



# SHIRE OF DENMARK ANNUAL REPORT 2015/2016





## Shire of Denmark

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The Shire of Denmark acknowledges the Noongar people, who are the traditional custodians of the land within the Shire. The Shire of Denmark also acknowledges other Aboriginal language groups who live in the area.

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

Alternative formats are also available upon request, including large print, electronic format (disk or emailed), audio or Braille.

# WELCOME TO DENMARK

The town of Denmark is located on the Denmark River and Wilson Inlet, approximately 50kms west of Albany and 400kms south of Perth. The Shire is home to a thriving, diverse community which proudly proclaims its special places and unique environmental heritage.

The Shire encompasses four town sites (Denmark, Peaceful Bay, Bow Bridge and Nornalup), along with the Valley of the Giants forest, National Parks, rivers, ocean, hills and the picturesque Scotsdale Valley.

The Shire of Denmark has a diverse population that encourages a variety of interests and occupations. Tourism is a major industry within the Shire and many residents have developed their lifestyle around a number of cottage industries to cater for tourists.

Denmark as a local authority will continue to experience high levels of growth and economic activity into the future, with the Shire required to be highly adaptable to meet the changing and increasing demands of its growing population. The Shire of Denmark aims to foster a culture of growth that consciously incorporates business and development initiatives with sustainability values.

## VISION

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

## MISSION

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

## VALUES

Sustainability, effectiveness, teamwork, transparency, respect, visionary leadership, honesty, integrity, creativity, commitment and trust.

## MOTTO

*Discover Denmark*

## FLORAL EMBLEM

The Red Flowering Gum (Corymbia ficifolia).



## MOTIF

The Splendid Fairywren (Malurus splendens).



## Current Status

Population (2016 ABS Estimate)	5,886
Number of Electors	4,781
Total Rates Levied	\$ 5,656,209
Total Revenue	\$ 20,949,708
Number of Employees	82 (63.57 FTE)
Distance from Perth	400 km
Area	1,860 km <sup>2</sup>
Length of Roads	
Sealed	222 km
Unsealed	695 km
Area of Parks & Reserves	1,290 km <sup>2</sup>
Length of Coastline	84 km
Length of Estuary Foreshores	73 km
Number of Dwellings	3,404



### **Tourist Attractions**

Walpole Wilderness Area; William Bay National Park (Greens Pool, Elephant Rocks, Madfish Bay); Valley of the Giants Treetop Walk; Bibbulmun Track; Munda Biddi Trail; Walk Trails; Breweries & Wineries; Arts & Crafts; Beaches; Surfing; Canoeing on Rivers & Inlets; Fishing; Restaurants & Cafes; Tourist Farms (Alpacas, Ostriches, Emus, Exotic Bird Park); Historical Museum; Toffee Factory; Ice Creameries; Cheese Making; Chocolate Making; Tours.

### **Local Industries**

Tourism; Viticulture; Hospitality; Retail; Artisans & Crafts; Cottage Industries; Agriculture; Organics; Aquaculture; Fishing; Environmental Research & Action; Education; Health Services; Healing & Wellbeing Services; Building & Trades; Mechanical Services; Earthmoving & Construction.

### **Significant Local Events**

Denmark Market Days – December, January and Easter; Dreams of the Bay Art Exhibition Peaceful Bay – January; Australia Day Breakfast Featuring Citizen Award Presentations & Naturalisation Ceremony; Great Southern Taste – March; Southern Ocean Classic Mile – Easter; Denmark Festival of Voice – June; Great Southern Art & Craft Trail – September; Brave New Works – November.

### **Educational Institutions**

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

### **Freeman of the Shire of Denmark**

- Mr Percy Berridge (Dec) (17/11/1973)
- Mrs Eileen Lunan (10/02/2006)

### **Citizenship Award Winners**

- Citizen of the Year - Graeme Thallon & Paul Kightly
- Young Citizen of the Year - Not Awarded
- Community Group or Event of the Year - Denmark Historical Society Inc.

### **Sports Award Winners**

- Senior Sportsperson of the Year - Eilidh MacMaster
- Junior Sportsperson of the Year - Leah Winter
- Service to Sport - Joan Merrifield

# SHIRE PRESIDENT'S REPORT AND INTRODUCTION



It is with pleasure that I present the Shire of Denmark Annual Report for 2015/2016.

The Annual Report provides an overview of the Shire of Denmark's achievements during 2015/16 and reports on the actions and major projects associated with the Shire's Strategic Community Plan and recently adopted Corporate Business Plan.

In addition to the implementation and delivery of a number of capital works and maintenance projects, Shire of Denmark staff and Councillors have had a productive year with a strong focus on strategic and corporate planning outcomes. Major strategic achievements have included the strengthening of regional relationships with adjoining Local Governments, and planning for the future of our Shire through the progression of the Integrated Planning and Reporting Framework.

The Shire of Denmark, City of Albany and Shire of Plantagenet formed the Lower Great Southern Economic Alliance during 2015/2016, to facilitate greater collaboration within our region. The Alliance seeks to advance economic development and increase overall prosperity within the area, through a focus on five pillars that include advocacy and lobbying, tourism, growth planning, efficiency and consistency and other opportunities. During 2015/2016, the Alliance began work on the development of a Destination Marketing Strategy to increase the promotion of the region through a unified tourism vision and strategy.

In line with the Department of Local Government's Integrated Planning and Reporting Framework, Council performed a minor desktop review of the Strategic Community Plan in March 2016. Following this review, Shire of Denmark staff and Councillors formulated a Corporate Business Plan which outlines the major actions and projects required over the next four years to achieve the objectives and goals of the Strategic Community Plan. After seeking public comment, Council adopted the Corporate Business Plan in July 2016.

Strategic planning will continue to be a major focus for the Shire of Denmark in coming years as we undertake a scheduled major review of the Strategic Community Plan in 2016/2017 and seek to adopt a number of informing strategies that outline the Shire's long term financial position, asset condition and workforce development.

I encourage all residents and ratepayers of the Shire of Denmark to become involved in this process as we look to reset the future direction of our Shire.

It has been a privilege to serve as Shire President and I wish to thank my fellow Councillors for their dedication and support during 2015/2016. The year has not been without its challenges and this time has served to highlight how fortunate we are to have such a committed and dedicated team of staff serving the community.

In closing, I encourage all members of the community to continue to take a high level of interest in community affairs and urge you to contact both staff and Councillors should you have any questions, issues or concerns. Your input is vital to ensure that the services and strategic direction of Council continues to represent your views.

A handwritten signature in black ink, appearing to read 'D Morrell'. The signature is written in a cursive, flowing style.

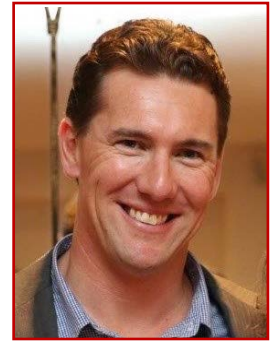
Cr David Morrell  
**Shire President**

## CURRENT COUNCILLOR INFORMATION & CONTACT DETAILS

	<b>Cr David Morrell</b> <u>Shire President</u>	<b>Town Ward</b> (Term Expires 2017)	9 Crowea Rd Denmark WA 6333 Phone: 9848 1300 Mobile: 0448 681 300 Email: <a href="mailto:cr.morrell@denmark.wa.gov.au">cr.morrell@denmark.wa.gov.au</a>
	<b>Cr Ceinwen Gearon</b> <u>Deputy Shire President</u>	<b>Town Ward</b> (Term Expires 2019)	C/- PO Box 183 Denmark WA 6333 Mobile: 0434 856 292 Email: <a href="mailto:cr.gearon@denmark.wa.gov.au">cr.gearon@denmark.wa.gov.au</a>
	<b>Cr Mark Allen</b>	<b>Scotsdale / Shadforth Ward</b> (Term Expires 2017)	PO Box 35 Denmark WA 6333 Mobile: 0439 993 686 Email: <a href="mailto:cr.allen@denmark.wa.gov.au">cr.allen@denmark.wa.gov.au</a>
	<b>Cr Yasmin Bartlett</b>	<b>Scotsdale / Shadforth Ward</b> (Term Expires 2019)	PO Box 374 Denmark WA 6333 Phone: 9848 2873 Mobile: 0419 926 285 Email: <a href="mailto:yasminbartlett@gmail.com">yasminbartlett@gmail.com</a>
	<b>Cr Peter Caron</b>	<b>Scotsdale / Shadforth Ward</b> (Term Expires 2017)	C/- PO Box 183 Denmark WA 6333 Mobile: 0414 438 767 Email: <a href="mailto:peter@carono.com.au">peter@carono.com.au</a>
	<b>Cr Jan Lewis</b>	<b>Scotsdale / Shadforth Ward</b> (Term Expires 2019)	111 McNess Road Scotsdale WA 6333 Mobile: 0438 061 191 Email: <a href="mailto:jclewis@overbridgefarm.com.au">jclewis@overbridgefarm.com.au</a>
	<b>Cr Rob Whooley</b>	<b>Town Ward</b> (Term Expires 2019)	PO Box 970 Denmark WA 6333 Phone: 9848 3513 Email: <a href="mailto:cr.whooley@denmark.wa.gov.au">cr.whooley@denmark.wa.gov.au</a>
	<b>Cr Clem Wright</b> (Elected in 2016/17)	<b>Kent / Nornalup Ward</b> (Term Expires 2017)	PO Box 215 Denmark WA 6333 Phone: 9840 8817 Mobile: 0411 844 420 Email: <a href="mailto:pathwaysets@westnet.com.au">pathwaysets@westnet.com.au</a>
	<b>Cr Janine Phillips</b> (Elected in 2016/17)	<b>Kent / Nornalup Ward</b> (Term Expires 2019)	25 Fifth Avenue Peaceful Bay WA 6333 Phone: 9840 8257 Mobile: 0428 571 031 Email: <a href="mailto:cr.phillips@denmark.wa.gov.au">cr.phillips@denmark.wa.gov.au</a>

The Shire of Denmark would like to thank former Shire President Ross Thornton, Deputy Shire Presidents Kelli Gillies and John Sampson, and former Councillors Ian Osborne, Belinda Rowland, Dawn Pedro and Roger Seeney for their service and contribution during 2015/2016.

## CHIEF EXECUTIVE OFFICER'S REPORT



I was pleased to join the Shire of Denmark as Chief Executive Officer in August 2016, following the departure of interim Chief Executive Officer, Cliff Frewing, and former Chief Executive Officer, Dale Stewart, who both served in the role during the 2015/2016 financial year.

2015/2016 proved to be a busy year for the Shire of Denmark, with a focus on initiating and completing a number of capital works projects and strategic planning activities, whilst continuing to perform the Shire's core functions.

Highlights of the year under review included the development of the Riverside Club and the Wilderness Ocean Walk (WOW) Trail, the installation of a new jetty at Berridge Park, improvements to playground facilities at Peaceful Bay and ablution facilities at Parry Beach.

