to targeted residents, to encourage residents to take action on weedy wattles as part of the annual spring 'blitz' on Eastern States Wattles.

Investigations into Illegal Vegetation Clearing
Investigations were undertaken into illegal vegetation clearing in places across the Shire such as on the foreshore of Wilson Inlet or in areas adjacent to private property with bushfire concerns.

Shire Officers investigated each reported incident to determine the need for revegetation or referral to the Department for Water and Environmental Regulation.

An education program accompanies Shire investigations, with nearby residents to impacted areas directly contacted with information about the value of preserving native flora for the health and biodiversity in our area.

Parry Beach Preliminary Report Finalised
In early 2022/23, the Parry Beach Preliminary Report and Background Paper were completed, following community consultation. The findings have been incorporated into the review for the Coastal Reserves Management Plan update.

Thriving Parks and Gardens
This year, the hard work of our Parks and Gardens team was noticed by our community, with lots of positive feedback received in 2022/23.

Our teams have been working in recent years to ensure clever planting in public gardens to increase visual amenity and to reduce workload by replacing annual plants with longer-lived, more resilient plants. Plants which require reduced amounts of water and maintenance have been selected and it's showing in the health and beauty of our gardens and parks.

Regional Climate Alliance
Assisted the Regional Climate Alliance for a Sustainable Building Audit at Shire owned assets to guide future works programs was completed for the Administration Building, Denmark Recreation Centre and Shire Works Depot.

Energy efficiency upgrades are scheduled for the Denmark Public Library, Denmark Recreation Centre and the Administration Building, including LED Lighting replacements, energy efficient air-conditioning replacements and a solar battery system for the Library.

Project Tracking

The following projects that address **Our Natural Environment** were listed in the *Corporate Business Plan 2022-2025* for delivery or progression in 2022/2023.

Project	Action	Comment
Climate Dashboard	**DELIVER** greenhouse gas emissions monitoring for Shire operations	A greenhouse gas monitoring tool was developed through the Regional Climate Alliance. On-going monitoring of Shire operations greenhouse gas emissions is now undertaken each financial year.
Water Re-use Project	**DELIVER** upgrade to community infrastructure with the McLean Oval Water Reuse Project	Waste Water treatment diversion project commenced in November 2022, with pipelines laid to prepare to irrigate McLean Oval with recycled waste water by summer 2023/24. The project, once operational, will divert tens of thousands of kilolitres of treated waste water from entry into the Wilson Inlet.
Waterwise Efficiency Action Plan Update	**DELIVER** an update to the Waterwise Efficiency Action Plan	Annual reporting to Water Corporation undertaken in November 2022. Received re-endorsement as accredited Waterwise Council in February 2023. The Sustainable Projects Committee determined at their February 2023 meeting not to pursue with Waterwise accreditation, instead, actions from Waterwise plan have been incorporated into Sustainability Action Plan.
Waste Audit and Education Workshop	**DELIVER** waste audit on small business and **PARTNER** with Greenskills on waste education workshop	Recommendations to Council for 2023-24 budget allocation. Local waste audit on small business and household with subsequent waste education workshop was conducted with Green Skills to promote sustainable alternative materials in an effort to reduce waste to landfill through the Sustainability Environmental Education program.
Coastal Reserves (CHARMAP)	**DELIVER** an updated Coastal Reserves Management Strategy and Action Plan for Shire coastal reserves, including Parry Beach coastal hazard mapping	Consultant appointed and first stage of community and stakeholder consultation completed in May 2023. Drafting of a master plan is due for completion in 2023/24.

Project	Action	Comment
FOGO	**LEAD** the implementation of FOGO into the Shire's Waste Management System	Case study work has begun to underpin decision-making on the implementation of Food Organics, Garden Organics (FOGO). Feasibility studies will continue into 2023/24.
Biochar Project	**FUND** the Wilson Inlet Catchment Committee Biochar investigation	With funding from the WA government's Future Carbon program, Wilson Inlet Catchment Committee (WICC) has partnered with Murdoch University, Green Skills and the Shire of Denmark to explore converting the Shire of Denmark's 800 tonnes of green waste per annum into biochar. Biochar is essentially charcoal, packed full of carbon. Biochar can be fed to livestock improving animal health and reducing enteric methane production. This program will include a trial feeding biochar to dairy cattle which has been shown elsewhere to increase milk production substantially.
Bird Sanctuary Infrastructure	**DELIVER** permanent fencing and signage for Bird Sanctuary	Permanent fencing was installed in February 2023, with directional signage also placed in strategic locations. Officers are working with the Denmark Bird Group to develop interpretative signage for the site.
Weed Strategy and Action Plan Update	**DELIVER** an updated Weed Strategy and Action Plan for Shire bushland, foreshore and coastal reserves with a view to implement weed control action over the next 10 years	A local consultant was appointed to deliver the Weed Strategy review. Preliminary engagement work began in late June 2023, with broader community and stakeholder engagement scheduled to begin in early 2023/24.
Annual Tree Planting	**LEAD** the rehabilitation of Shire land, including increasing annual tree planting and revegetation program	Annual program of tree planting and revegetation continued with thousands of plants planted across multiple sites in the Shire. Park trees were also planted in various public open spaces, including a number of natives and deciduous park trees.
Wilson Inlet Foreshore Management	**PARTNER** with Wilson Inlet Catchment Committee on foreshore revegetation plans	Strategic mapping of revegetation sites was undertaken this year, with particular focus on re-establishing illegally cleared fringing vegetation on the Wilson Inlet. Community planting days are scheduled for delivery in early 2023/24.





Our Built Environment

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Highlights

Progression of draft Local Planning Strategy
After starting preliminary consultation in 2020 to work through the big picture planning issues with a Council Working Group and responding to the latest state planning policies, Council adopted the draft Local Planning Strategy in September 2022. This was subsequently referred on to the Western Australian Planning Commission (WAPC) for permission to advertise. As at June 30, 2023, the draft was still sitting with WAPC.

New Local Planning Policies
Local planning policies were given attention in 2022/23, with new policies addressing ancillary dwellings, building envelopes and Caravan Parks & Camping Grounds adopted by Council.

Several existing policies were updated including outbuildings and rainwater tanks policies, and a number of obsolete policies revoked.

Roadworks Team Busy as Bees
Our roads team responded to over 130 service requests in 2022/23.

Roads maintenance and upgrades included installing 26,000 tonnes of gravel on Mt Lindesay, Ficifiola, Tindale and Vermeulen Roads, in addition to our annual program of maintenance, upgrades, slashing, grading, spraying and more.

A number of capital works projects were also progressed or completed.

Re-sealing Roads Program
Roads including Ocean Beach, Mt Shadforth, Sheoak Drive and Wyman Trail were re-sealed with crumbed rubber seal, a recycled product (used tyres), in alignment with our sustainability objectives.

Promoting Sustainable Home Design
In line with our *Sustainability Strategy* objectives to promote and support sustainability in all aspects of life in the Shire, a Sustainable Homes Brochure was developed to help homeowners integrate sustainability principles into new or existing building projects.

Ocean Beach Lookout Path
A new path from the Ocean Beach Lookout to the beach was completed in May 2023, ready to join up with an access stairway down to Ocean Beach, which is due for completion in late 2023.

Prawn Rock Retaining Wall
In October 2022, the retaining wall along the boardwalk section of the Prawn Rock Channel was replaced to complement the upcoming replacement of the boardwalk. Efforts were made to reduce potential environmental impacts, with large limestone rocks used along with geofabric and rock armour.



Project Tracking

The following projects that address **Our Built Environment** were listed in the *Corporate Business Plan 2022-2025* for delivery or progression in 2022/2023.

Project	Action	Comment
Surf Club Redevelopment	**DELIVER** upgrades to the Surf Life Saving Club facilities and public facilities at Ocean Beach	Funding has been secured for this project. Final design work will continue in late 2023, with construction expected to commence in early 2024.
Ocean Beach Precinct Upgrades	**DELIVER** erosion control in order to preserve the recreational precinct	Grant funding applied for to cover costs of reconstructing the sea wall at Ocean Beach, with a goal to get underway by late 2023.
Prawn Rock Channel Upgrades	**DELIVER** public amenities at Prawn Rock Channel	The project was expanded beyond its original scope to include replacement of ageing infrastructure at the lookout, retaining wall and boardwalk replacement, additional parking at the new ablutions and beach access path and steps. Works commenced in early 2023 to begin implementing the much needed improvements to minimise the human impacts on the popular site ahead of the peak visitation period. Construction is on track for delivery and reopening in time for summer 2023/24.
Solar Panels on Shire Buildings	**DELIVER** the procurement of additional solar panels for Shire facilities to deliver energy efficiency	Investigations into feasibility of installation of solar panels on all Shire facilities is ongoing. Energy data logging to better understand power needs has been undertaken at several sites.
WOW Trail Stage 2	**PARTNER** with DBCA on the completion of WOW Trail Stage 2	An extension of Denmark's popular Wilderness Ocean Walk (WOW) Trail began in June 2023. The project will extend the trail to Sinker Bay Carpark. Works on the extension began following flora, fauna and dieback surveys and supervision from Traditional Custodians to ensure minimal disturbance to the natural environment. The 3.2km long, 1.2-metre-wide compacted road base trail surface is expected to be completed and ready for use by late 2023.

Project	Action	Comment
Nornalup All Abilities Launch and Jetty	**PARTNER** with DBCA to deliver an all access launch and jetty for Nornalup	Detailed design commenced. Expectations are for delivery late 2023.
Peace Street Blackspot	**DELIVER** Peace St Blackspot	Completed by June 2023, with final linemarking for completeion in early 2023/24.
Lights Road Upgrade	**DELIVER** upgrade to Lights Road	In June 2023, the Lights Road upgrade was completed. The important and increasingly popular traffic link between Lights Beach and South Coast Highway was upgraded within budget and with minimal environmental impact
Springdale Footpath Link	**DELIVER** Springdale footpath link	In May 2023, funding of $245,000 was secured through the WA Bicycle Network Grants Program, to link the footpath at the WA College of Agriculture to Woodward Heights at Springdale. The design phase for this project is set to begin in early 2024, with the construction of the 1km-long footpath set to be underway by December 2024.
Denmark CBD	**DELIVER** refurbishment to the stage and backstage/green room space at Denmark Civic Centre	This project came about thanks to an election commitment by the current Member of Warren Blackwood and was delivered thanks to State Government funding in May 2023.
All Abilities Carpark	**DELIVER** an upgrade to one all abilities carpark per year	Dedicated all abilities parking bay included in Prawn Rock Precinct upgrades, on track for completion in early 2023/24.
Flood Mitigation Works	**DELIVER** an annual program of flood mitigation works to address urgent flooding issues in the community	All capital works projects delivered this year included drainage improvements in design
Planning Framework Review	**DELIVER** a review of the entire local planning framework	A draft reviewed Local Planning Strategy was completed in September 2022, then forwarded to the WA Planning Commission for permission to go to the final stage of community consultation. The Local Planning Strategy is on track to be finalised in 2023/24.
Riverside Drive Footpath	**DELIVER** construction of Riverside Drive to MacPherson Drive footpath link	In May 2023, the footpath along South Coast Highway in Nornalup was completed.

Our Community

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Highlights

Strong Community Engagement and Involvement with Strategic Community Plan Major Review

As the draft of the new *Strategic Community Plan* was developed, extensive feedback was sought from the community in the period from August 2022 to June 2023.