A number of local road upgrades occurred during 2015/2016, with a focus on road resealing and resheeting, the sealing of intersections and the reconstruction and repair of a number of ageing bridges within the Shire. The road program was made possible through the receipt of a number of grants from external funding sources, including Main Roads WA (Regional Road Group), Blackspot funding, Commodity Route funding and Roads to Recovery. This external funding complemented the Shire's contribution to asset maintenance and renewal.

The Shire of Denmark received a number of awards during the year, including a commendation in the 2016 Western Australian Heritage Awards for the reuse of the former Denmark Hospital (Morgan Richards Community Centre) in the category 'Conservation or Adaptive Reuse of a State Registered Place'. In September 2015, the Shire's tourism body, Denmark Tourism Inc., was awarded the GWN Top Tourism Town Award for 2015. The receipt of these awards not only reflect positively on the Shire of Denmark, but also highlight the skills, experience and effort of local employees and businesses in our region.

The Shire has undergone a significant period of change in recent times and I wish to acknowledge the dedication and commitment of the Shire of Denmark's employees and Elected Members during this period. Council continues to receive positive feedback in regard to the high level of service provided by all Shire employees and this is a testament to their commitment to the residents and ratepayers of Denmark.

I would like to thank the Executive Team comprising Kim Dolzadelli, Annette Harbron, Gregg Harwood and Gilbert Arlandoo for their achievements, input and support during the year. I also wish to acknowledge the Executive Assistant, Claire Thompson, for her continuing dedication and assistance.

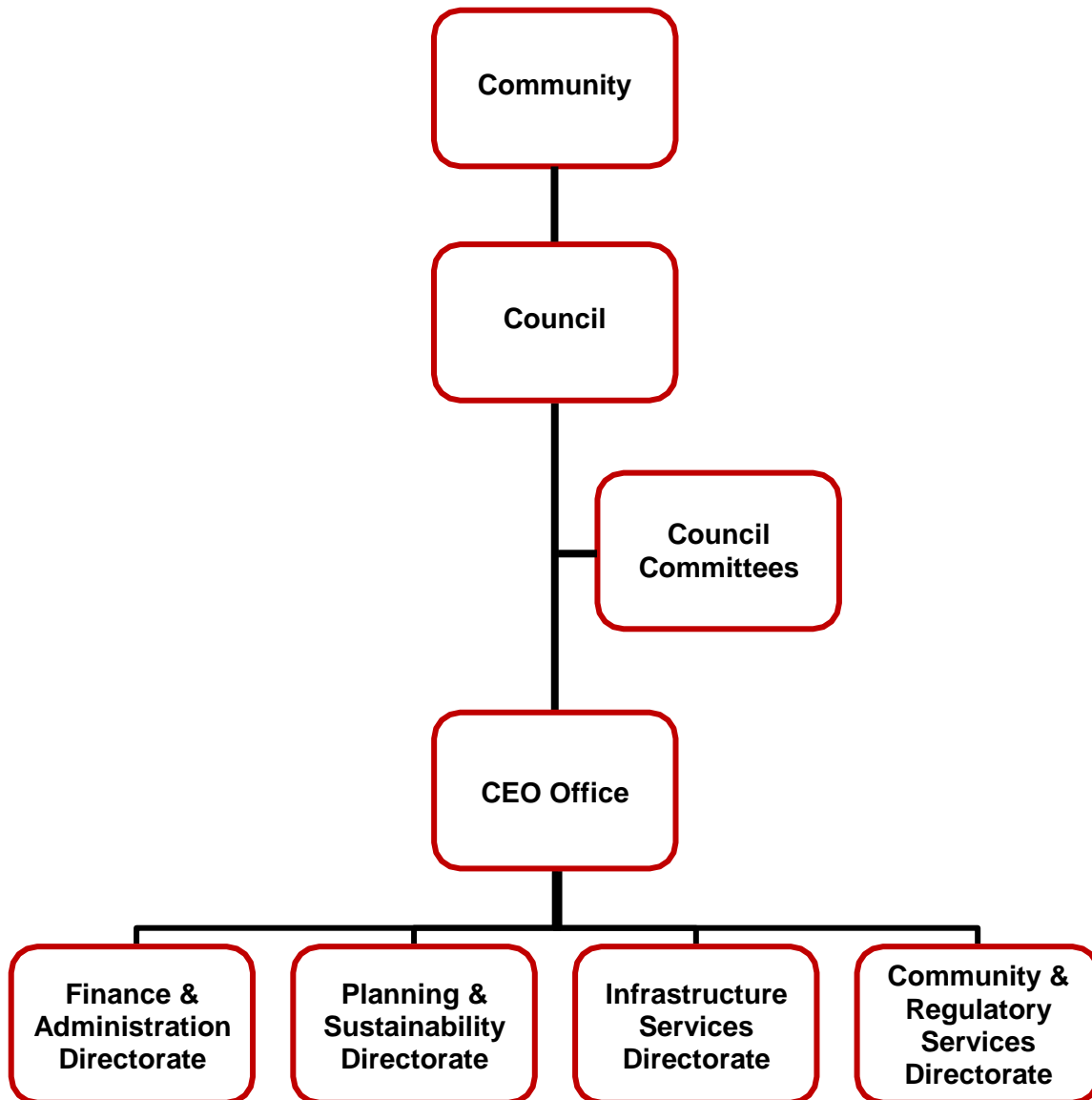
I welcome Cary Green as the new Director of Finance and Administration, following Kim Dolzadelli's departure, and look forward to the progression of a Long Term Financial Plan for the Shire during 2016/2017.

Finally, I would like to thank the Denmark community, Elected Members, and Shire of Denmark employees for their welcoming approach. The support, information and advice that I have received since becoming Chief Executive Officer has proved invaluable. I look forward to the year ahead where we will continue to focus on improving the Shire's strategic planning capability and partner with the community to reaffirm the long-term vision for the Shire.

A handwritten signature in black ink, appearing to be 'Bill Parker', followed by a period.

Mr Bill Parker  
**Chief Executive Officer**

# SHIRE OF DENMARK ORGANISATION CHART



## Executive Team

**Chief Executive Officer**

**Mr Bill Parker**  
(Commenced 2016/2017)

**Director of Finance & Administration**

**Mr Cary Green**  
(Commenced 2016/2017)

**Director of Planning & Sustainability**

**Mrs Annette Harbron**

**Director of Infrastructure Services**

**Mr Gilbert Arlandoo**

**Director of Community & Regulatory Services**

**Mr Gregg Harwood**

The Shire of Denmark would like to thank former Chief Executive Officers, Cliff Frewing and Dale Stewart, and former Director of Finance and Administration, Kim Dolzadelli, for their service and contribution during the 2015/2016 year.

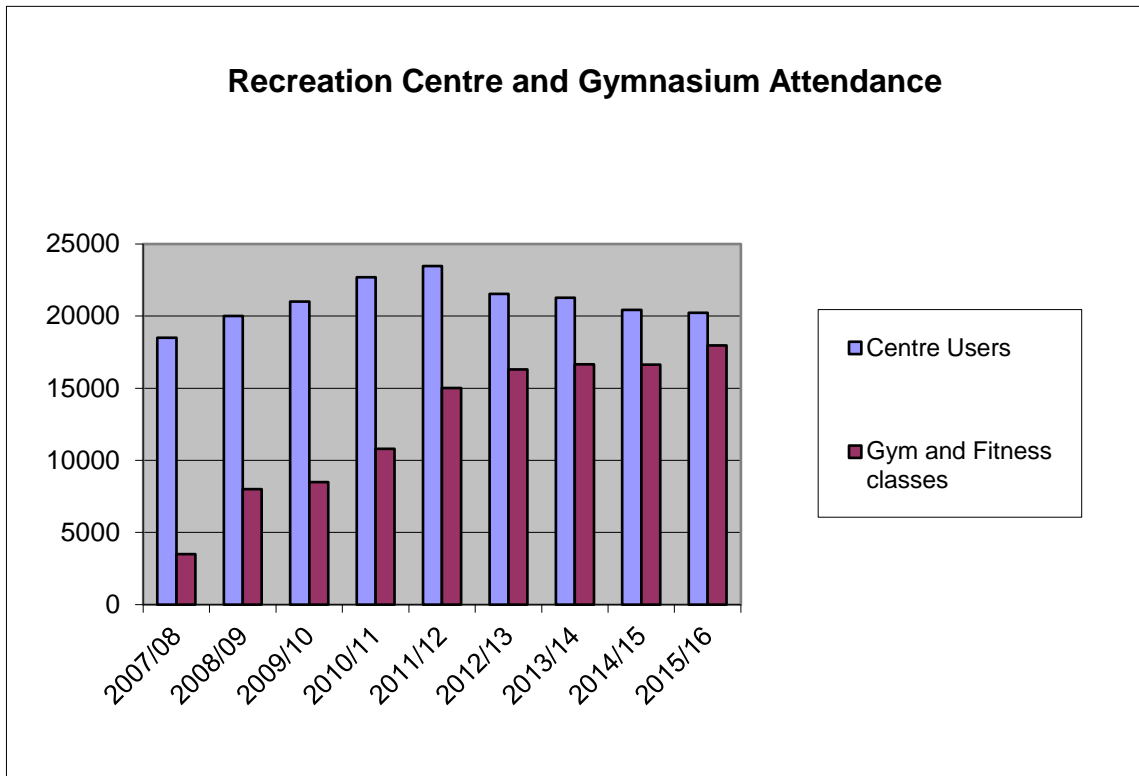


# SUMMARY OF SHIRE SERVICES 2015/2016



## Denmark Recreation Centre

The Recreation Centre recorded 38,203 attendances for 2015/2016, which is an increase of 1,126 on the previous year.



*Figure 1: Recreation Centre and Gym & Fitness Attendance*

### Awards

The Recreation Centre's Living Longer Living Stronger program was a finalist for two State-wide Awards in 2015/2016, including:

- The Denmark Recreation Centre for Best Regional Provider; and
- Jill Smith for Best Regional Participant.

The Denmark Basketball Association was a finalist in the WA Sport and Recreation Industry Awards for their 'Give2Sport' initiative.

### New Programs

The following program was introduced during 2015/2016:

- Little Tikes Huff N' Puff - This was a new pilot program, funded by the Department of Sport and Recreation, that began in February 2016. The Recreation Centre received funding of \$4,740 to pilot a physical activity program targeting children 2-5 years of age. The program focused on parents and children engaging in active play with games and activities that were designed to improve and develop balance, strength, motor skills, social skills and communication.

## Staff & Training

The following new casual staff commenced during 2015/2016:

- Aimee Jeffrey (Casual Gym Attendant / Personal Trainer); and
- Jemma Franz (Casual Creche Attendant).

The Assistant Manager of Recreation Services attended training in Perth, provided by the Department of Sport & Recreation, which focused on 'Managing People in the Sport and Recreation Environment'.

The Manager of Recreation & Youth Services attended the bi-annual WA Parks & Leisure Conference in Perth. Sessions attended included:

- Effective Issues Management and Stakeholder Communication;
- Facilities Benchmarking;
- Engagement through Sport and Alternate Activities;
- Community Benefits of Aquatic and Recreation Centres;
- Activating your Audience; and
- Carrying Capacity of Sports Grounds.