More than 1700 people responded from a population of 6534, an amazing achievement from the benchmark of 500. The engagement sought feedback from target demographics identified by the Strategic Community Plan Working Group, including:

- people who live outside the township
- rural residents
- residents of the Western localities of the Shire of Denmark
- parents with young families
- youth
- seniors
- people with lived experience of disability
- First Nations Australians
- people who had never engaged with Shire of Denmark engagement before.

All of the target demographics were reached during the engagement.

Following this, community priorities were identified. These were:

- local roads and storm water drainage
- services and facilities for youth
- environmental conservation and protection
- economic development
- housing availability and affordability
- engagement and decision making

A new community vision "A vibrant coastal community, connected to the environment, living the village lifestyle" was formed, and the plan was endorsed by Council at a Special Meeting in late-June 2023.

Shire of Denmark Becomes Member of Reconciliation WA

In a step to demonstrate a commitment to respectful relationship building and Reconciliation between First Nations community members and the Shire of Denmark, Denmark Shire President Ceinwen Gearon announced in January 2023 that the Shire of Denmark had become a member of Reconciliation WA.

Council voted to acknowledge the Uluru Statement of the Heart

In October 2022, Council made a public commitment to acknowledge and accept the invitation of the Uluru Statement from the Heart. At the October Ordinary Council Meeting, Councillors unanimously resolved to acknowledge the Uluru Statement as an address to the Australian people, inviting the nation to create a better future.



School Outreach

The Denmark Public Library was happy to host Kwoorabup Nature School's own book launch this year. Children at the school created their own books, then went to the library where they had their very own book launch.



Book Week
The Denmark Public Library had a lot of fun this year with Children's Book Week. From 20 - 26 August 2022, our Library staff got dressed up as book characters, visited local schools for fun class visits, and even hosted a mad hatters tea party. Author Cristy Burne also visited classes at Denmark Primary School and Kwoorabup Nature School to share her love of writing and science.

The Sketchbook Project
In January 2023, our Library received a number of sketchbooks for the Sketchbook Project. The Sketchbook Project is a collaborative and visual experience that provides an opportunity for young people to share their own personal stories and passions with the wider community across Western Australia. Young people aged 12-26 were invited to fill a blank sketchbook with whatever art their heart desires- poetry, painting, drawings, collages, recipes, origami, anything. All submitted sketchbooks were exhibited as part of the 2023 Youth Week WA KickstART Festival (14 - 28 April) at the State Library of WA. The sketchbooks then embarked on a tour of regional and suburban libraries in an ongoing event called The Travelling Sketchbook Exhibition.

Multi-Sensory Time Kits
In February 2023, five multisensory kits aimed at triggering recollections of the past were added to the Denmark Library Collection. Included in these kits are items to remind people living with dementia of activities such as visiting the beach, working in a dairy or a farm and baking and gardening. Each kit includes a DVD that incorporates the sights and sounds of places and activities, plus objects to taste, smell and touch.

Kids Sensory Kits
Following the success of the Multi-Sensory Time Kits, sensory kits for children were also added to the Denmark Library Collection. These kits provide children with opportunities for learning, exploration, and personal growth, and include kits that focus on relaxation, emotions, focus, movement and more.

Regular/School Holiday Programs
In 2022/23, the Library had lots of success in continuing their regular and school holiday programs, such as the Lego Club, movie screenings, Badge Making, Author visits, as well as programs for adults such as Shakespeare Reading Group, Poetry Reading, and Novel Idea Book Club.

Volunteer Appreciation Day
The Volunteer Appreciation Day event in May 2023 was a huge success, being the first year that it was integrated with the Denmark Citizen of the Year awards. The event recognised Mark Parre as Citizen of the Year for 22/23, Senior Citizen of the Year as Bradley Kneebone, Youth Citizen of the Year as Annabelle Adams, and Group Citizen of the Year as Denmark Village Theatre. Also announced were the Sportsperson of the Year Awards, with Lucia Edwards winning Junior Sportsperson of the Year and Danielle Carne winning Senior Sportsperson of the Year. The event gained the biggest turnout it has ever had, with youth groups and sporting clubs turning up who had never attended before.

Seniors Week
From 6-13 November 2022, the Shire of Denmark, in partnership with the Denmark Community Resource Centre, hosted a series of activities for Seniors Week. Residents over 60 years of age were invited to join the free

Denmark Seniors Celebration lunch, the theme of which was "the hats we wear" which celebrated the diverse roles our seniors play in the community.

Youth Fest

This year, Youth Fest was the best yet! In April 2023, the Shire of Denmark, Department of Communities and the Denmark Local Drug Action Group worked together to set up Youth Fest at McLean Sports Precinct. Featuring skateboarding, mountain biking, anime drawing workshops, yoga classes, photobooths, and even a listening post to give youth a chance to meet local Elected Members, the Youth Fest was hailed as a huge success, with the highest numbers ever attending a Youth Fest in Denmark.



Roller Discos

After a three-year hiatus, the Roller Skates were dusted off on 1 July for the end of term Roller Disco. More than 300 people attended the 'Bright and Bold'-themed event that provided an entertaining night out for Denmark families. The Roller Discos have since been held every quarter at the Denmark Recreation Centre with a different theme each time.

Homeschool Sports

In 2022, the Denmark Recreation Centre ran Home School Sports for home-schooled students in the region. The sessions were programmed to improve physical fitness, health, cognitive development, personal well-being and social integration with a variety of team based and individual sports and activities.

International Day of People with Disability

The Denmark Recreation Centre hosted the 2022 International Day of People with Disability, holding an all-abilities sports program, for people of all abilities to come and try out different sports. A number of activities took place, including chair yoga, dance and various multisport. The Centre has partnered with WADSA to deliver a number of Come and Try Multisport Days throughout the year.



Rec Centre Fit23 Program

More than 70 members participated in the Fit23 Challenge at the Denmark Recreation Centre in 2023. The challenge: attend 23 fitness classes in eight weeks to receive a limited-edition shirt and go into the draw to win a swag of prizes. The results: a boost in fitness class participation and a boost for member motivation.

Reopened Evening Classes

This year, evening classes reopened and became a hit at the Denmark Recreation Centre. For members of the community who don't have time before work, or have kids or other priorities, this means they have the same opportunities to attend classes they may have otherwise missed.

The creche at the Recreation Centre also had a higher usage rate than ever before, helping parents to get the exercise they may want, without having to worry over young children.

Garage Sale Trail 2022

The annual Garage Sale Trail event 2022 saw many positive waste reduction impacts in the Denmark community. More than 2,323 local participants residents were involved as sellers or shoppers at 305 garage sales and stalls, seeing 64,992 kilograms locally of reusable items saved from going to landfill. These numbers were a substantial lift on the 2021 event, when 1781 locals participated at 73 garage sales with 13,087 kilograms of pre-loved items being diverted from landfill.

Book a Ranger Program

The annual 'Book a Ranger' program ran through the months of October and November to help residents identify actions they need to take to prepare their property for bushfire season. Free appointments were available with a ranger who would then come out and provide advice on compliance with Firebreak and Fuel Management Notice 22/23.

Australia Day Event

The 2023 'Kwoorabup Festival' Australia Day Event was a success, hosted at Berridge Park with a good turn out of community members on hand to enjoy the local food, entertainment, fun and games.



Shire officers worked with local Reconciliation advocate James Back to host an information booth with resources and friendly chats ready for any community members keen to learn more about the Uluru Statement of the Heart and Reconciliation WA.

McLean Precinct

The McLean Precinct was activated following



the construction of the new pump track in October 2022, and then continued with the construction of the new beach volleyball court in February 2023. Both projects were made possible by community volunteers and donations, along with contributions from the Shire of Denmark.

Big Bang Science Club

This year, our Library was lucky enough to participate in a pilot program, the Big Bang Science Club, which was supported by the State Library of Western Australia, as a partner in the provision of public library services of WA. The program, which began in January 2023, has provided a series of hands on, fun STEM workshops for children aged 5-12 years, with an aim to increase Science, Technology, Engineering and Maths resources in regional Western Australian libraries. The Big Bang Science workshops have been a great success, focusing on using the natural curiosity of children to develop skill, knowledge and confidence to discover more about science.

Community Grants Program

In November 2022, nine community groups were named as recipients of 2022 Shire of Denmark Community Grants, sharing a combined value of $25,000. Successful applicants included Chamber of Blessings/Denmark Arts Inc, Denmark Community Rowing Association, Denmark FM/Denmark Community Resource Centre, Denmark Gymnastics, Denmark Machinery

Restoration Group Inc, Denmark Mountain Bike Club Inc, Green Skills Inc, Nornalup Residents and Ratepayers Association and Riding for the Disabled Association Denmark Centre Inc. Applications were assessed by demonstrated need and alignment with both the Shire of Denmark Strategic Community Plan and Shire of Denmark Sustainability Strategy.

Berridge Park Revitalisation Consultation

Concept design consultants linked up with Youth Fest in April 2023 to deliver community engagement targeted on youth connection to gather input and ideas to feed into the concept designing process for the Berridge Park Revitalisation concept planning. Plenty of kids present at Youth Fest got involved in the engagement, ensuring youth voices will be heard and featured in the later-stages of the design process.

Bushfire Ready Groups

With continued support, Bushfire Ready volunteer numbers grew to 55 groups around the Shire of Denmark. On Saturday November 26, Bushfire Ready Denmark hosted a free Community Information Day at the Civic Centre, which included a short documentary of the February bushfire, a presentation on how to be bushfire ready, and gave the community a chance to meet bushfire brigade captains and members, as well as Bushfire Ready facilitators.



Volunteer Spotlight Series

Funded through a Volunteering WA grant, the Shire of Denmark was able to fund local journalists for Denmark Bulletin and Denmark FM to publish features on local volunteers in our community, talking about the benefits of volunteering. The Volunteer Spotlight Series was warmly received by our community.



Local vollies who were featured included:

- Lez Baines, Chief Bushfire Control Officer
- Lindsey Sesin, Creator and Coordinator of Soupy
- Mitchell Hockley, WA VFRS
- James Back, Reconciliation Advocate
- Isobel Wilson, Denmark Food Pantry
- Murray Brooker, Bushfire Ready
- Luka Milbourne, Denmark Community Foundation
- Kayla Emmerton, Horsepower Coach
- Bev Seeney, Black Dog Ride
- Rohan McDougall, St Johns Ambulance
- Belinda Ross, Denmark Running Club

Beach Summer Safety

Surf Life Saving WA, contracted by the Shire to manage safety in conjunction with the Denmark Surf Life Saving Club at Ocean Beach in the summer months, input 589 preventative measures and performed six rescues at Ocean Beach in summer 2022/23.

Project Tracking



The following projects that address **Our Community** were listed in the *Corporate Business Plan 2022-2025* for delivery and progression in 2022/2023.

Project	Action	Comment
McLean Precinct Pump Track and Volleyball Courts	**DELIVER** the development of a pump track for mountain bikes and volleyball courts	New pieces of community infrastructure! The successful construction of the pump track and beach volleyball courts was made possible by community volunteers and donations. The community-led projects provide infrastructure for fun and healthy outdoor exercise for our local youth and has brought new life to the McLean Park Precinct.
Dual Naming	**LEAD** the dual naming process with the objective of confirming and submitting Indigenous place names to Landgate, then promote those place names with on-site signage	In early 2023, support was obtained from the Indigenous community, Wagyl Kaip and South West Land and Sea Council on dual naming of 18 iconic landscape features across the Shire. The next step for delivery in 2023/24 is to progress the names to Landgate.
Kwoorabup Park Playground Upgrade	**DELIVER** an upgrade to Kwoorabup Park playground area	Works commenced to simplify the park layout to improve maintenance outcomes, community safety and visual amenity. Works planned for 2023/24 to improve the boardwalk and wetland area, addressing weeds and other issues with revegetation.
Berridge Park/ Youth Precinct Concept Planning	**DELIVER** a plan for vibrant, sustainable and integrated youth hub/ precinct in a central location	Consultant engaged to work with officers and community to develop concept plans for the revitalisation of Berridge Park and its linkages to the McLean Youth Precinct. The first stage of community consulation for the drafting process was completed in April 2023 in conjunction with Youth Fest. Concept development and further engagement due for completion by the end of 2023.
Community Art	**FUND** community art	$10,000 awarded to a local organisation for a community art event, which subsequently did not go ahead. The $10,000 was carried over to 2023/24.

Our Local Government

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Highlights

Improved Accessibility for Customers at Shire Administration Building Foyer and Denmark Recreation Centre

Changes made to Shire Administration Building Foyer and entrance to the Denmark Recreation Centre will deliver improved accessibility outcomes for members of our community with diverse needs. The installation of automatic doors at the Rec Centre will improve accessibility for movement impaired community members, while the installation of an audio loop at the Administration Building will assist those who are hard of hearing.

Arena Future Fuels Grant

During 2022/23, the Shire worked with the Western Australian Local Government Association (WALGA) on an application to the Arena Future Fuels grant to accelerate fleet transition to electric vehicles.

Planning Engagement Made Easy

A Planning and Development section has been set up in our engagement platform Your Denmark to allow for streamlined community consultations for public comment processes around Development Applications, planning policy changes and more. It's a one stop shop for engagement, making it easier for community members and other stakeholders to share their views with us.

Internet Connectivity Enhanced

Capabilities for NBN were increased at both the Shire Administration Building and Works Depot sites to allow for improved productivity and efficiency.

Public Health Plan Completed

The Shire's first *Public Health Plan* was adopted in September 2022, following community consultation which began in 2019, lead by the Public Health Plan Working Group and a consultant. Upon adopting the new plan, Council requested the CEO review a number of relevant Council policies.

Planning and Building Information Made Accessible with User-friendly Info Sheets

A suite of eighteen information sheets were prepared in 2022/23, introducing a range of common development related topics in easy-to-understand language. The information sheets will be added to in future years, with the goal of providing bite-sized, easy-to-understand and jargon free information around complicated topics, particularly related to Planning and Building information.

Internal Compliance Procedures Drafted

Internal compliance procedures have been drafted with a view to ensuring that development complies with the requirements of the relevant planning and building legislation, that there is a consistent and proportionate approach to undertaking compliance and enforcement action, there is transparency, procedural fairness and the principles of natural justice are applied, and that consistent decision-making processes and subsequent actions to be taken.

Project Tracking

The following projects that address **Our Local Government** were listed in the *Corporate Business Plan 2022-2025* for delivery or progression in 2022/2023.

Project	Action	Comment
Website Refresh	**FUND** the revamping of the Shire website to ensure more effective communication with stakeholders, including updating the history of Denmark on the website with the support of the local Indigenous community	Project commenced, due for completion in 2023/24.
Strategic Community Plan Review	**DELIVER** a review of the Strategic Community Plan in line with the requirements of the IPR Framework	Major review completed between August 2022 and June 2023. Nearly 1800 community responses were captured during the engagement process which included surveys, mini-questionnaires, competitions, workshops and a public comment period. *Our Future 2033* was adopted by Council at a Special Meeting in June 2023.
Reconciliation Program (Organisation Wide)	**DELIVER** a four-year road map for the organisation that demonstrates building strong relationships and delivering a ranger of programs in collaboration with the local Indigenous community, leading to a Reconciliation Action Plan	In October 2022, Council voted to formally accept the invitation of the *Uluru Statement from the Heart* and to promote awareness about the Statement within the community. The Shire is building relationships with the First Nations community by adopting an approach focused on supporting Indigenous-led initiatives. Cultural Awareness Training for Shire staff is scheduled for delivery in 2023/24.
Stage Three of the Rating Review	**DELIVER** an equitable rating structure across all properties within the Shire, including modelling split rating, undertaking a community engagement plan and implementing UV review outcomes	Project commenced, with finalisation of differential rating complete. Remaining steps of split-rating review on track for delivery in 2023/24.
ICT Roadmap/ Strategy	**FUND** the development of an ICT Strategy to guide future investment and development of the Shire's ICT capability	Consultant appointed and project commenced April 2023, due for completion in 2023/24.

Project	Action	Comment
Arena Fuels	**PARTNER** with Local Governments across the State to secure funding for EV infrastructure	The Shire is part of the WA Local Government Association aggregate Arena Future Fuels grant submission for corporate electric vehicle fleet charging infrastructure which has progressed to full application stage.
Transfer Station Capacity Upgrade	**DELIVER** additional infrastructure at the transfer station including hook lift bin	This project was rolled over for delivery in 2023/24.
CDS Shed Upgrade	**DELIVER** upgrade to the Container Deposit Scheme shed loading area	This project was rolled over for delivery in 2023/24.
Shire Facilities Upgrade	**DELIVER** upgrade to the transport testing facility in the Administration Building	Private booth installed in Administration Building foyer for Hazard Perception tests.
Sustainable Fleet	**DELIVER** a reduction of the carbon footprint for the corporate fleet including consideration of electric or hybrid options	On-going. As fleet vehicle leases expire for internal combustion engine vehicles, they are replaced by electric vehicles.
Asset Valuation	**DELIVER** a comprehensive valuation and condition rating of all assets	On track for completion by early 2023/24.
Update Local Laws	**DELIVER** updates to the local laws for waste, health and trading in public places and fencing	Review of fencing local law commenced with assistance of external consultant.
Compliance Framework	**DELIVER** a Council endorsed approach to development related compliance matters	A compliance framework has been drafted including internal procedure, workflows and template letters. The draft framework will be considered by Council in 2023/24.
Phone System Review	**DELIVER** a review of the current phone system to ensure operational efficiencies	System reviewed in preparation for a Request for Quote to replace phone system in early 2023/24.

Key Statistics

Statistic		21/22	22/23
Community Services			
Denmark Public Library	Physical Loans	44,378	45,282
Denmark Public Library	eResource Usage	17,563	21,603
Denmark Public Library	Reference Enquiries	7,683	8,606
Denmark Public Library	eResource Enquiries	442	364
Denmark Public Library	Programs for Adults and Kids	185	242
Denmark Public Library	Program Attendance	1,873	2,764
Denmark Public Library	Customer Visits	35,888	41,584
Denmark Public Library	Online Catalogue Visits	4,924	6,867
Denmark Public Library	Seed Library Users	448	386
Denmark Recreation Centre	Total Attendance	40,473	44,845
Denmark Recreation Centre	Gym Visits	17,276	18,243
Denmark Recreation Centre	Fitness Class Attendees	5,490	7,486
Denmark Recreation Centre	Sports Hall Attendees	16,808	17,116
Denmark Recreation Centre	Creche Visits	NA	598
Public Safety			
Call out - Snakes		7	17
Call out - Straying Stock		34	46
Call out - Injured or Dead Kangaroos		34	14
Call out - Dog Attacks		12	5
Call out - Barking Dogs		11	6
Call out - Dogs Found		85	57
Call out - General		NA	57
Property Fire Inspections		961	1,330
Book a Ranger Appointments		15	18
Bushfire Ready Groups		41	55
Environmental Health			
Onsite Conventional Septic System Approvals		40	28
Aerobic Treatment Unit Approvals		10	8
Water Samples		214	146
Food Samples		0	0
Event Approvals		20	44
Asbestos Fibre Identification Samples		1	1
Food Premises Assessments		159	96
Stall Holder Licenses		50	23

Statistic	21/22	22/23
Environmental Health		
Section 39 Certificates	4	2
Alfresco and Dining Licenses	11	13
Childcare and Family Daycare Inspections	2	2
Trading in Thoroughfare and Public Place Permits	3	3
Holiday Home Accommodation Inspections	28	24
Peaceful Bay Leasehold Property Inspections	9	11
Temporary Accommodation Approvals	3	1
Lodging House Inspections	2	2
Home Inspections (regarding noise, air pollution etc)	56	36
Public Building Inspections	12	13
Meat Inspections	79	92
Caravan and Camping Inspections	9	9
Building Approvals		
Single Dwelling	55 ($20,420,065)	65 ($24,698,227)
Additions to Single Dwelling	34 ($1,250,850)	47 ($1,529,115)
Outbuildings	25 ($723,189)	81 ($2,330,734)
Rural Outbuildings	20 ($971,120)	10 ($415,723)
Commercial and Industrial	7 ($1,486,500)	6 ($371,000)

Planning Applications					
Proposal Type	**Number of Applications**	**Cost of Development**	**Delegated Authority**	**Council**	**SJDAP**
Single House	29	$12,276,831	29		
Single House Additions/ Alterations	16	$1,384,625	16		
Second House	5	$3,550,000	5		
Ancillary Accommodation	9	$560,000	9		
Rural Pursuit	2		2		
Holiday Home (standard)	15		15		
Holiday Home (large)	4		4		
Holiday Accommodation	3		3		
Outbuilding	21	$929,716	21		
Rural Outbuilding	10	$324,970	10		
Change of Use	6	$582,000	6		
Signage	2	$4000	2		
Use Not Listed	1	$50,000	1		

Planning Applications					
Proposal Type	**Number of Applications**	**Cost of Development**	**Delegated Authority**	**Council**	**SJDAP**
Commercial and Industrial	5	$1,640,000	5		
Dam	0		0		
Extractive Industry	2		2		
Rainwater Tank	7	$38,895	7		
Holiday Home Approval Renewal	16		16		
Subsequent (retrospective) Approval	17	$394,975	17		
Amendments to Planning Approvals	15	$295,000	15		
Totals	**185**	**$20,646,387**	**185**		

Statistic	21/22	22/23
Corporate Services		
Incoming Correspondence Recorded	14,007	13,865
Outgoing Mail Recorded	6,045	5,541
Internal Memos Recorded	2,648	1,721
Freedom of Information Requests	4	2
Public Interest Disclosures	0	0
Department of Transport Licencing Transactions Total	7,675	7266
Department of Transport Licencing Transactions Average per Month	640	606
Major Contributions and Donations	$303,322	$274,259
CEO Approved Donations	$1000	$1200
Rate Waivers	$59,985	$73,034
Awards	$3600	$2300
Waste Services		
Kerbside Bin Services (residential)	NA	2462
Public Place Bin Services	136	138
Total Waste to Landfill	2076.78t	2010.41t
Governance		
Minor Complaints Recorded (*see page 37*)	0	0
Gift and Travel Declarations	0	0
Number of Local Laws Created/Adopted/Amended	0	1
Citizenship Ceremonies	4	2
New Citizens Conferred	18	5

Statistic	21/22	22/23
Governance		
Your Denmark Total Visits	6600+	13,194
Facebook Reach	104,416	368,310
Facebook Page Visits	41,056	24,153
Website Page Views	386,944	325,380
SMS Alerts Subscribers	1,664	1,887
e-Newsletter Subscribers	525	1,781
News Items Published to Website	203	140
Total Approximate Number of Shire References in Media	351	300
Technical Services		
Lime Quarry Sales	na	6500t

Compliance

Register of Complaints
A local government is required to keep a register of minor complaints that result in a finding by the Behaviour Complaints Committee. During 2022/23 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 2022 to 31 December 2022, 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 2022/23.