Three staff from the Recreation Centre renewed their First Aid training during the year, and Recreation Centre staff attended 'Armed Hold Up' training, provided by the Denmark Police.

## Gym

An external 'Out of Hours' access door was installed, along with CCTV coverage in the Gym. Out of Hours access was made available to the community during May 2016.



*Photo: Denmark Recreation Centre Gym*

The Recreation Centre held a free fitness 'Masterclass' for the community on 20 June 2016, which was attended by 22 participants.

## Gym Membership Figures

*As at June 30 2016*

Bronze Gym	64
Bronze Aero	2
Silver	11
Gold	16
TOTAL	93

30 memberships include Out of Hours access, 19 of which are new members and 11 existing members who upgraded their membership to include access.

## **Club Development Officer Scheme**

Funding has been confirmed for the Club Development Officer program for a further 12 months, concluding on 30 June 2017.

The following club activities, projects and programs occurred during 2015/2016:

- The Denmark Basketball Association developed a project titled 'Give2Sport'. This project was aimed at encouraging, training and integrating young people into club committees. The Denmark Basketball Association was the pilot club for the project and activities included training young people and the existing Committee on best practice governance and administration, ensuring that the club was prepared to host between 4-6 teenagers (16-18yrs) within their committee in various roles, which were rotated over a six-month period. Mentors assisted the young committee members during the time they were with the club. The Give2Sport initiative progressed with an 'Introduction to Give2Sport' evening with potential interns. A second training session was held with interns to help prepare them for their roles within the Executive Committee. A number of new participants joined the group to take on roles within the Committee (increasing the number of interns participating in the program to 7), and video footage was taken during the session to use as a training aid for future Give2Sport programs. The program had its challenges, but overall was a positive experience for all involved and a great credit to the Denmark Basketball Association and Shire's Club Development Officer. The Department of Sport and Recreation have funded the extension of the pilot program for 12 months with the aim of creating a state-wide resource to be utilised by all clubs.
- A meeting was held with the Denmark Equestrian Centre (DEC) Working Group on Tuesday 5 April 2016, with the outcomes including: an expansion of the dressage arena; resurfacing of the Riding Develops Ability (RDA) working arena; creation of an undercover saddling area for users; development of a dual use cross country course and RDA trail; incorporation of the Riverside Club temporary clubhouse into DEC facilities; creating a shelter between the dressage arena and RDA working arena; installation of a rolling yard; and facility planning identifying the infrastructure inclusions discussed during the meeting.
- The Denmark Gymnastics Club investigated the potential for a facility as part of the McLean Park Precinct.
- The Riverside Club began the construction phase of the Riverside Clubhouse.

## **Events**

Sports Person of the Year awards for 2015 were presented at the Australia Day Breakfast, with the following recipients successful:

- Senior Sports Person of the Year – Eilidh MacMaster (Surf Lifesaving);
- Junior Sports Person of the Year – Leah Winter (Soccer); and
- Service to Sport Award – Joan Merrifield (Soccer & Surf Lifesaving).

## **Great Southern Recreational Advisory Group**

The Manager of Recreation and Youth Services along with Councillor Yasmin Bartlett attended Great Southern Recreational Advisory Group (GSRAG) meetings throughout the year. The items covered in these meetings included:

- The Shire of Denmark hosting the GSRAG on 22 June 2016 at the Denmark Community Resource Centre, with Cr Yasmin Bartlett chairing the meeting;
- SD6 – Sport and Recreation Strategic Directions 2016-2020 - With the recent launch of SD6 – Sport and Recreation Strategic Directions 2016-2020, there was an opportunity for Local Government delegates on the GSRAG to review and provide comment on a range of identified industry challenges;

- Great Southern Regional Cricket's Manager, Josh Duane, provided an overview; and
- Paul Goodley from DSR provided a regional overview of the Kidsport program. The Shire of Denmark has the second highest take up rate for the program in the Great Southern, behind Albany.

### **Great Southern Strategic Sport & Recreation Infrastructure Plan**

The Shire of Denmark is partnering with other Great Southern Local Governments and the Department of Sport and Recreation (DSR) to engage a consultant to produce a Great Southern Strategic Sport & Recreation Infrastructure Plan. DSR are contributing a large percentage of the funding with a contribution from each of the participating Local Governments.

### **McLean Park**

- New flooring was installed in the change rooms in consultation with the Denmark Walpole Football Club. The flooring comprised an 8mm rubber surface, which is the same as the new flooring installed at the Souness Park facility in Mt Barker;
- The Overflow Camping Facility was completed;
- The ground was in very poor condition during the winter months due to drainage of the oval being insufficient. Training and non-essential activities were shifted to the far side (western side) of McLean Oval.
- A number of oval lights were not working, with a number that appeared to have been moved and therefore not lighting the correct areas of the ground. An electrical contractor was engaged to repair the lights, order new fittings and globes, organise crane access and reconfigure the lights to provide adequate lighting of the oval.

### **Kidsport**

- This program provides financial assistance to healthcare card holders to assist their children with becoming involved in community sport. The grant assists with club fees, equipment and uniforms. During 2015/2016, 185 KidSport vouchers were validated, with the total value of these vouchers being \$26,831.00.



*Photo: Playing Courts at the Denmark Recreation Centre*

# Denmark Public Library

*Australia's  
Favourite  
Library*



The Shire of Denmark Public Library has had a productive and event filled year, ensuring that Library members received quality service and resources.

The Library plays an important role in the community by providing a welcoming and safe place for community members and free access to a great range of relevant resources and services, both at the Library and online. The Library is committed to promoting and supporting literacy development for children and encouraging a lifelong love of reading and learning.

The Library is constantly adapting to the challenges of the changing needs of members. One such challenge has been the increasing demand for electronic resources and in particular the rapid growth of the eBook industry and electronic reading devices. The Library is working hard to engage with the community and provide more programs to encourage new memberships, promote the resources that are available and create a space for the community to enjoy.

## Library Programs and Services

During 2015/2016 the Library continued regular programs for adults, including a monthly Book Club, Scrabble Club and Writing Group; and programs for children including Storytime, Better Beginnings and A Smart Start.

Additional activities during 2015/2016 have included:

- **Summer Holiday Reading Program** which included craft activities and a library treasure hunt encouraging children to find new and exciting books to read;
- **School Visits** by Golden Hill Steiner School and Spirit of Play Community School;
- **Better Beginnings Plus** Kindergarten visits for four-year-olds;
- **Children's Book Week** with author/illustrator Gabriel Evans who visited classes at the Denmark Primary School and home-schooled families at the Library;
- **Regular Displays and Interactive Activities** including ANZAC Day, Remembrance Day and Pets Caught Reading;
- **Author Visits** with Charles Hall and Dave Goddard;
- **Library Talks** with Denmark Over 50s and at the Little Tikes Huff N' Puff class at the Denmark Recreation Centre;
- **Seniors Visits** with Denmark Health Services;
- **Garage Sale Trail Book Sale** as part of the national event in October;
- **Voter Information Sessions** were held in June in the lead up to the Federal Election;
- **Book Club Support** with over 100 sets of books for local Book Clubs; and
- **Amateur Art Showcase** where local amateur artists were invited to showcase their artwork in the Library, providing the community an opportunity to display their art whilst brightening the Library.

To further engage with the community the Library held '**A Week of Winter Warmers**' each month in winter. The Library programs and services that were provided included:

1. Mindful Colouring In for Adults, on Mondays;
2. Games and Morning Tea for Adults, on Tuesdays;
3. What are you Reading? Interactive Facebook Activity, on Wednesdays;

4. Craft and Cake, on Thursdays; and
5. Ancestry.com Family History, on Fridays.

The Ancestry.com workshops were extremely popular and have become a regular addition to the Library's program. Ancestry Library Edition is a resource offered by the State Library of WA and patrons are able to access Ancestry.com at the Library to research their family history.

### Programs for Children

During 2015/2016 the Library held 121 events for children with 2,455 participants. These events included regular programs plus exciting new initiatives to encourage the love of books and stories.

**Play in the Park** was held once a month at Berridge Park. An initiative supported by Amity Health, YMCA Albany and Albany Public Library, **Play in the Park** aims to provide a safe and fun environment for preschool children to play outside together. Run as a 'drop in style' Play Group, these sessions include play, games, craft and storytime.



*Photos: Play and Storytime at Play in the Park*

During 2015/2016, the Library introduced the **Sing With Me** program for two-year-olds. **Sing with Me** is an initiative of the Better Beginnings Family Literacy program which recognises that sharing books, songs and rhymes builds early language skills and improves future literacy outcomes.

*Photo: Participating in the 'Sing With Me' Better Beginnings Program*



## Statistics

The Library had 48,250 attendances during 2015/2016, which is slightly less than the previous year. The statistics reflect the growing trend towards eResources with figures almost doubling from the previous year. Physical library issues have decreased slightly, while membership and reference enquiries have increased slightly.

	2015/2016	2014/2015
<b>Total Physical Issue</b>	55,998	57,482
<b>Total eResources</b>	4,318	2,458
<b>Total Issue including eResources</b>	<b>60,316</b>	<b>59,940</b>
<b>Customer Visits</b>	48,250	50,910
<b>Reference Enquiries</b>	13,753	12,804
<b>Active Members (Members having used their Library Card within 2 years)</b>	3,248	3,223
<b>Financials</b>	<b>\$209,674</b>	<b>\$191, 338</b>

*Table 1: Library Statistics*

## Book Stock

- SLWA Stock: 8,238
- Local Stock: 8,815
- **Total Stock: 17,053**

## Annual Regional Meeting

The Annual Regional Meeting was held in Denmark in June 2016, with 25 Librarians from the Great Southern Region attending a very successful meeting. Speakers included staff from the Albany Public Library, State Library of WA and Australian Bureau of Statistics.

## Staff

Library staff Robyn, Hazel and Jemma are supported by a wonderful team of relief staff and volunteers. Pat Evans has been a dedicated Storytime presenter for 12 years, and is well loved by the families of Denmark. Antun Dosen regularly tidies the Library shelves and is a strong supporter of the Library.

## Finances

The total cost of providing library services within the Shire during 2015/2016 was \$35.62 per head of population, and a total recurrent cost of \$209,674.

## Training

Library staff have attended the following workshops and training sessions during 2015/2016 including:

- Mid-Year Regional Meeting - Albany
- eResources Workshop - Frankland
- Annual Regional Meeting - Denmark
- Books on Prescription Training - Katanning

## Regional Activity Plan

The Denmark Library has signed the Regional Activity Plan, and has enjoyed another year of working closely with the Albany Public Library and other Libraries in the Great Southern Region.

## Denmark Youth Services

### Staff Training

The following courses/training were undertaken by Youth Centre staff in 2015/2016:

- St John's First Aid;
- Youth Mental Health First Aid;
- Great Southern Institute of Technology Diploma of Community Services (3 staff);
- Youth Interagency Network Meetings and Methamphetamine Information Sessions;
- Department for Child Protection and Family Support (DCPFS) Child Protection Week event attendance; and
- Albany Homelessness Forum.