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 2022/23 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 2022/23.

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 2022/23, two ceremonies were held, welcoming five new Australian citizens.

Local Laws
During 22/23 Council adopted one new local law (the Cats Local Law), at the 20 September 2022 Ordinary Council Meeting. The Local Law was published in the Government Gazette: No 151 ,21 October 2022, 4979, and was approved by the Joint Standing Committee on Delegated Legislation in February 2023.

Record Keeping Report

The Shire of Denmark Records Disaster Management Plan (RDMP) was completed and submitted to the State Records Office in April 2023. The RDMP is a required component of the Record Keeping Plan which outlines the Shire's risks, mitigation activities and processes in the event of a disaster such as a fire.

The Shire continues to provide records training to all new staff within one month of commencement. We have implemented an enhanced program which includes: an online training and assessment component covering the requirement to keep business evidence as a responsibility of all Shire officers; online training on the use of the electronic Documents & Records Management System (eDRMS); and individual training on 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. Training is also provided in an ongoing manner with support made available to all staff during working hours.

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

• 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

There is a plan to evaluate the improved training program once it has been completed by a significant number of employees.

The Records Assistant completed training with an external provider which included courses in Records Management, Keyword Classification, and Records Disposal.

In 2022/23, the Shire recorded 13,865 (14,007 in 2021/22) pieces of incoming correspondence, 5541 (6,045 in 2021/22) pieces of outgoing correspondence and 1721 (2,648 in 2021/22) internal memos. 39 boxes of records were archived.

A major audit of archived records was undertaken at the external storage facility utilised by the Shire of Denmark. This audit was considered necessary to accurately identify and correctly dispose of archived records. A total of 201 boxes of records were destroyed. Many of these records were overdue for destruction but a previous lack of resourcing had not allowed this to take place sooner. An evaluation of the Records Procedure Manual is planned for 2023/24.

2022/23 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%.

Salary Range	*Number of Employees*
$140,000 - 149,999	2

The CEO remuneration package totalled $257,000.

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.

Freedom of Information Report
In 2022/23, the Shire received two valid applications for access to non-personal information. Both applications were completed within 2022/23. There were no applications for Internal Review. The Shire collected a total of $660 comprising of the statutory application fee of $30 per application and the remainder for the time spent processing the applications. The average time to complete each application was 35 days of the 45 permitted.
The Shire of Denmark Information Statement can be accessed on the Shire's website.

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 2022/2023 year includes:

- An Audio Loop was installed in Council Chambers
- Multiple improvements in the Shire Administration Building reception area, including seats with arm rests, walking stick holders and a hearing augmentation device
- Automatic accessible doors were installed at the Denmark Recreation Centre entrance
- All Shire community events held in accessible locations
- All-abilities sports day held at the Denmark Recreation Centre on International Day of People with Disability
- Tactile paving and pram ramp installed to the new footpath at Nornalup
- Denmark Public Library continues to provide dyslexic fonts on all public access computers
- Multi-sensory time kits available at Library
- Neurodiverse kits available at Library
- Accessibility friendly and inclusive consultations

Elected Member Training

Continuing Professional Development for Elected Members Register (as at June 2023)

Elected Member	First Elected	Last Elected	Course/Workshop	Status
Cr Gearon	17.10.15	19.10.19	• Meeting Procedures and Debating • Serving on Council • Understanding Local Government • Meeting Procedures • Conflicts of Interest • Understanding Financial Reports and Budgets	• Competent • In Progress • In Progress • In Progress • In Progress • In Progress
Cr Gibson	21.10.17	19.10.19	• Serving on Council • Understanding Local Government • Meeting Procedures • Conflicts of Interest • Understanding Financial Reports and Budgets	• Competent • Competent • Competent • Competent • Competent
Cr Lewis	15.10.11	16.10.21	• Planning Practices - The Essentials • Serving on Council • Understanding Local Government • Meeting Procedures • Conflicts of Interest • Understanding Financial Reports and Budgets	• Completed • In Progress • In Progress • In Progress • In Progress • In Progress
Cr Phillips	29.11.16	19.10.19	• Serving on Council • Understanding Local Government • Meeting Procedures • Conflicts of Interest • Understanding Financial Reports and Budgets	• Competent • Competent • Competent • Competent • Competent
Cr Ormsby	16.10.21	16.10.21	• Serving on Council • Understanding Local Government • Meeting Procedures • Conflicts of Interest • Understanding Financial Reports and Budgets	• In Progress • In Progress • In Progress • In Progress • In Progress

Elected Member	First Elected	Last Elected	Course/Workshop	Status
Cr Devenport	16.10.21	16.10.21	• Serving on Council • Understanding Local Government • Meeting Procedures • Conflicts of Interest • Understanding Financial Reports and Budgets	• In Progress • In Progress • In Progress • In Progress • In Progress
Cr Carman	16.10.21	16.10.21	• Understanding Local Government • Meeting Procedures • Conflicts of Interest • Understanding Financial Reports and Budgets • Serving on Council	• Competent • Competent • Competent • Competent • In Progress
Cr Campbell	16.10.21	16.10.21	• Serving on Council • Understanding Local Government • Meeting Procedures • Conflicts of Interest • Understanding Financial Reports and Budgets	• Competent • Competent • Competent • Competent • Competent
Cr Clarke	16.10.21	16.10.21	• Serving on Council • Understanding Local Government • Meeting Procedures • Conflicts of Interest • Understanding Financial Reports and Budgets • Planning Practices - Essentials	• Competent • Competent • Competent • Competent • Competent • Competent

Looking Ahead to 2023/24

In addition to projects listed to roll over earlier in this report, the following projects are listed in the *Corporate Business Plan 2022-2025* for delivery or progression in 2023/24.

Project	Action
Website Refresh	FUND the revamping of the Shire website to ensure more effective communication with stakeholders, including updating the history of Denmark on the website with the support of the local Indigenous community
Employee Award Realignment	DELIVER a review of the requirements for Award changes from the Federal to State Award system
Tourism Signage	FUND the upgrade to the Community Notice Boards
Tourism Management	FUND the Tourism Strategy Governance and Leadership Action Plan
Reconciliation Program (Organisation Wide)	DELIVER a four-year roadmap for the organisation that demonstrates building strong relationships and delivering a range of programs in collaboration with the local Indigenous community, leading to a Reconciliation Action Plan
Review of Financial Contributions to Community Groups	DELIVER a policy and communication plan to Council that reviews the process for setting the annual financial contributions to each community group within the Shire
Disability Access and Inclusion Plan Review	DELIVER a review of strategies and actions to improve access and inclusion outcomes for people of all abilities within the Shire
Bike Trail	FUND the development of a bike trail between McLean Oval and Berridge Park
Community Art	FUND Community Art
Rec Centre Roof Repairs	DELIVER roof replacement program
Venue Hire Program (Space to Co)	DELIVER the introduction of a venue hire program through 'Space to Co' to create a more effective booking of Shire facilities to the community
Financial software program update	DELIVER the migration from Synergy Soft to Altus to access improvements in technology via the new cloud-based software
Environmental impact measuring tool for procurement	DELIVER a review of the Procurement Policy to ensure the inclusion of an objective environmental impact measuring process to guide decision making

Project	Action
Document Management	DELIVER an internal document control system that delivers work efficiencies and improves document management functions
Wireless Point to Point	DELIVER a wireless point-to-point system to ensure efficient connectivity between Shire work sites
Climate Dashboard	DELIVER greenhouse gas emissions monitoring for Shire operations
Solar Panels on Shire Buildings	DELIVER the procurement of additional solar panels for Shire facilities to deliver energy efficiency
LED Street Lighting	DELIVER LED street lighting as part of a long-term energy savings plan
FOGO	LEAD the implementation of FOGO into the Shire's Waste Management system
Arena Fuels	PARTNER with Local Governments across the State to secure funding for EV infrastructure
Berridge Park /Youth Precinct Concept Planning	DELIVER a plan for a vibrant, sustainable and integrated youth hub/precinct in a central location
Surf Club Re-development	DELIVER upgrades to the Surf Life Saving Club facilities and public facilities at Ocean Beach
Prawn Rock Channel Upgrades	DELIVER public amenities at Prawn Rock Channel
Ocean Beach Precinct Upgrades	DELIVER erosion control in order to preserve the recreational precinct
WOW Trail Stage 2	PARTNER with DBCA on the completion of WOW Trail Stage 2
Trails and Paths Mapping	PARTNER with Trails WA to ensure that all local trails are featured on the Trails WA app
Dual Naming Project	LEAD the Dual Naming process with the objective of confirming and submitting to Landgate Indigenous place names, then promote those place names with on-site signage
Heritage Reserve Site	DELIVER concept plans for Reserve 15022/22944 (Heritage site near bridge on South Coast Hwy)

Project	Action
Kwoorabup Park Playground Upgrade	DELIVER an upgrade to Kwoorabup Park playground area
Annual Tree Planting	LEAD the rehabilitation of Shire land, including increasing annual tree planting and revegetation program
Transfer Station Capacity Upgrade	DELIVER additional infrastructure at the transfer station including hook lift bin
Paths and Trails Workforce	PARTNER with external bodies on the creation of a local workforce for paths and trails maintenance
Depot Re-development Master Plan	DELIVER 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
Road Construction Resource Planning	DELIVER a plan to future-proof road construction material availability and to consider alternative construction materials to meet the road construction needs of the Shire
Depot Ablution Facility	DELIVER an additional ablution facility at the Depot
Skid Steer Slasher	FUND the purchase of a skid steer mounted slasher to support maintenance of walk trails and narrow verges
Skid Steer Broom	FUND the purchase of a front mount rotary broom to sweep roads prior and after sealing and for use on footpaths and various trails
Shire Facilities Upgrade	DELIVER upgraded storage facilities at the rear of the Administration Building
Lights Road Upgrade	DELIVER upgrade to Lights Road
All Abilities Carpark	DELIVER an upgrade to one all abilities carpark per year
Berridge-Thornton Park Link	DELIVER a pathway link between Berridge Park and Thornton Park under the bridge
Riverbend Lane Footbridge	DELIVER a footbridge at Riverbend Lane
Springdale Footpath	DELIVER Springdale footpath link
All Abilities Access to Peaceful Bay	DELIVER a design and feasibility study to deliver an all abilities path for beach access at Peaceful Bay

Project	Action
Peaceful Bay Toilet Facilities	DELIVER a toilet block at the Peaceful Bay boat ramp carpark area
Sustainable Fleet	DELIVER a reduction of the carbon footprint for the corporate fleet including consideration of electric or hybrid options
Asset Valuation	DELIVER a comprehensive valuation and condition rating of all assets
Flood Mitigation Works	DELIVER an annual program of flood mitigation works to address urgent flooding issues in the community
Planning Framework Review	DELIVER a review of the entire local planning framework
Update Local Laws	DELIVER updates to the local laws for Waste, Health and Trading in Public Places and Fencing
Delivering Online Resources	DELIVER online information packages for development applications and building approvals
Sustainable Development	ADVOCATE for incorporating ecologically sustainable design principles into new development

SHIRE OF DENMARK

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

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The Shire of Denmark conducts the operations of a local government with the following community vision:

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

Principal place of business:
953 South Coast Highway
DENMARK WA 6333

SHIRE OF DENMARK
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

Local Government Act 1995
Local Government (Financial Management) Regulations 1996

STATEMENT BY CEO

The accompanying financial report of the Shire of Denmark has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 24th day of November 2023



Chief Executive Officer

David King

Name of Chief Executive Officer

OAG AUDITED

SHIRE OF DENMARK
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual	2023 Budget	2022 Actual
		$	$	$
Revenue				
Rates	2(a),24	7,624,104	7,635,814	7,036,139
Grants, subsidies and contributions	2(a)	2,969,350	1,878,571	2,473,161
Fees and charges	2(a)	3,578,284	3,666,496	3,644,429
Interest revenue	2(a)	329,723	196,794	64,486
Other revenue	2(a)	265,457	33,456	306,406
		14,766,918	13,411,131	13,524,621
Expenses				
Employee costs	2(b)	(7,187,202)	(7,231,666)	(7,162,734)
Materials and contracts		(4,409,359)	(4,527,962)	(4,467,775)
Utility charges		(244,794)	(243,705)	(225,932)
Depreciation		(4,514,787)	(3,487,325)	(3,494,777)
Finance costs	2(b)	(85,936)	(130,079)	(98,198)
Insurance		(469,986)	(461,206)	(431,694)
Other expenditure	2(b)	(240,725)	(267,700)	(386,994)
		(17,152,789)	(16,349,643)	(16,268,104)
		(2,385,871)	(2,938,512)	(2,743,483)
Refund - Capital Grant		(321,218)	0	0
Capital grants, subsidies and contributions	2(a)	2,940,674	5,083,502	2,474,294
Profit on asset disposals		91,201	55,900	47,105
Loss on asset disposals		(10,234)	(21,000)	(2,492)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	2,764	0	2,998
		2,703,187	5,118,402	2,521,905
Net result for the period	23(b)	**317,316**	**2,179,890**	**(221,578)**
Other comprehensive income for the period				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	16	14,896,481	0	11,636,014
Total other comprehensive income for the period	16	**14,896,481**	**0**	**11,636,014**
Total comprehensive income for the period		**15,213,797**	**2,179,890**	**11,414,436**

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

OAG AUDITED

SHIRE OF DENMARK
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	NOTE	2023	2022
		$	$
CURRENT ASSETS			
Cash and cash equivalents	3	6,668,513	6,877,882
Trade and other receivables	5	601,815	533,138
Other financial assets	4(a)	22,474	23,729
Inventories	6	1,107,000	101,695
Other assets	7	822,642	764,092
TOTAL CURRENT ASSETS		9,222,444	8,300,536
NON-CURRENT ASSETS			
Trade and other receivables	5	149,463	125,394
Other financial assets	4(b)	499,907	519,616
Property, plant and equipment	8	36,018,920	38,665,754
Infrastructure	9	80,393,780	63,507,063
Right-of-use assets	11(a)	31,799	110,129
TOTAL NON-CURRENT ASSETS		117,093,869	102,927,956
TOTAL ASSETS		126,316,313	111,228,492
CURRENT LIABILITIES			
Trade and other payables	12	1,600,067	1,198,948
Other liabilities	13	101,705	775,904
Lease liabilities	11(b)	23,106	82,250
Borrowings	14	255,113	171,350
Employee related provisions	15	1,238,844	1,243,075
TOTAL CURRENT LIABILITIES		3,218,835	3,471,527
NON-CURRENT LIABILITIES			
Other liabilities	13	494,747	500,238
Lease liabilities	11(b)	10,568	31,367
Borrowings	14	1,666,695	1,495,117
Employee related provisions	15	95,158	113,730
TOTAL NON-CURRENT LIABILITIES		2,267,168	2,140,452
TOTAL LIABILITIES		5,486,003	5,611,979
NET ASSETS		120,830,310	105,616,513
EQUITY			
Retained surplus		26,105,914	25,574,722
Reserve accounts	27	4,594,509	4,808,385
Revaluation surplus	16	90,129,887	75,233,406
TOTAL EQUITY		120,830,310	105,616,513

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

OAG AUDITED

SHIRE OF DENMARK
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	RETAINED SURPLUS	RESERVE ACCOUNTS	REVALUATION SURPLUS	TOTAL EQUITY
		$	$	$	$
Balance as at 1 July 2021		**25,951,027**	**4,653,658**	**63,597,392**	**94,202,077**
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 reserve accounts	27	578,397	(578,397)	0	0
Transfers to reserve accounts	27	(733,124)	733,124	0	0
Balance as at 30 June 2022		**25,574,722**	**4,808,385**	**75,233,406**	105,616,513
Comprehensive income for the period					
Net result for the period		317,316	0	0	317,316
Other comprehensive income for the period	16	0	0	14,896,481	14,896,481
Total comprehensive income for the period		317,316	0	14,896,481	15,213,797
Transfers from reserve accounts	27	1,401,408	(1,401,408)	0	0
Transfers to reserve accounts	27	(1,187,532)	1,187,532	0	0
Balance as at 30 June 2023		**26,105,914**	**4,594,509**	**90,129,887**	**120,830,310**

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 2023

	NOTE	2023 Actual $	2022 Actual $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		7,614,771	7,077,612
Grants, subsidies and contributions		2,300,995	2,659,667
Fees and charges		3,578,284	3,644,429
Interest revenue		329,723	64,486
Goods and services tax received		452,998	403,366
Other revenue		265,457	306,406
		14,542,228	14,155,966
Payments			
Employee costs		(7,192,242)	(7,325,826)
Materials and contracts		(4,090,828)	(6,027,730)
Utility charges		(244,794)	(225,932)
Finance costs		(85,936)	(98,198)
Insurance paid		(469,986)	(431,694)
Goods and services tax paid		(526,776)	(231,030)
Other expenditure		(240,725)	(386,994)
		(12,851,287)	(14,727,404)
Net cash provided by (used in) operating activities		1,690,941	(571,438)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(1,108,321)	(396,054)
Payments for construction of infrastructure	9(a)	(4,036,759)	(2,687,165)
Capital grants, subsidies and contributions		2,940,674	2,474,294
Proceeds from financial assets at amortised cost - self supporting loans		23,728	22,872
Proceeds from sale of property, plant & equipment		435,294	85,320
Refund Capital Grant		(321,218)	0
Net cash provided by (used in) investing activities		(2,066,602)	(500,733)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	26(a)	(171,349)	(199,801)
Payments for principal portion of lease liabilities	26(c)	(89,049)	(104,742)
Proceeds from new borrowings	26(a)	426,690	0
Net cash provided by (used In) financing activities		166,292	(304,543)
Net increase (decrease) in cash held		(209,369)	(1,376,717)
Cash at beginning of year		6,877,882	8,254,599
Cash and cash equivalents at the end of the year	3	6,668,513	6,877,882

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

SHIRE OF DENMARK
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual	2023 Budget	2022 Actual
		$	$	$
OPERATING ACTIVITIES				
Revenue from operating activities				
Rates	24	7,624,104	7,635,814	7,036,139
Grants, subsidies and contributions		2,969,350	1,878,571	2,473,161
Fees and charges		3,578,284	3,666,496	3,644,429
Interest revenue		329,723	196,794	64,486
Other revenue		265,457	33,456	306,406
Profit on asset disposals		91,201	55,900	47,105
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	2,764	0	2,998
		14,860,883	13,467,031	13,574,724
Expenditure from operating activities				
Employee costs		(7,187,202)	(7,231,666)	(7,162,734)
Materials and contracts		(4,409,359)	(4,527,962)	(4,467,775)
Utility charges		(244,794)	(243,705)	(225,932)
Depreciation		(4,514,787)	(3,487,325)	(3,494,777)
Finance costs		(85,936)	(130,079)	(98,198)
Insurance		(469,986)	(461,206)	(431,694)
Other expenditure		(240,725)	(267,700)	(386,994)
Loss on asset disposals		(10,234)	(21,000)	(2,492)
		(17,163,023)	(16,370,643)	(16,270,596)
Non-cash amounts excluded from operating activities	25(a)	4,378,693	3,454,295	3,567,020
Amount attributable to operating activities		2,076,553	550,683	871,148
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		2,940,674	5,083,502	2,474,294
Proceeds from disposal of assets		435,294	171,500	85,320
Proceeds from financial assets at amortised cost - self supporting loans	26(a)	23,728	23,729	22,872
		3,399,696	5,278,731	2,582,486
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(1,108,321)	(5,693,624)	(396,054)
Purchase and construction of infrastructure	9(a)	(4,036,759)	(4,653,043)	(2,687,165)
		(5,145,080)	(10,346,667)	(3,083,219)
Non-cash amounts excluded from investing activities	25(b)	(321,218)	0	0
Amount attributable to investing activities		(2,066,602)	(5,067,936)	(500,733)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	26(a)	426,690	1,520,000	0
Transfers from reserve accounts	27	1,401,408	1,997,975	578,397
		1,828,098	3,517,975	578,397
Outflows from financing activities				
Repayment of borrowings	26(a)	(171,349)	(263,209)	(199,801)
Payments for principal portion of lease liabilities	26(c)	(89,049)	(84,117)	(104,742)
Transfers to reserve accounts	27	(1,187,532)	(846,168)	(733,124)
		(1,447,930)	(1,193,494)	(1,037,667)
Amount attributable to financing activities		380,168	2,324,481	(459,270)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	25(c)	1,493,570	2,192,772	1,582,425
Amount attributable to operating activities		2,076,553	550,683	871,148
Amount attributable to investing activities		(2,066,602)	(5,067,936)	(500,733)
Amount attributable to financing activities		380,168	2,324,481	(459,270)
Surplus or deficit after imposition of general rates	25(c)	**1,883,689**	**0**	**1,493,570**

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 2023

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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 except for disclosure requirements of:

- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraphs 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 140 Investment Property paragraph 75(f)
- AASB 1052 Disaggregated Disclosures paragraph 11
- AASB 1054 Australian Additional Disclosures paragraph 16

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 28 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
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.
- estimation of uncertainties made in relation to lease accounting

Initial application of accounting standards
During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- *AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- *AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*
- *AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]*
- *AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15*

These amendments have no material impact on the current annual financial report

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

- *AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- *AASB 2020-1 Amendments to Australian Accounting* Standards - *Classification of Liabilities as Current or Non-current*
- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*
  This standard will result in a terminology change for significant accounting policies
- *AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- *AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*
- *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*
- *AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*
- *AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*
  The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

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
Grants, subsidies and contributions	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	Waste 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
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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 of goods or services is provided in the table below:

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	$	$	$	$	$
Rates	0	0	7,624,104	0	7,624,104
Grants, subsidies and contributions	748,181	0	0	2,221,169	2,969,350
Fees and charges	414,107	0	2,066,350	1,097,827	3,578,284
Interest revenue	0	0	37,622	292,101	329,723
Other revenue	0	0	0	265,457	265,457
Capital grants, subsidies and contributions	0	2,940,674	0	0	2,940,674
Total	1,162,288	2,940,674	9,728,076	3,876,554	17,707,592

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	$	$	$	$	$
Rates	0	0	7,036,139	0	7,036,139
Grants, subsidies and contributions	566,977	0	0	1,906,184	2,473,161
Fees and charges	0	0	2,547,936	1,096,493	3,644,429
Interest revenue	0	0	32,560	31,926	64,486
Other revenue	0	0	0	306,406	306,406
Capital grants, subsidies and contributions	0	2,474,294	0	0	2,474,294
Total	566,977	2,474,294	9,616,635	3,341,009	15,998,915

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

	Note	2023 Actual	2022 Actual
		$	$
Interest revenue			
Financial assets at amortised cost - self supporting loans		13,178	14,035
Interest on reserve account funds		157,533	9,920
Trade and other receivables overdue interest		37,832	32,560
Other interest revenue		121,180	7,971
		329,723	64,486
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was $32,740.			
Fees and charges relating to rates receivable			
Charges on instalment plan		21,885	19,063
The 2023 original budget estimate in relation to: Charges on instalment plan was $19,000.			