### Major Events

- School Holiday Programs throughout the year;
- Major film 'Breath' involvement with the Arts Studio designing and printing 250 cast and crew promotional bags for distribution;
- Skate Sculpture consultation and presentation to Denmark Youth Services staff, young people, Shire staff and the general public;
- Two Year 9 Challenge Camps as funded by DCPFS; and
- Adventure Training Consultants delivered abseiling, rock climbing, hiking and outdoor rogaining events.

### Additions and Improvements

- Fire extinguishing equipment has been updated or replaced as needed;
- First aid equipment has been updated or replaced as needed;
- Pool table has been reupholstered;
- Furniture updated and reconfigured to maximize use of space and peer interaction;
- Building exterior has undergone high pressure cleaning;
- Fruit trees planted in family friendly vicinity; and
- Denmark Men's Shed construction of a Bunnings donated professional outdoor Pizza Oven frame.



*Photo: Denmark Youth Services Telstra Bollard painting project.*



## Grants Received

- Receipt of Department of Local Government and Communities Youth Friendly Community Stage 2 Grant (\$10,000);
- Donation of \$500 from the Crafty Quilters to support art workshops held every Wednesday at Tha House youth drop-in facility;
- Multiple YACWA Bursaries for Fairground 2016 were granted; and a
- National Youth Week Grant of \$1,000 was received.

## School Holiday Programming

- Skate Competitions;
- Circus Workshops;
- Mural Paintings;
- Beach Trips;
- Family BBQs;
- Drawing for Animation Workshops;
- Beatbox, Rap and Hip-Hop Workshops; and
- Graffiti Art and Design Workshops facilitated by a local artist.



*Photo: Adventure Training Consultants abseiling, rock climbing, hiking and outdoor rogaining (orienteering) event at the Porongurups.*

## Other Youth Services Activities

- The Supervisor of Youth Services returned to work from Maternity Leave in August 2015, with Vanessa Armenis acting in the position for an additional period of seven months.
- Two successful Challenge Camps for Year 9 students occurred during the year which were funded by the Department for Child Protection and Family Services. A new service provider was engaged, resulting in a more reasonably priced model whilst keeping the positive elements of previous camps and introducing local Indigenous content. The location of the camps shifted to Camp Quaranup in Albany.
- Relationships Australia and Denmark Youth Services entered into a MOU for the use of Tha House to conduct workshops for at-risk young women. These workshops were run by Sarah Martin for a ten-week period, focusing on the theme 'Create Yourself'. The workshops were attended by young women, under 18 years of age, facing social challenges.
- The Supervisor reviewed all current programs, strategic planning and funding opportunities.
- Several volunteer Youth Work students have completed placements at Tha House. The Supervisor and Dennis Blewitt, Coordinator of the Great Southern Institute of Technology Youth Work program, established these placements.
- The new Denmark Youth Advisory Council (YAC) began with a shift in focus as the committee is now driven by local young people.



*Photo: Denmark Youth Services Drug Aware Roller Sports*

## Planning Services

### Planning & Subdivision Applications

During 2015/2016, Planning Services determined a total of 215 planning applications, with a total value of \$30,136,583. Of the 215 planning applications, 204 (representing approximately 95%) were determined under delegated authority to Planning Services.

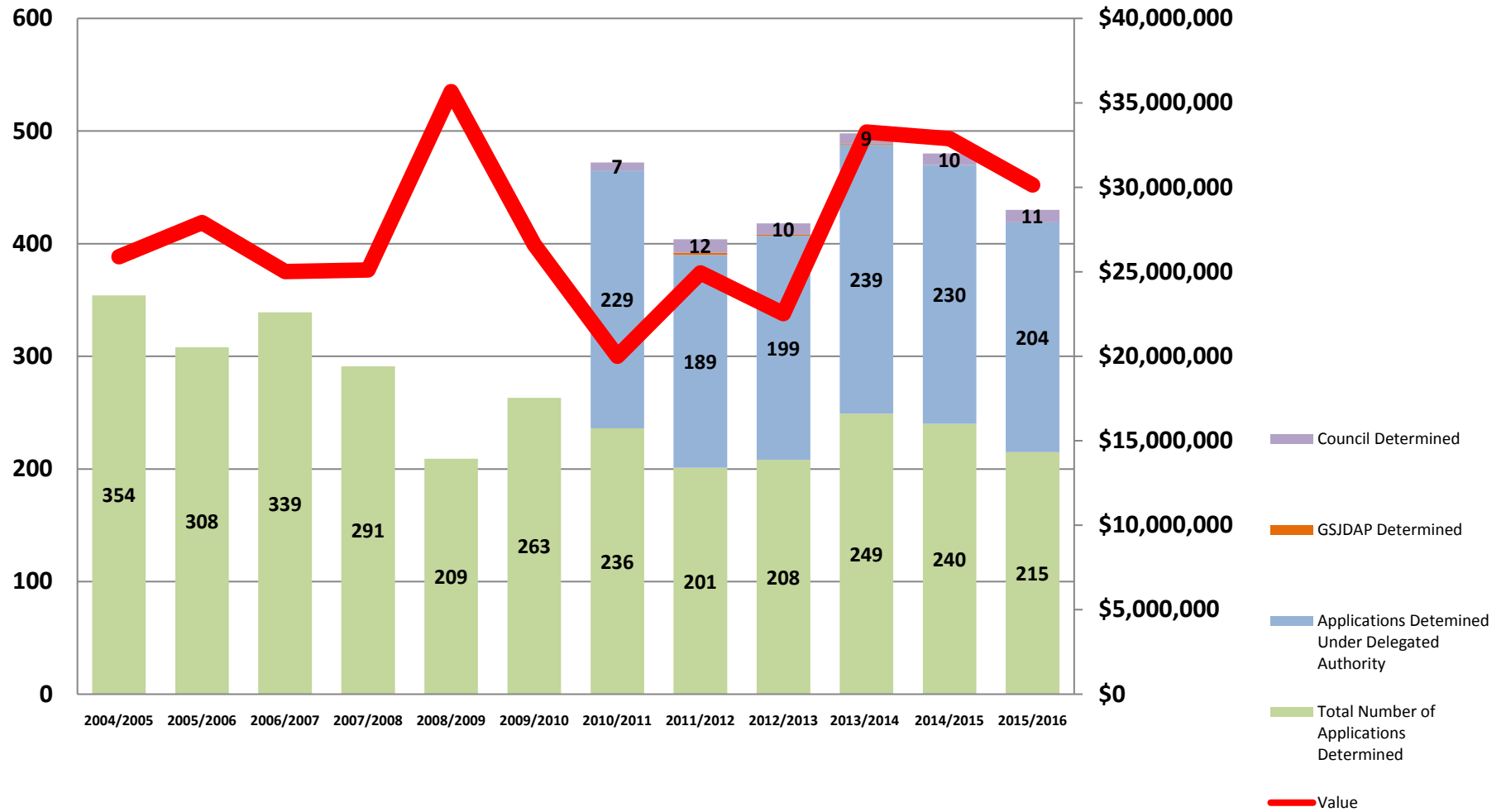
Type of Application	Number of Applications Determined	Cost of Development
Single House	57	\$17,652,867
Single House Additions/Alterations	32	\$1,880,428
Grouped Dwellings	7 (7 dwellings)	\$2,076,000
Second House	2	\$419,300
Modification to Building Envelope	0	-
Holiday Home (Standard)	6	-
Holiday Home (Large)	2	-
Holiday Accommodation	7	-
Outbuilding	45	\$986,932
Change of Use	8	\$348,000
Home Occupation	1	-
Signage	1	\$1,000
Aquaculture	2	\$15,000
Use Not Listed	8	\$2,295,318
Commercial & Industrial	17	\$4,402,738
Rainwater Tank	1	\$5,000
Dam	6	\$54,000
Planning Approval Renewals	3	-
Amendments to Planning Approvals	10	-

*Table 2: Planning Applications*

Of the above applications, no planning applications were considered by the Southern Joint Development Assessment Panel in 2015/2016.

In relation to subdivision proposals, Planning Services provided recommendations (approval or refusal) on 7 subdivision applications (freehold and strata subdivisions) to the Western Australian Planning Commission (being the determination body for subdivisions). Of the 7 subdivision applications, a total of 77 new lots were proposed – 65 special residential lots, 6 special rural lots, 3 commercial lots, 1 industrial lot and 2 rural/conservation lots.

## YEARLY DETERMINED PLANNING STATISTICS



*Figure 2: Yearly determined Planning Statistics*

## Town Planning Scheme Amendments

During 2015/2016, the number of Scheme Amendments (including Scheme Amendment requests) progressed were as follows:

- 1 x Scheme Amendment initiated by Council for advertising purposes;
- 1 x Scheme Amendment adopted by Council for final approval and awaiting consideration by the Minister for Planning; and
- 1 x Scheme Amendment gazetted accordingly (Minister for Planning approval granted in June 2015).

## Town Planning Scheme Policies

Town Planning Scheme Policies are guidelines used to assist the Shire of Denmark in making decisions under Town Planning Scheme No. 3 and may address land use as well as development requirements. During 2015/2016, Policy 19.5: Holiday Homes was adopted, revoking Policy 19.4: Holiday Homes.

## Sustainability Services

Sustainability Services offers support on a broad range of environmental issues including, but not limited to:

- Water;
- Land;
- Climate Change;
- Biodiversity; and the
- Built Environment.

### Biodiversity

#### Clearing of native vegetation

Sustainability Services undertook four investigations into alleged unauthorised clearing of native vegetation on private property and Shire-managed land. The investigations resulted in one infringement notice issued by Shire Rangers for unauthorised clearing.

#### Shorebirds

Support was given to Albany Birdlife Australia to install temporary fencing and signage around Red-Capped Plovers breeding on Prawn Rock Island. There were a total of eight nesting attempts in the area over the summer breeding season. The fencing and signage was installed in an attempt to keep dogs and people away from the nests. The birds nest in the open and as such are highly vulnerable to disturbance and direct destruction of eggs.



*Photo: Red-Capped Plover Nesting at Prawn Rock Island. The birds nest on the beach and are highly susceptible to disturbance.*

## Biosecurity

During 2015/2016, Sustainability Services completed a number of weed control and Dieback management works including:

- Herbicide control of spring and summer weeds listed at a Local, State and National level on Shire road, bushland, coastal and foreshore reserves. Control measures specifically targeted Blackberry (*Rubus anglocandicans*), African Love Grass (*Eragrostis curvula*), Sydney Golden Wattle (*Acacia longifolia*), Arum Lilly (*Zantedeschia aethiopica*) and Watsonia species. Control activities occurred on 15 Shire reserves and 20 road reserves;
- Denmark Weed Action Group was contracted to undertake manual removal of weeds on 19 Shire reserves; and
- Works for the 2014/2015 State NRM Program funded project 'Mitigating the Risk of Dieback at Four Priority Reserves, Denmark' continued in 2015/2016. The project was acquitted in June 2016 and included the following works:
  - Installation of ten Dieback hygiene signs and 27 Dieback demarcation markers at Redgum Lane Reserve, Peace Street Reserve, Mount Hallowell Reserve and a portion of the Denmark-Nornalup Heritage Rail Trail;
  - Targeted Dieback education letter and Project Dieback brochure mailed to 95 residents adjoining the four reserves; and
  - Broad-scale surveys of Phytophthora dieback distribution and reserve hygiene management plans for Redgum Lane Reserve, Peace Street Reserve and a portion of the Denmark-Nornalup Heritage Rail Trail.