(b) Expenses

Auditors remuneration			
- Audit of the Annual Financial Report		37,875	32,600
- Other services – grant acquittals		2,900	5,600
- Other services – Audit Reg. 17 & FM Reg. Review		12,200	0
		52,975	38,200
Employee Costs			
Employee benefit costs		7,187,202	7,162,734
		7,187,202	7,162,734
Finance costs			
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss		85,936	98,198
		85,936	98,198
Other expenditure			
Sundry expenses		240,725	386,994
		240,725	386,994

3. CASH AND CASH EQUIVALENTS

	Note	2023	2022
		$	$
Cash at bank and on hand		2,074,004	1,319,497
Term deposits		4,594,509	5,558,385
Total cash and cash equivalents		6,668,513	6,877,882
Held as			
- Unrestricted cash and cash equivalents		2,074,004	2,069,497
- Restricted cash and cash equivalents	17	4,594,509	4,808,385
		6,668,513	6,877,882

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 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 reserve accounts, 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.

4. OTHER FINANCIAL ASSETS

		2023	2022
		$	$
(a) Current assets			
Financial assets at amortised cost		22,474	23,729
		22,474	23,729
Other financial assets at amortised cost			
Self supporting loans receivable	25(c)	22,474	23,729
		22,474	23,729
Held as			
- Unrestricted other financial assets at amortised cost		22,474	23,729
		22,474	23,729
(b) Non-current assets			
Financial assets at amortised cost		438,690	461,163
Financial assets at fair value through profit or loss		61,217	58,453
		499,907	519,616
Financial assets at amortised cost			
Self supporting loans receivable		303,991	326,463
Term deposits		134,699	134,700
		438,690	461,163
Financial assets at fair value through profit or loss			
Units in Local Government House Trust - opening balance		58,453	55,455
Movement attributable to fair value increment		2,764	2,998
Units in Local Government House Trust - closing balance		61,217	58,453

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 26(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

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 hierachy (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 or loss
The Shire has elected to classify the following financial assets at fair value through profit or 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 elected to recognise as fair value gains and losses through profit or loss.

5. TRADE AND OTHER RECEIVABLES

	Note	2023	2022
		$	$
Current			
Rates and statutory receivables		325,094	316,882
Trade receivables		175,664	188,977
GST receivable		101,057	27,279
		601,815	533,138
Non-current			
Rates and statutory receivables		106,276	84,185
Receivables for employee related provisions		43,187	41,209
		149,463	125,394

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:	Note	30 June 2023 Actual	30 June 2022 Actual	1 July 2021 Actual
		$	$	$
Contract assets	7	810,918	747,968	694,095
Total trade and other receivables from contracts with customers		810,918	747,968	694,095

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables
Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables
Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations as part of the ordinary course of business.

Other receivables
Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers including grants for the construction of recognisable non financial assets.

Measurement
Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

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	2023	2022
Current		**$**	**$**
Fuel and materials		87,000	101,695
Land held for resale		1,020,000	0
		1,107,000	101,695

The following movements in inventories occurred during the year:

Balance at beginning of year	101,695	112,195
Inventories expensed during the year	(340,072)	(376,967)
Additions to inventory	1,345,377	366,467
Balance at end of year	1,107,000	101,695

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.

7. OTHER ASSETS

	2023	2022
	$	$
Other assets - current		
Prepayments	0	5,118
Accrued income	11,724	11,006
Contract assets	810,918	747,968
	822,642	764,092

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.

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

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.

Non-current assets held for sale (Continued)

Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value heirachy set out in Note 23(i).

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.

	Land	Buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	$	$		$	$	$
Balance at 1 July 2021	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)
Balance at 30 June 2022	4,581,000	30,996,351	35,577,351	32,304	3,056,099	38,665,754
Comprises:						
Gross balance amount at 30 June 2022	4,581,000	50,271,600	54,852,600	429,886	8,864,173	64,146,659
Accumulated depreciation at 30 June 2022	0	(19,275,249)	(19,275,249)	(397,582)	(5,808,074)	(25,480,905)
Balance at 30 June 2022	4,581,000	30,996,351	35,577,351	32,304	3,056,099	38,665,754
Additions	0	0	0	104,149	1,004,172	1,108,321
Disposals	(290,000)	0	(290,000)	0	(64,327)	(354,327)
Assets classified as held for sale	(1,020,000)	0	(1,020,000)	0	0	(1,020,000)
Depreciation	0	(1,749,042)	(1,749,042)	(34,620)	(597,166)	(2,380,828)
Balance at 30 June 2023	3,271,000	29,247,309	32,518,309	101,833	3,398,778	36,018,920
Comprises:						
Gross balance amount at 30 June 2023	3,271,000	50,271,600	53,542,600	512,762	9,571,567	63,626,929
Accumulated depreciation at 30 June 2023	0	(21,024,291)	(21,024,291)	(410,929)	(6,172,789)	(27,608,009)
Balance at 30 June 2023	3,271,000	29,247,309	32,518,309	101,833	3,398,778	36,018,920

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
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.

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

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.

	Infrastructure - Roads & Paths	Infrastructure - Parks & Reserves	Infrastructure - Airstrip	Infrastructure - Bridges	Infrastructure - Drainage	Total Infrastructure
	$	$	$	$	$	$
Balance at 1 July 2021	49,787,849	2,390,599	761,653	9,655,633	0	62,595,734
Additions	2,060,423	501,111	113,637	11,994	0	2,687,165
Depreciation	(1,550,407)	(202,312)	(19,214)	(199,397)	0	(1,971,330)
Transfers	0	195,494	0	0	0	195,494
Balance at 30 June 2022	50,297,865	2,884,892	856,076	9,468,230	0	63,507,063
Comprises:						
Gross balance at 30 June 2022	101,294,177	5,397,674	1,076,371	14,198,914	0	121,967,136
Accumulated depreciation at 30 June 2022	(50,996,312)	(2,512,782)	(220,295)	(4,730,684)	0	(58,460,073)
Balance at 30 June 2022	50,297,865	2,884,892	856,076	9,468,230	0	63,507,063
Additions	3,673,899	362,860	0	0	0	4,036,759
Revaluation increments / (decrements) transferred to revaluation surplus	9,482,535	2,106,762	47,025	3,260,159	0	14,896,481
Depreciation	(1,589,343)	(236,157)	(21,475)	(199,548)	0	(2,046,523)
Transfers	(7,119,175)	0	0	0	7,119,175	0
Balance at 30 June 2023	54,745,781	5,118,357	881,626	12,528,841	7,119,175	80,393,780
Comprises:						
Gross balance at 30 June 2023	97,311,677	7,961,654	1,113,405	18,686,200	16,105,684	141,178,620
Accumulated depreciation at 30 June 2023	(42,565,896)	(2,843,297)	(231,779)	(6,157,359)	(8,986,509)	(60,784,840)
Balance at 30 June 2023	54,745,781	5,118,357	881,626	12,528,841	7,119,175	80,393,780

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 2023	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 2023	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Airstrip	3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Bridges	3	Cost approach using current replacement cost	Independent Valuation	June 2023	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.

10. FIXED ASSETS

(a) Depreciation

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
Land - freehold land	not depreciated
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

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 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.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, 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 Shire's revaluation policy, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair They are subject to subsequent revaluation at the next revaluation consistent with *Financial Management Regulation 17A(4).*

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 consistent with *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 asset classes 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.

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.

(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).

Impairment

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 or losses on disposal

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.

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
		$	$
Balance at 1 July 2021		222,018	222,018
Gains/(losses) from sale and leaseback transactions		(3,120)	(3,120)
Depreciation		(108,769)	(108,769)
Balance at 30 June 2022		110,129	110,129
Gross balance amount at 30 June 2022		340,138	340,138
Accumulated depreciation at 30 June 2022		(230,009)	(230,009)
Balance at 30 June 2022		110,129	110,129
Additions		9,106	9,106
Depreciation		(87,436)	(87,436)
Balance at 30 June 2023		31,799	31,799
Gross balance amount at 30 June 2023		349,244	349,244
Accumulated depreciation at 30 June 2023		(317,445)	(317,445)
Balance at 30 June 2023		31,799	31,799

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:		2023 Actual	2022 Actual
		$	$
Depreciation on right-of-use assets		(87,436)	(108,769)
Finance charge on lease liabilities	26(c)	(1,409)	(2,864)
Total amount recognised in the statement of comprehensive income		(88,845)	(111,633)
Total cash outflow from leases		(90,458)	(107,606)

(b) Lease Liabilities

Current		23,106	82,250
Non-current		10,568	31,367
	26(c)	33,674	113,617

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 26(c).

Right-of-use assets - measurement
Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised 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 depreciated over the useful life of the underlying asset.

12. TRADE AND OTHER PAYABLES

	2023	2022
	$	$
Current		
Sundry creditors	1,108,488	740,787
Prepaid rates	92,704	71,734
Accrued payroll liabilities	38,128	20,365
Bonds and deposits held	294,697	200,882
Accrued Interest on Loans	8,968	9,851
Income in Advance	26,184	27,100
Accrued Expenses	30,898	128,229
	1,600,067	1,198,948

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 any 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 income for the prepaid rates that have not been refunded.

13. OTHER LIABILITIES

	2023	2022
	$	$
Current		
Contract liabilities	101,705	775,904
Capital grant/contributions liabilities	0	0
	101,705	775,904
Non-current		
Contract liabilities	494,747	500,238
Capital grant/contributions liabilities	0	0
	494,747	500,238
Reconciliation of changes in contract liabilities		
Opening balance	1,276,142	904,808
Additions	96,214	845,904
Revenue from contracts with customers included as a contract liability at the start of the period	(775,904)	(474,570)
	596,452	1,276,142

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was $653,452 (2022: $1,311,142)

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

Expected satisfaction of contract liabilities		
Less than 1 year	101,705	775,904
1 to 2 years	0	0
2 to 3 years	0	0
3 to 4 years	0	0
4 to 5 years	0	0
> 5 years	494,747	500,238
	596,452	1,276,142

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.

14. BORROWINGS

		2023			2022		
	Note	Current	Non-current	Total	Current	Non-current	Total
Secured		$	$	$	$	$	$
Debentures		255,113	1,666,695	1,921,808	171,350	1,495,117	1,666,467
Total secured borrowings	26(a)	255,113	1,666,695	1,921,808	171,350	1,495,117	1,666,467

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 2023 and 2022 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 hierachy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 26(a).

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
Current provisions	**$**	**$**
Employee benefit provisions		
Annual leave	670,409	745,035
Long service leave	568,435	498,040
	1,238,844	1,243,075
Total current employee related provisions	1,238,844	1,243,075
Non-current provisions		
Employee benefit provisions		
Long service leave	95,158	113,730
	95,158	113,730
Total non-current employee related provisions	95,158	113,730
Total employee related provisions	1,334,002	1,356,805

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.

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.

16. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	$	$	$	$	$	$
Revaluation surplus - Land & Buildings	22,273,849	0	22,273,849	10,637,835	11,636,014	22,273,849
Revaluation surplus - Plant and equipment	2,572,846	0	2,572,846	2,572,846	0	2,572,846
Revaluation Surplus - Other Infrastructure	50,386,711	14,896,481	65,283,192	50,386,711	0	50,386,711
	75,233,406	14,896,481	90,129,887	63,597,392	11,636,014	75,233,406

17. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2023 Actual $	2022 Actual $
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	4,594,509	4,808,385
		4,594,509	4,808,385
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	27	4,594,509	4,808,385
Total restricted financial assets		4,594,509	4,808,385

18. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS

Bank overdraft limit		0	0
Bank overdraft at balance date		0	0
Credit card limit		15,000	25,000
Credit card balance at balance date		(4,348)	(2,831)
Total amount of credit unused		10,652	22,169
Loan facilities			
Loan facilities - current		255,113	171,350
Loan facilities - non-current		1,666,695	1,495,117
Total facilities in use at balance date		1,921,808	1,666,467
Unused loan facilities at balance date		0	0

19. 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 (DWER) 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 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.

20. CAPITAL COMMITMENTS

	2023	2022
	$	$
Contracted for:		
- capital expenditure projects	217,367	271,300
- plant & equipment purchases	291,837	724,205
	509,204	995,505
Payable:		
- not later than one year	509,204	995,505

As at 30 June 2022 the Shire had three (3) capital commitments in relation to works to be completed. The first was in relation to the water re-use pipeline project at McLean Oval and totalled $170,939 exclusive of GST and included payments due to Denmark Plumbing Service. The remainder totalling $75,697 exclusive of GST related to two (2) MRWA road reconstruction projects for Ocean Beach Road and Mount Shadforth Road which required completion. The expense required to complete both projects was budgeted for as part of the 2022-2023 financial year capital works during which time the projects were completed.
The Shire also had a number of items of Plant & Equipment on back order with a total value of $658,368 excluding GST which included a replacement Waste Collection Truck. These items were not received as at 30 June 2022. The expenditure associated with these acquisitions was included in the adopted budget for the 2022-2023 financial year during which time the items were received.

As at 30 June 2023 the Shire has two (2) capital commitments in relation to works to be completed. The first is for works to be completed in relation to upgrading the Prawn Rock channel Precinct and totals $188,406 exclusive of GST payable to various contractors. The second is for outstanding works for the ongoing project at McLean Oval for the water re-use pipeline which totals $9,200 exclusive of GST. Both projects have been budgeted for completion during the 2023-2024 financial year.
The Shire also has a tip truck which was budgeted for replacement during the 2022-2023 financial year
As at 30 June 2023 the truck with a purchase price of $265,306 exclusive of GST had not been received.
The expenditure associated with this acquisition has been included in the adopted budget for the 2023-2024 financial year.

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.	Note	2023 Actual	2023 Budget	2022 Actual
		$	$	$
President's annual allowance		32,199	32,199	23,957
President's meeting attendance fees		14,260	14,260	10,639
President's annual allowance for ICT expenses		2,975	2,975	2,555
President's travel and accommodation expenses		0	1,200	0
		49,434	50,634	37,151
Deputy President's annual allowance		8,050	8,050	5,969
Deputy President's meeting attendance fees		14,260	14,260	10,639
Deputy President's annual allowance for ICT expenses		2,975	2,975	2,555
Deputy President's travel and accommodation expenses		0	850	0
		25,285	26,135	19,163
All other council member's meeting attendance fees		99,820	99,820	71,457
All other council member's annual allowance for ICT expenses		20,825	20,825	17,160
All other council member's travel and accommodation expenses		4,074	5,950	2,799
		124,719	126,595	91,416
	21(b)	199,438	203,364	147,730

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Shire during the year are as follows:	Note	2023 Actual	2022 Actual
		$	$
Short-term employee benefits		600,327	567,110
Post-employment benefits		66,535	63,369
Employee - other long-term benefits		4,820	12,221
Employee - termination benefits		19,440	0
Council member costs	21(a)	199,438	147,730
		890,560	790,430

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.

21. RELATED PARTY TRANSACTIONS

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:	2023 Actual $	2022 Actual $
Sale of goods and services	72,298	75,697
Purchase of goods and services	53,274	41,953
Amounts payable to related parties:		
Trade and other payables	4,029	0

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 and are detailed in Notes 21(a) and 21(b)

ii. Other Related Parties

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

Any 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.

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 2023.

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 report 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 revenue
Interest revenue 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 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.

24. RATING INFORMATION

(a) General Rates

	RATE TYPE Rate Description	Basis of valuation	Rate in $	Number of Properties	2022/23 Actual Rateable Value*	2022/23 Actual Rate Revenue	2022/23 Actual Reassessed Rates	2022/23 Actual Total Revenue	2022/23 Budget Rate Revenue	2022/23 Budget Reassessed Rate	2022/23 Budget Total Revenue	2021/22 Actual Total Revenue
					$	$	$	$	$	$	$	$
Gross rental valuations												
1	Non-Rural Improved	Gross rental valuation	0.106223	2,254	39,420,162	4,187,328	16,481	4,203,809	4,187,328	25,500	4,212,828	3,984,297
2	Holiday Purposes	Gross rental valuation	0.138090	131	2,133,300	294,587	0	294,587	294,587	0	294,587	235,508
3	Vacant	Gross rental valuation	0.211772	220	2,117,520	448,431	0	448,431	448,431	0	448,431	441,559
Unimproved valuations												
4	Rural	Unimproved valuation	0.004511	467	273,582,000	1,234,129	0	1,234,129	1,234,129	0	1,234,129	1,155,016
5	Rural - Add. Use 1 - Holiday Purpos	Unimproved valuation	0.005864	19	9,500,000	55,708	0	55,708	55,708	0	55,708	56,728
6	Rural - Add. Use 2 - Commercial	Unimproved valuation	0.007668	16	10,232,000	78,459	0	78,459	78,459	0	78,459	55,688
	Total general rates			3,107	336,984,982	6,298,642	16,481	6,315,123	6,298,642	25,500	6,324,142	5,928,796
	Minimum payment		**Minimum Payment $**									
Gross rental valuations												
	Non-Rural Improved	Gross rental valuation	1,298	633	5,530,299	821,634	0	821,634	821,634	0	821,634	633,255
	Holiday Purposes	Gross rental valuation	1,558	11	82,086	17,138	0	17,138	17,138	0	17,138	12,321
	Vacant	Gross rental valuation	1,298	219	1,009,940	284,262	0	284,262	284,262	0	284,262	279,380
Unimproved valuations												
	Rural	Unimproved valuation	1,491	159	35,028,271	237,069	0	237,069	237,069	0	237,069	203,962
	Rural - Add. Use 1 - Holiday Purpos	Unimproved valuation	1,938	4	1,149,000	7,752	0	7,752	7,752	0	7,752	25,140
	Rural - Add. Use 2 - Commercial	Unimproved valuation	2,832	5	1,721,000	14,160	0	14,160	14,160	0	14,160	13,270
	Total minimum payments			1,031	44,520,596	1,382,015	0	1,382,015	1,382,015	0	1,382,015	1,167,328
	Total general rates and minimum payments			4,138	381,505,578	7,680,657	16,481	7,697,138	7,680,657	25,500	7,706,157	7,096,124
	Concessions							(73,034)			(70,343)	(59,985)
	Total Rates							7,624,104			7,635,814	7,036,139
	Rate instalment interest							14,448			12,000	11,999
	Rate overdue interest							23,173			20,500	20,561

The rate revenue was recognised from the rate record as soon as practicable after the Shire resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

*Rateable Value at time of raising of rate.

25. DETERMINATION OF SURPLUS OR DEFICIT

	Note	2022/23 (30 June 2023 Carried Forward)	2022/23 Budget (30 June 2023 Carried Forward)	2022/23 (1 July 2022 Brought Forward)	2021/22 (30 June 2022 Carried Forward
		$	$	$	$
(a) Non-cash amounts excluded from operating activities					
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32.*					
Adjustments to operating activities					
Less: Profit on asset disposals		(91,201)	(55,900)	(47,105)	(47,105)
Less: Movement in liabilities associated with restricted cash		(6,209)	0	218,072	218,072
Less: Fair value adjustments to financial assets at fair value through profit or loss		(2,764)	0	(2,998)	(2,998)
Add: Loss on disposal of assets		10,234	21,000	2,492	2,492
Add: Depreciation	10(a)	4,514,787	3,487,325	3,494,777	3,494,777
Non-cash movements in non-current assets and liabilities:					
Pensioner deferred rates		(22,091)	0	(14,177)	(14,177)
Employee benefit provisions		(18,572)	1,870	(14,041)	(14,041)
Contract liabilities		(5,491)	0	(70,000)	(70,000)
Non-cash amounts excluded from operating activities		4,378,693	3,454,295	3,567,020	3,567,020
(b) Non-cash amounts excluded from investing activities					
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32.*					
Adjustments to investing activities					
Movement in current unspent non-operating grants associated with restricted cash		(321,218)	0	0	0
Non-cash amounts excluded from investing activities		(321,218)	0	0	0
(c) Surplus or deficit after imposition of general rates					
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.					
Adjustments to net current assets					
Less: Reserve accounts	27	(4,594,509)	(3,656,578)	(4,808,385)	(4,808,385)
Less: Financial assets at amortised cost - self supporting loans	4(a)	(22,474)	(23,729)	(23,729)	(23,729)
Less: Current assets not expected to be received at end of year					
- Land held for resale	6	(1,020,000)	0	0	0
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings	14	255,113	263,209	171,350	171,350
- Current portion of lease liabilities	11(b)	23,106	25,928	82,250	82,250
- Employee benefit provisions		1,238,844	1,244,945	1,243,075	1,243,075
Total adjustments to net current assets		(4,119,920)	(2,146,225)	(3,335,439)	(3,335,439)
Net current assets used in the Statement of Financial Activity					
Total current assets		9,222,444	5,237,038	8,300,536	8,300,536
Less: Total current liabilities		(3,218,835)	(3,090,813)	(3,471,527)	(3,471,527)
Less: Total adjustments to net current assets		(4,119,920)	(2,146,225)	(3,335,439)	(3,335,439)
Surplus or deficit after imposition of general rates		1,883,689	0	1,493,570	1,493,570