## Natural Resource Management

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

- Continued representation on the South Coast Management Group, which is a regional representative body of coastal planners, land managers and community delegates along the South Coast. Sustainability Services attended meetings in Bremer Bay, Hopetoun, Denmark, Albany and Esperance;
- The Prawn Rock Channel Concept Plan was adopted by Council on 29 September 2015 and provides detail on the upgrade, review of existing and provision of new recreational facilities in the Prawn Rock Channel recreation area. The Prawn Rock Channel Working Group (comprised of 3 community representatives, 2 Councillors and 3 Shire staff, including Sustainability Services) finalised the draft plan after review of public submissions;
- Utilising the services of a Denmark-based Green Army team, managed by Green Skills, to help complete on-ground works on Shire reserves including:
  - Brushing and maintenance of revegetation at Back Beach;
  - Litter collection and weed control at Boat Harbour;
  - Weed control and vehicle track closure at Parry Inlet;
  - Brushing of foredunes at Peaceful Bay. This work rehabilitated eroded areas around the base of beach access stairs and closed six informal pedestrian tracks;
  - Installation of fencing to protect foredunes at Ocean Beach;
  - Unauthorised 4WD vehicle track closures at Peaceful Bay and Prawn Rock Channel;
  - Refilling of Dieback hygiene boot cleaning stations and reinforcing a vehicle track closure at Mount Hallowell Reserve;
  - Removal of Sydney Golden Wattle (*Acacia longifolia*) seedlings at Nornalup; and
  - Weeding on the Denmark-Nornalup Heritage Rail Trail and Reserve 19543.
- Coordinating discussions between the Shire and the Department of Parks and Wildlife (DPaW) for the construction of a drop-off bay and footpath on Shire-managed land for DPaW's new canoe launch and boardwalk at Nornalup;

- Closure of the unmade portions of Station Road and Rudgyard Close road reserves were advertised for public comment. These thoroughfares coincide with the alignment of the Denmark-Nornalup Heritage Rail Trail. The aim of the proposed closures is to prohibit all vehicles from utilising the Rail Trail, unless otherwise permitted under the Rail Trail Policy; and
- Developing and project-managing a Work for the Dole team at the Morgan Richards Community Centre. The team undertook various landscaping and outdoor maintenance tasks at the site following refurbishment of the building.

### Wilderness Ocean Walk Trail Stage 1

Sustainability Services assisted in planning activities associated with the 7 kilometre dual-use trail across Wilson Head as per the following:

- A \$100,000 Lotterywest Community Spaces - Outdoor Grant was approved towards construction of the Wilderness Ocean Walk Trail Stage 1; and
- A Memorandum of Understanding was finalised with the Denmark Community Windfarm for trail construction on a portion of their leased area.

## **Climate Change Adaptation and Mitigation**

### Performance

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

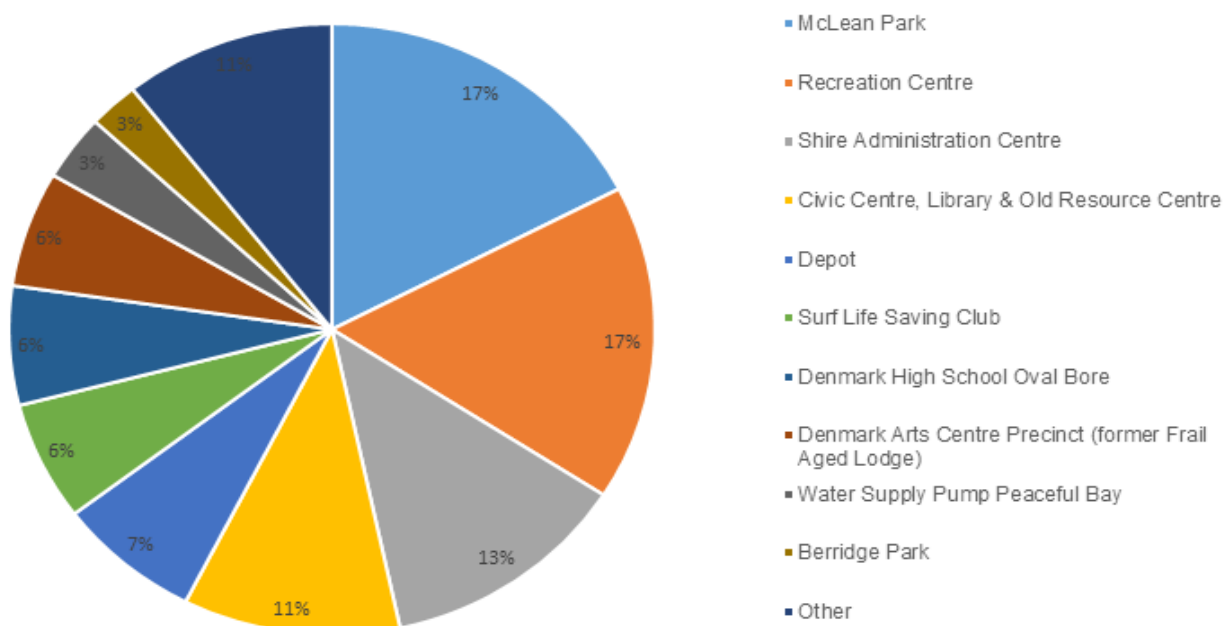
### Energy Performance

Total costs across the Shire - \$84,034. Consumption increased by 4% compared to last financial year, with a 7% increase in costs.

The highest energy consuming Shire assets were:

1. McLean Park – Cost \$14,407. Consumption 51,162 kWh.
2. Recreation Centre – Cost \$13,837. Consumption 49,119 kWh.
3. Shire Administration Centre – Cost \$9,569. Consumption 36,522 kWh.

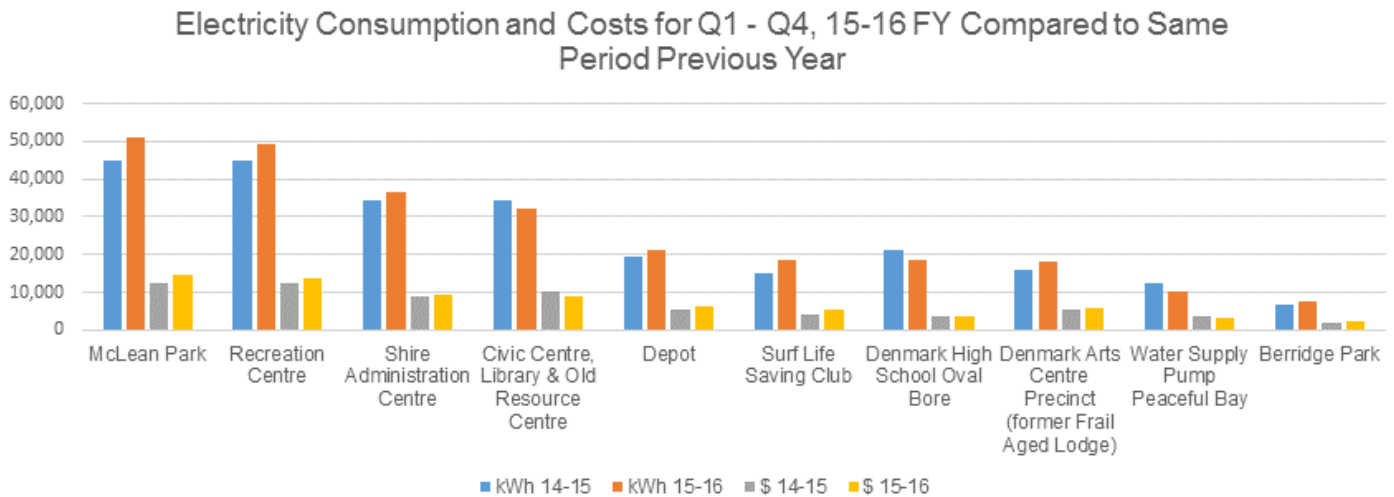
Electricity Consumption % Breakdown for Q1 - Q4, 15 - 16 FY



*Figure 3: Energy consumption of the Shire's assets in 2015/2016.*

Major changes in energy consumption compared to the previous financial year:

1. McLean Park consumption increased by 14% compared to last financial year (resulted in \$2,060 increase in costs).
2. Recreation Centre consumption increased by 9% compared to last financial year (resulted in \$1,520 increase in costs).
3. Civic Centre/Library/Formal Community Resource Centre consumption decreased by 14% (resulted in \$1,179 decrease in costs). This change may be attributed to the relocation of the Community Resource Centre to its new premises at the Morgan Richards Community Centre in October 2015.



*Figure 4: Energy performance of the Shire's assets for the 2015/2016 financial year compared to 2014/2015 financial year.*

Water Performance (Scheme water only)

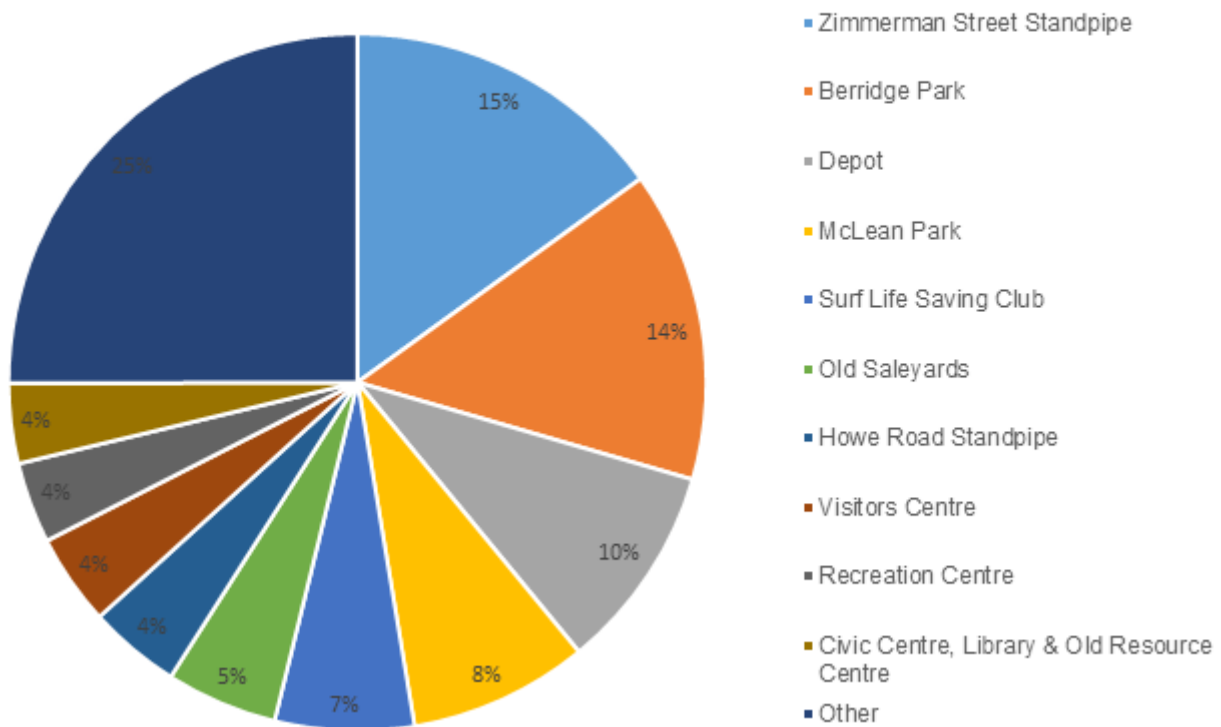
Total costs across the Shire - \$19,509. Total consumption was 17,836 kL, which equates to a 11% decrease in consumption and 17% decrease in costs.