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

		Actual							Budget			
Purpose	Note	Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
		$	$	$	$	$	$	$	$	$	$	$
Lionsville		353,831	0	(31,866)	321,965	0	(34,096)	287,869	321,965	0	(34,096)	287,869
Football Clubrooms		135,916	0	(11,599)	124,317	0	(12,350)	111,967	124,317	0	(12,350)	111,967
Riverside Club Stage 1		405,199	0	(20,704)	384,495	0	(21,353)	363,142	384,495	0	(21,353)	363,142
Purchase Lot 228 Res. 18587		261,402	0	(49,514)	211,888	0	(50,860)	161,028	211,888	0	(50,860)	161,028
Airport		30,183	0	(6,863)	23,320	0	(7,299)	16,021	23,320	0	(7,299)	16,021
Visitors Centre		35,971	0	(35,971)	0	0	0	0	0	0	0	0
Purchase Reserve 27101		270,702	0	(20,411)	250,291	0	(21,663)	228,628	250,291	0	(21,663)	228,628
Rubbish Truck		0	0	0	0	426,690	0	426,690	0	450,000	(40,910)	409,090
Denmark Solar Energy Project		0	0	0	0	0	0	0	0	500,000	(30,930)	469,070
Surf Club Precinct Development		0	0	0	0	0	0	0	0	570,000	(20,020)	549,980
Total		1,493,204	0	(176,928)	1,316,276	426,690	(147,621)	1,595,343	1,316,276	1,520,000	(239,481)	2,596,795
Self Supporting Loans												
Scouts		9,838	0	(3,764)	6,074	0	(3,989)	2,085	6,074	0	(3,990)	2,084
Riverside Club		363,226	0	(19,108)	344,118	0	(19,738)	324,380	344,118	0	(19,738)	324,380
Total Self Supporting Loans		373,064	0	(22,872)	350,192	0	(23,728)	326,465	350,192	0	(23,729)	326,464
Total Borrowings	14	1,866,268	0	(199,801)	1,666,467	426,690	(171,349)	1,921,808	1,666,468	1,520,000	(263,209)	2,923,259

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 Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
						$	$	$
Lionsville		142	WATC	6.88%	12-Nov-29	(23,483)	(23,483)	(25,930)
Football Clubrooms		147	WATC	6.37%	30-Jun-30	(8,593)	(9,449)	(9,413)
Riverside Club Stage 1		159	WATC	3.11%	13-Aug-36	(14,133)	(14,133)	(14,938)
Purchase Lot 228 Res. 18587		158	WATC	2.70%	01-Jun-26	(6,633)	(6,633)	(8,332)
Airport		143	WATC	6.26%	30-Jun-25	(1,526)	(1,700)	(2,004)
Visitors Centre		131	WATC	6.91%	Expired	0	0	(2,224)
Purchase Reserve 27101		152	WATC	6.04%	30-Jun-31	(16,520)	(18,245)	(17,896)
Rubbish Truck		160	WATC	4.45%	30-Jun-28	(65)	(12,450)	0
Denmark Solar Energy Project		161	WATC	N/A	N/A	0	(14,175)	0
Surf Club Precinct Development		162	WATC	N/A	N/A	0	(14,775)	0
Total						(70,953)	(115,043)	(80,736)
Self Supporting Loans Finance Cost Payments								
Scouts		129	WATC	5.84%	21-Jul-23	(217)	(217)	(473)
Riverside Club		157	WATC	3.80%	12-May-36	(13,357)	(13,357)	(14,125)
Total Self Supporting Loans Finance Cost Payments						(13,574)	(13,574)	(14,598)
Total Finance Cost Payments						(84,527)	(128,617)	(95,334)

26. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2022/23

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed 2023 Actual	Amount Borrowed 2023 Budget	Amount (Used) 2023 Actual	Amount (Used) 2023 Budget	Total Interest & Charges	Actual Balance Unspent
				%	$	$	$	$	$	$
Purchase New Waste Truck	WATC	P & I	5	4.45%	426,690	450,000	(426,690)	(450,000)	65	0
Denmark Solar Energy Project	WATC	P & I	7	4.35% (Est)	0	500,000	0	(500,000)	0	0
Surf Club Precinct Development	WATC	P & I	10	4.55% (Est)	0	570,000	0	(570,000)	0	0
					426,690	1,520,000	(426,690)	(1,520,000)	65	0

(c) Lease Liabilities

Purpose	Note	Actual: Principal at 1 July 2021	Actual: New Leases During 2021-22	Actual: Principal Repayments During 2021-22	Actual: Principal at 30 June 2022	Actual: New Leases During 2022-23	Actual: Principal Repayments During 2022-23	Actual: Principal at 30 June 2023	Budget: Principal at 1 July 2022	Budget: New Leases During 2022-23	Budget: Principal Repayments During 2022-23	Budget: Principal at 30 June 2023
		$	$	$	$	$	$	$	$	$	$	$
Admin Managed Print Services		66,130	0	(30,309)	35,821	0	(30,673)	5,148	35,821	0	(30,934)	4,887
Mitel Phone System		34,868	0	(15,897)	18,971	0	(16,233)	2,738	18,971	0	(16,473)	2,498
Subaru Forester - DE 09		2,534	0	(2,534)	0	0	0	0	0	0	0	0
Toyota RAV4 - DE 245		11,084	0	(8,849)	2,235	9,106	(9,034)	2,307	2,235	0	(2,235)	0
Nissan X-Trail - DE 7005		2,201	0	(2,201)	0	0	0	0	0	0	0	0
Subaru XV - DE 87		1,816	0	(1,816)	0	0	0	0	0	0	0	0
Toyota Camry - 1HBO 848		17,102	0	(7,542)	9,560	0	(7,626)	1,934	9,560	0	(7,692)	1,868
Isuzu Utility - 1GJH 357		12,354	(3,121)	(9,233)	0	0	0	0	3,121	0	0	3,121
Isuzu Utility - (New Lease)		0	0	0	0	0	0	0	0	27,795	(8,248)	19,547
Toyota RAV4 - DE 992		15,615	0	(7,434)	8,181	0	(7,531)	650	8,181	0	0	8,181
Subaru Forester - DE 45		1,361	0	(1,361)	0	0	0	0	0	0	0	0
Gym - Cardio Equipment		15,551	0	(7,695)	7,856	0	(7,856)	0	7,856	0	(7,856)	0
Gym - Strength Equipment		40,865	0	(9,871)	30,994	0	(10,097)	20,897	30,994	0	(10,679)	20,315
Total Lease Liabilities	11(b)	221,481	(3,121)	(104,742)	113,617	9,106	(89,049)	33,674	116,739	27,795	(84,117)	60,417

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Lease Term
						$	$	$	
Admin Managed Print Services			3E Advantage	1.20%	Aug-23	(261)	(218)	(624)	36 Months
Mitel Phone System			Capital Finance	2.10%	Aug-23	(241)	(166)	(574)	60 Months
Subaru Forester - DE 09			CBA	2.00%	Finalised	0	0	(9)	36 Months
Toyota RAV4 - DE 245			CBA	1.70%	Sep-23	(123)	(93)	(119)	36 Months
Nissan X-Trail - DE 7005			CBA	2.00%	Finalised	0	0	(6)	36 Months
Subaru XV - DE 87			CBA	2.00%	Finalised	0	0	(5)	36 Months
Toyota Camry - 1HBO 848			CBA	1.10%	Sep-23	(67)	(98)	(150)	36 Months
Isuzu Utility - 1GJH 357			CBA	2.10%	Finalised	0	0	(170)	36 Months
Isuzu Utility - (New Lease)			CBA	2.3% (Est)	N/A	0	(170)	0	36 Months
Toyota RAV4 - DE 992			CBA	1.30%	Jul-23	(61)	(61)	(158)	36 Months
Subaru Forester - DE 45			CBA	2.10%	Finalised	0	0	(4)	36 Months
Gym - Cardio Equipment			MAIA	2.10%	May-23	(75)	(105)	(237)	48 Months
Gym - Strength Equipment			MAIA	2.30%	May-25	(581)	(551)	(808)	72 Months
Total Finance Cost Payments						(1,409)	(1,462)	(2,864)	

27. RESERVE ACCOUNTS

		2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
		$	$	$	$	$	$	$	$	$	$	$	$
	Restricted by legislation/agreement												
(a)	Denmark East Development Reserve	710,910	6,993	(717,903)	0	710,910	14,219	(585,000)	140,129	721,357	324	(10,771)	710,910
		710,910	6,993	(717,903)	0	710,910	14,219	(585,000)	140,129	721,357	324	(10,771)	710,910
	Restricted by council												
(b)	Employee Entitlements Reserve	428,400	15,739	0	444,140	428,400	8,568	0	436,968	448,410	1,094	(21,104)	428,400
(c)	Plant Reserve	748,961	352,517	(383,212)	718,265	748,961	339,979	(652,250)	436,690	586,098	326,430	(163,567)	748,961
(d)	Parry Inlet Reserve	208,933	17,676	(18,015)	208,594	208,933	14,179	(14,000)	209,112	198,448	10,484	0	208,933
(e)	Cemetary Reserve	0	0	0	0	0	0	0	0	2,118	5	(2,123)	0
(f)	Lime Quarry Rehabilitation Reserve	385,712	14,171	(30,000)	369,883	385,712	7,714	(30,000)	363,426	414,701	1,012	(30,000)	385,712
(g)	Infrastructure Reserve	802,042	459,467	(190,974)	1,070,534	802,042	166,041	(600,000)	368,083	709,778	134,938	(42,674)	802,042
(h)	Waste Services Reserve	633,140	193,261	0	826,401	633,140	182,663	(55,000)	760,803	621,627	171,517	(160,004)	633,140
(i)	Parks and Gardens Reserve	0	0	0	0	0	0	0	0	78,985	193	(79,178)	0
(j)	Aquatic Facility Development Reserve	85,920	13,157	(3,725)	95,351	85,919	11,718	(3,725)	93,912	96,863	236	(11,180)	85,920
(k)	Lionsville Reserve	148,296	5,448	(57,579)	96,165	148,296	2,966	(58,000)	93,262	205,590	502	(57,796)	148,296
(l)	Peaceful Bay Reserve	245,052	44,003	0	289,055	245,052	39,901	0	284,953	209,541	35,511	0	245,052
(m)	Rivermouth Caravan Park Reserve	106,460	8,911	0	115,372	106,460	7,129	0	113,589	101,213	5,247	0	106,460
(n)	Peaceful Bay Caravan Park Reserve	68,398	7,513	0	75,911	68,398	6,368	0	74,766	63,243	5,154	0	68,398
(o)	Recreation Centre Reserve	105,917	13,891	0	119,809	105,918	12,118	0	118,036	95,684	10,233	0	105,917
(p)	Strategic Reserve	105,244	8,867	0	114,111	105,244	7,105	0	112,349	100,000	5,244	0	105,244
(q)	ICT Reserve	15,000	15,551	0	30,551	15,000	15,300	0	30,300	0	15,000	0	15,000
(r)	Legal Contingency Reserve	10,000	10,367	0	20,367	10,000	10,200	0	20,200	0	10,000	0	10,000
		4,097,475	1,180,539	(683,505)	4,594,509	4,097,475	831,949	(1,412,975)	3,516,449	3,932,299	732,800	(567,626)	4,097,475
		4,808,385	1,187,532	(1,401,408)	4,594,509	4,808,385	846,168	(1,997,975)	3,656,578	4,653,656	733,124	(578,397)	4,808,385

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserve accounts.

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 account	Anticipated dae of use	Purpose of the reserve account
(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)	Cemetary 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.

28. 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:

	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
	$	$	$	$
DPI Licensing	0	1,152,000	(1,152,000)	0
Denmark Parks & Trails	850	0	0	850
	850	1,152,000	(1,152,000)	850

Auditor General

INDEPENDENT AUDITOR'S REPORT
2023
Shire of Denmark

To the Council 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 as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity 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 2023 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the 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.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation 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 2023, 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.

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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 (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the 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.

My independence and quality management 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 ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management 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 2023 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.

Tim Sanya
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
28 November 2023