The highest water consuming assets were:

1. Zimmerman Street Standpipe – 2,019 kL consumed and \$3,085 in costs. Represents 15% of the Shire's total consumption.
2. Berridge Park – 1,932 kL consumed and \$3,128 in costs. Represents 14% of the Shire's total consumption.
3. Shire Depot – 1,281 kL consumed and \$1,806 in costs. Represents 10% of the Shire's total consumption.



## Water Consumption % Breakdown for Q1 - Q4, 15 - 16 FY

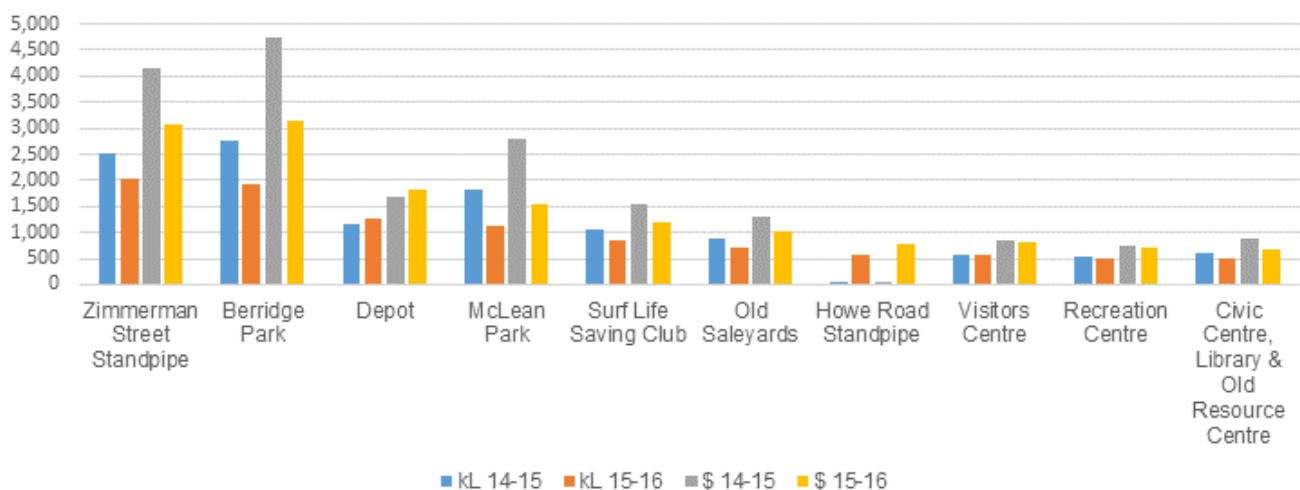


*Figure 5: Water consumption of the Shire's assets in 2015/2016.*

Major changes in water consumption compared to the previous financial year:

1. Howe Road Standpipe had a 4300% increase in consumption and \$752 increase in costs. This is due to very low use (less than 10 kL per month) in the previous financial year, up to 100 kL per month in 2015/2016.
2. Denmark Arts Council and Cottage Crafts had a 111% increase in consumption and \$170 increase in costs.
3. Yacht Club Reserve had a 70% increase in consumption and \$167 increase in costs.

## Water Consumption and Costs for Q1 - Q4, 15-16 FY Compared to Same Period Previous Year



*Figure 6: Water performance of the Shire's assets for the 2015/2016 financial year compared to 2014/2015 financial year.*

### Water Efficiency Action Plan

In mid 2015, the Shire of Denmark joined the Water Corporation and Department of Water's Waterwise Council Program following the cessation of the ICLEI Oceania Water Campaign that the Shire of Denmark was previously a signatory to.

During the year, the Shire completed Criteria 1 of the Program by signing a Memorandum of Understanding, which confirms Council's commitment to participating in the Waterwise Councils Program. The work that was already completed as part of the ICLEI Water Campaign contributes to Criteria 2 of the Program, with Council's water consumption reviewed and goals to improve water efficiency drafted.

### Smart Meters

At the request of Sustainability Services, the Water Corporation agreed to leave interval data loggers on the water meters at Berridge Park and McLean Park, which were originally installed as part of a 2014/2015 Water Corporation water efficiency program in Denmark. The meters allowed the Shire to identify significant water leaks at McLean Park and Berridge Park, which were subsequently fixed.

Sustainability Services purchased two additional smart water meters to confirm suspected water leaks at other Shire assets.

### Water Efficiency Retrofits

The Water Corporation funded waterwise retrofits of plumbing and irrigation at the Visitor's Centre, Recreation Centre, Denmark Surf Life Saving Club and the Ocean Beach toilets. The retrofits were completed as part of Water Corporation's water efficiency program and included shower head replacement, installation of flow restrictors on taps and vandal-proofing public taps.

### Waterwise Gardening

Support from the Water Corporation enabled a waterwise gardening training opportunity for industry professionals in Denmark and was coordinated by Sustainability Services. The training, held in November 2015, was delivered by Beyond Gardens and attended by Shire Parks and Gardens staff, as well as head gardeners from Denmark schools and the health campus.

## **Environmental Education, Training and Community Engagement**

Sustainability Services undertook the following community engagement activities and staff and community education during 2015/2016:

- Participation in the national Garage Sale Trail event, which was held on 24 October 2015, with funding support from the WA Waste Authority. Garage Sale Trail is Australia's largest sustainability event which encourages schools, households, community groups, businesses and cultural institutions to hold a garage sale, all on the same day, in an effort to increase social connections, raise funds within the local community and divert waste from landfill. Over 13,000 garage sales were held across the country, with 164 Councils participating. In Denmark, outcomes were:
  - 21 registered garage sales (compared to 16 sales in 2014/2015);
  - Over 5000 items listed for sale, with a value estimated of more than \$7,000; and
  - An estimated 227 new community interactions on the day.
- Provided a short-term work experience placement for a graduate university student;
- In-kind support provided to the Plastic Shopping Bag Free Denmark campaign;
- The Shire joined the REDcycle program in June 2016. The program provides bins for collection of plastic bags and soft plastics from the community. The soft plastics are then sent to RED Group's processing facility in Melbourne, then to Replas, where they are recycled into durable outdoor furniture like benches, tables and bollards.

- Sustainability Services also promoted the nation-wide Responsible Café's program amongst local businesses. The free program encourages the reduction of waste by giving cafes a process for offering a discount to customers that bring their own reusable cup when purchasing a takeaway coffee or tea. The discount is generally 20 to 50 cents.

## Infrastructure Services

The Shire of Denmark Infrastructure Services, comprising Works, Engineering and Waste Services, undertook a number of capital and maintenance projects during 2015/2016 to ensure vital services and local infrastructure continue to meet the expectations of residents.

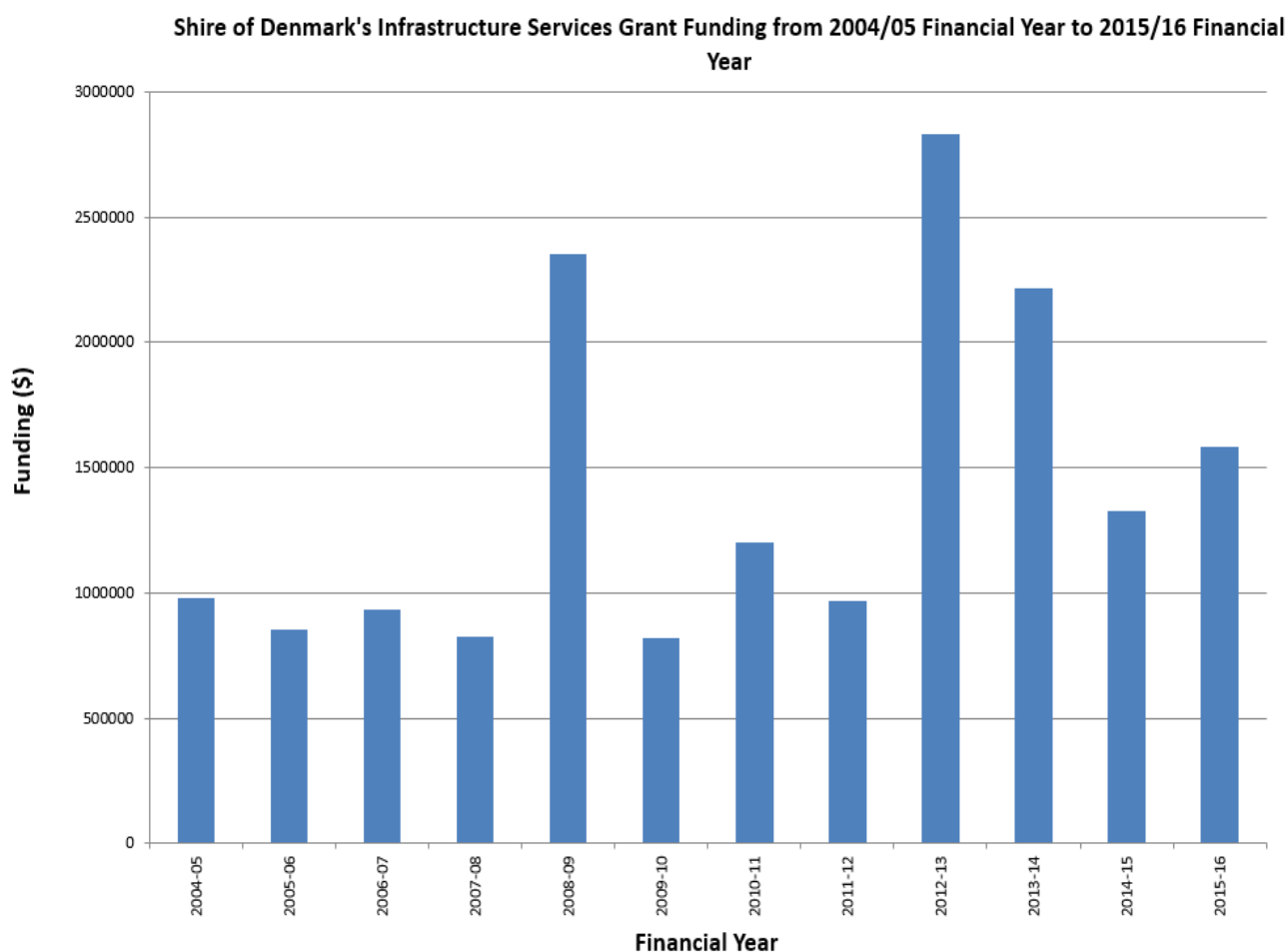
The following major projects were completed:

<b>Project</b>	<b>Cost</b>
• MRWA – Ocean Beach Road Upgrade (Phase 1)	\$ 837,518
• MRWA – Inlet Drive Reseal	\$ 134,160
• MRWA – Sealing Intersection of Sunny Glen Road and South Coast Highway	\$ 27,000
• MRWA – Sealing Intersection of Sunrise Road and South Coast Highway	\$ 36,000
• MRWA – Sealing Intersection of Happy Valley Road and South Coast Highway	\$ 36,000
• MRWA – Sealing Intersection of Conspicuous Beach Road and South Coast Highway	\$ 29,912
• Bridge Construction Convert to Culverts – Powley's Road	\$ 159,000
• Bridge Construction Convert to Culverts – Porch Road	\$ 28,066
• Bridge Construction Convert to Culverts – Mount Lindesay Road	\$ 38,688
• Barnett Street Roundabout and Car Parking	\$ 152,937
• Upgrade to Mount Leay and Howe Road	\$ 98,097
• CSRF – Osborne Road Resheeting	\$ 180,000
• R2R – Atkinson Road Resheeting	\$ 20,808
• R2R – Craig View Reseal	\$ 17,831
• R2R – Kingston Court Reseal	\$ 4,862
• R2R – Powley Street Reseal	\$ 8,346
• R2R - Myers Road Reseal	\$ 61,350
• Overflow Camping Facility - Sealing of Access Roads Around Oval	\$ 285,821
• Berridge Park Jetty Rebuild	\$ 59,600
• Peaceful Bay Playground – Shade Sails and Signage	\$ 15,000

## Grant Funding

Infrastructure Services continued to source competitive external funding from State and Federal Government sources during 2015/16 to undertake key infrastructure projects throughout the Shire. The major contributors were:

- Main Roads WA with Regional Road Group projects and Blackspot funding to improve road safety and help preserve significant local roads of regional importance. Improvements to Scotsdale Road (town side and western seal section), Churchill Road and Mt Lindesay Road were made along with various bridge repairs;
- Commodity Route funding designed to assist with improvements to minor roads transporting commodities like timber, grain and minerals to major roads; and
- Roads to Recovery funding designed to assist with minor and major improvements to the existing gravel and sealed road networks.



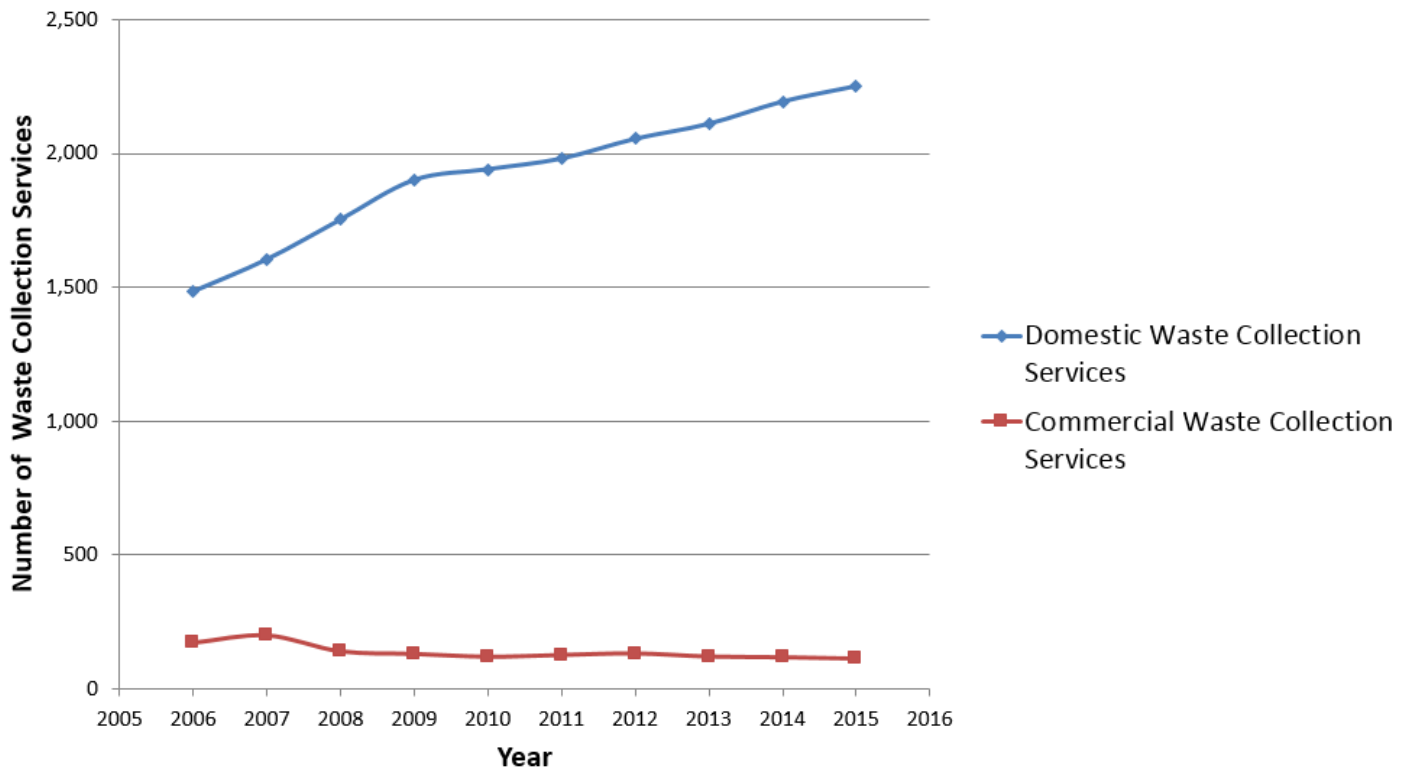
*Figure 7: Shire of Denmark's Infrastructure Services Grant Funding*

## Domestic and Commercial Rubbish Services

Population growth and changes to town boundaries have continued to put upward pressure on current resources for managing the Shire of Denmark's waste.

Commercial collections have slowly declined since 2007 as regional contractors supply diversified services to businesses like bulk skip bins. Domestic collections continue to show a steady increase year on year.

## Domestic and Commercial Waste Collection Services in the Shire of Denmark from 2006 -2015



*Figure 8: Domestic and Commercial Waste Collection Services in the Shire of Denmark*

## Fire Prevention and Emergency Management

### Prevention

#### Prescribed Burning

Due to an extremely wet winter, it has not been possible to conduct planned prescribed burns, however when possible Shire of Denmark Bushfire Brigades have conducted private burns within their brigade areas.

Planned burns include:

- 1 Springdale Beach;
- Airport Reserve;
- Denmark Cemetery;
- Knowles Court/Peace Street;
- Parry Beach – Boating & Angling Club; and
- UCL/Water Corp Reserve – Zimmermann Street & Ocean Beach Road.

Shire Brigades have continued to work alongside Department of Parks and Wildlife (DPaW) firefighters and have gained invaluable experience on the fire ground during prescribed burns conducted within DPaW estates.

## **Preparedness**

### Training & Equipment

During 2015/2016 training calendars were developed by the Community Emergency Services Manager (CESM) in conjunction with Department of Fire and Emergency Services (DFES) Area Officer John Tonkin and other DFES staff. The following training courses were conducted during 2015/2016:

- Fire Control Officer;
- Fire Weather;
- Crew Leader;
- Advanced Bushfire Fighting;
- Water Bomber Refill Training; and
- Incident Controller Level 1.

Brigades continued to conduct in-house training during the year.

Shire of Denmark bushfire appliances were fitted with Comprehensive Crew Protection Equipment including:

- Burn Over Blankets;
- Radiant Heat Shields;
- In-cab Air Rebreathers; and a
- Deluge System.

Volunteers received awareness training and had opportunities to familiarise themselves with the new equipment; with volunteers reminded that the equipment is a last resort and every possible step should be taken to prevent being caught in a burn-over situation.

Significant upgrades and modifications were carried out at the water bomber refilling facility at the Denmark Airport, allowing the filling of two bombers simultaneously in a significantly reduced time period.

The project was driven by volunteers who donated both their time and money. Local businesses also made significant voluntary contributions to the project.

## **Emergency Management Equipment and Support**

### Local Government Grant Scheme

The Shire of Denmark continues to financially support fire and emergency service activities across the Shire and this expenditure is supplemented by a contribution from the Local Government Grant Scheme (formerly Emergency Service Levy) which is administered by DFES.

For the 2015/2016 financial year the operational component of the Local Government Grant Scheme funding for bushfire brigades totalled \$138,000 and for the State Emergency Service the operational component was \$20,000.

New appliances were delivered during the 2015/2016 year, including:

- 4.4 Fire Appliance at Scotsdale/Mt Shadforth BFB;
- 4.4 Fire Appliance at Tingleedale BFB;
- Light Tanker at Kordabup; and a
- Light Tanker at Harewood.

The Shire continues to maintain and support two committees that focus on providing Council with guidance in the areas of Prevention, Preparedness, Response and Recovery. The Local

Emergency Management Committee (LEMC) comprises members of relevant Government agencies and volunteer organisations who maintain the Local Emergency Management Arrangements that guide agencies in dealing with emergency incidents.

The Bush Fire Advisory Committee (BFAC) comprises Fire Control Officers from across the Shire and representatives from DFES, DPaW and Council. BFAC provides advice and recommendations to Council on matters relating to the Shire's ability to manage the threat of bushfire.

### **Response**

Shire of Denmark Brigades responded to two fires of note during 2015/2016, one being on Weedon Hill and the other on Pit Road. Fortunately, due to the rapid response of crews and the cool conditions of the day, the Weedon Hill fire was able to be brought under control quickly with damage kept to a minimum. The outbreak of a fire on Pit Road in early March 2016 provided the first real 'test' of the upgraded water bomber refilling facility. The facility provided vital assistance in the emergency management response.

Denmark Shire Brigades responded to numerous smaller fires as well as reports of smoke during the year, and crews continued to support firefighting efforts in other parts of the state. Two appliances with three crew rotations assisted at the Yarloop fire and appliances and crews assisted with mopping-up at the Two Peoples Bay fire in the City of Albany.

The Shire of Denmark Brigades continue to grow a positive reputation for their willingness to support other brigades and for the quality of their work.

### **Recovery**

Recovery plans were not invoked during the 2015/2016 financial year.

### **Recognition**

At the end of the 2015/2016 fire season a Volunteers Bonfire was held at Parryville Hall for the Shire of Denmark's Bushfire Brigades. The event was made possible by a large number of helpers and quality entertainers who served to make the bonfire a memorable event.

At the 2016 Australia Day Breakfast, former Chief Fire Control Officer, Mr Graeme Thallon, was awarded Citizen of the Year for his dedicated service to the community.



*Photo: Graeme Thallon receiving his Citizen of the Year Award.*

## Building Services

In terms of building activity during 2015/2016 the overall number of building approvals has increased in comparison to the preceding years.

### APPROVED BUILDING PERMITS 2008/2009 - 2015/2016 (YTD JUNE)

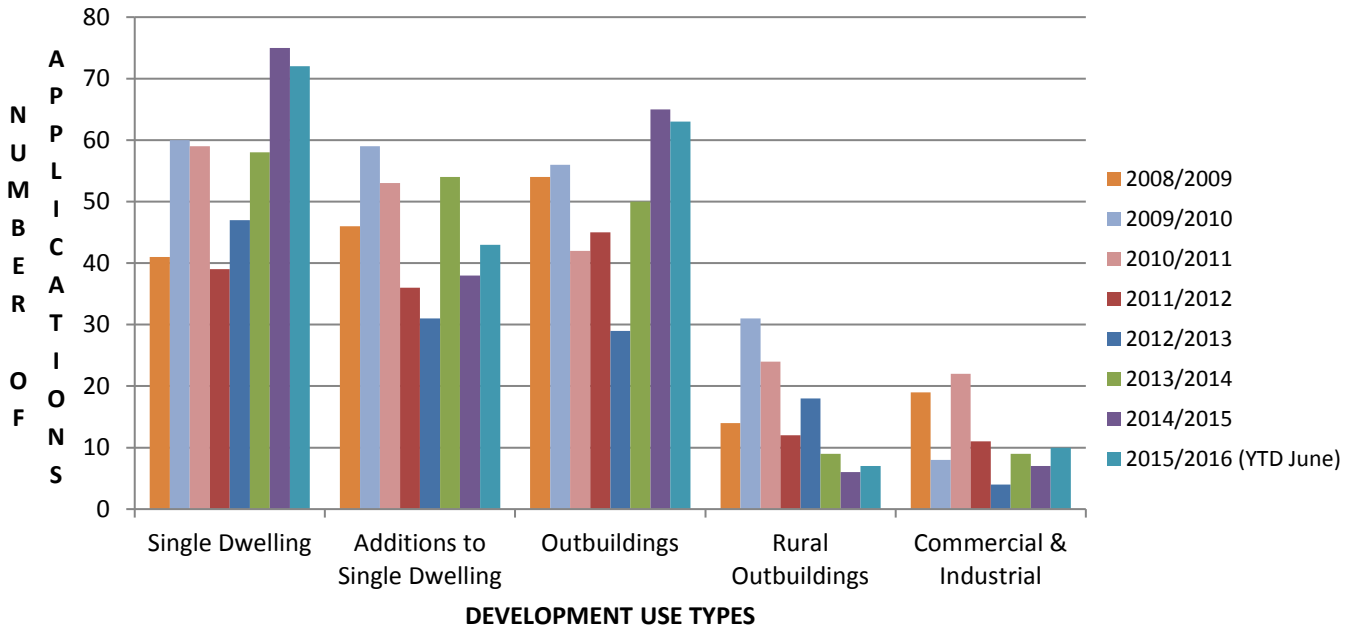


Figure 9: Building Approvals 2008/2009 to 2015/2016

An increase of over 14% in the total investment value for the 2015/2016 period highlights the continued increase in building activity.

### Building Statistics Summary 2015/2016

Development	No. of Permits Issued 2015/2016	Total Value of Approved Work
Single Houses	72	\$17,539,541
Additions to Single Houses	43	\$1,953,518
Outbuildings (Not Rural)	63	\$10,101,996
Rural Outbuildings	7	\$154,580
Commercial & Industrial	10	\$3,066,929
<b>TOTAL</b>	<b>195</b>	<b>\$32,816,564</b>

Table 3: Building Statistics Summary 2015/2016

The developments listed above represent a total investment value of \$32,816,564, which is an increase of \$4,666,977 from 2014/2015.



## Law and Order

Rangers undertook the following activities during 2015/2016, with a comparison of previous years provided:

### Summary of Ranger Activity

	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012
<b>Cat Control</b>					
Impounded	10	12	10	0	N/A
Infringements	1	0	2	2	N/A
<b>Dog Control</b>					
Impounded	27	47	55	58	39
Cautions	78	140	122	43	62
Verbal Warnings	680	759	Not recorded	Not recorded	209
Infringements	28	44	38	12	9
<b>Bushfire</b>					
Cautions/Education	726	342	942	456	85
Warnings	0	30	0	199	0
Fire reports	15	30	22	Administration record only 11	7
Infringements	35	24	10	27	12
<b>Litter Control</b>					
Verbal Warnings	0	3	5	Not recorded	10
Infringements	0	2	3	1	0
<b>Camping</b>					
Cautions	49	57	12	16	41
Infringements	21	45	37	5	4
<b>Miscellaneous</b>					
Off Road Vehicle warnings	0	7	1	5	2
Off Road Vehicle Infringement	0	1	0	0	1
Kangaroo Removal	48	54	50	55	58
Livestock Investigation	92	110	200	98	109
Livestock Infringement	12	22	16	5	1
Snake removal	51	67	16	13	20
<b>Car parking</b>					
Cautions	146	137	141	174	59
Verbal Warnings	143	133	246	Not recorded	216
Infringements	74	72	45	62	13

Table 4: Summary of Rangers Activity

Council Rangers within the Shire of Denmark are responsible for applying various State and Local Laws relating to animal control, fire mitigation compliance, litter, parking, illegal camping, livestock and snake removal.

**2015/2016 at a glance....**



*Photo: White Peacock Spotted on the Road Verge at Valley of the Giants, South Coast Highway*



*Photos: Parry Inlet Opening, 16 June 2016*



*Photo: Wildlife at Sinker Bay*



*Photo: Straying Stock*



*Photos: Illegal Camping*

*Photo: Parking Against the Flow of Traffic*



*Photo: Impounded Cat*

## Snapshot

In addition to the usual daily duties of Shire of Denmark Rangers, listed below is a sample of other tasks undertaken during 2015/2016:

- Attended the 2015 WA Rangers Association Conference;
- Training and up-skilling activities;
- Monitoring of parking in the CBD and surrounding Denmark Primary School;
- Assessment of water levels in the Shire's water tanks and condition reporting of various standpipes;
- Clearing the runway at Denmark Airport of kangaroos, birds and livestock for the Royal Flying Doctors Service;
- Targeting of pest plants, most notably the Sydney Golden Wattle; and
- Implementation and monitoring of the Cat Act 2011 – with 228 cats registered, and the Dog Act 1976 with 1,069 dogs registered at the Shire of Denmark.

## Event Management

Ranger Services were present at, and assisted with, a number of community events held during 2015/2016, including:

- Denmark Arts Markets;
- Australia Day Breakfast;
- Anzac Day Parade;
- Christmas Parade;
- New Year's Eve at Peaceful Bay;
- Million Paws Walk;
- Outback Dog Walk;
- Denmark Motorcycle Club Enduro Event;
- Black Dog Ride;
- Denmark Festival of Cycling; and
- Making of the movie 'Breath'.

These types of events bring an influx of visitors and business to Denmark and require out of hours attendance by Ranger Services, resulting in an increased work load. Casual Rangers are engaged during busy periods to ensure adequate levels of staffing and service.

## Public Health

During 2015/2016 the following activities were undertaken by the Principal Environmental Health Officer (PEHO) and by the Director of Community and Regulatory Services, who is qualified as an Environmental Health Officer (EHO):

- Over 200 food handlers completed the 'I'm Alert' food program, which assists with preventing food-borne illnesses;
- Education and monitoring activities that help reduce smoke pollution when burning garden waste;
- Water sampling to determine the water quality in the Wilson Inlet and Peaceful Bay;
- Reporting of the annual Food Act Activities to the Department of Health;
- Distributing pamphlets from the Department of Health to recommend flu and whooping cough vaccines for pregnant mothers and their babies;
- Information given to Department of Environmental Regulation regarding recent monitoring data from bore samples at the McIntosh Road Tip site (pH and depth of bores were also included in this report);

- Completion of a survey for Suncoast Waste Water Management/Environmental Studies;
- Water sampling results provided to the Department of Health Water Unit;
- Potential asbestos samples and swab samples were taken and sent to MPL Laboratories for asbestos fibre identification;
- 1 Public Buildings Regulations Certificate of approval was issued;
- Noise level measurements taken in relation to barking dogs; and
- Inspections of mains water supply standpipe/backflow prevention devices were undertaken.

The following activities were also undertaken during 2015/2016:

### **Onsite Effluent Disposal**

70 septic tank approvals were issued.

### **Complaint Responses**

56 formal complaints were responded to.

### **Sampling Program**

204 water samples were taken comprising 48 chemical, 155 bacteriological and 1 hydrocarbon sample.

2 food samples were taken.

### **Caravan Parks**

16 caravan and camping ground inspections were undertaken.

### **Food Premises**

187 food premises assessments were carried out.

16 food business registration certificates were issued.

44 stall holders' licences were issued.

4 section 39 certificates were issued.

### **Home Holiday Accommodation**

9 Home Holiday accommodation premises were inspected.

### **Peaceful Bay Leasehold properties**

6 inspections and property reports were carried out.

### **Meat Inspections**

101 sheep and 17 cattle meat inspections were carried out.

### **Peaceful Bay Water Supply**

During 2015/2016 the Peaceful Bay non-potable (not for drinking) water served 203 leasehold holiday lots and 5 other connections via 2.2km of water mains without a disruption in supply.

The Director of Community & Regulatory Services was successful in gaining a five-year licensing exemption from the Economic Regulation Authority for the water supply requirements, based on past performance and asset and risk management documentation. The exemption represents a saving of around \$5,000 per year in compliance costs.

During 2015/2016 the supply's above ground centrifugal pumps were replaced with submersible pumps which reduced power usage by 50% and eliminated the need for priming. The town supply centrifugal pump was retained in the system as a contingency.

# STATUTORY REPORTING MATTERS

## Strategic Community Plan

The Shire of Denmark's Strategic Community Plan 'Denmark 2031', adopted by Council in October 2013, developed a long-term vision for the Shire with four key objectives comprising Social, Environment, Economic, and Governance.

A snapshot of the Strategic Community Plan 'Denmark 2031' key objectives and subsequent goals is detailed as follows:

### Social Objective - Denmark's communities, people and places are connected and creative, vibrant and dynamic, healthy and safe.

#### GOALS - That the Shire of Denmark....

**Population:** ...closely monitors its population growth over the next two decades, to put into place advocacy, policies and infrastructure that reflect the needs of a diverse age range and which will be attractive to both present and new residents.

**Lifestyle:** ...endeavour to maintain and improve the standards and style of living, together with the creative and vibrant culture, that residents and visitors have come to expect.

**Education:** ...work with relevant authorities and organisations that encourage the growth and diversity of educational opportunities and facilities for all age groups both in the town of Denmark and in its outlying communities.

**Youth:** ...encourage opportunities, employment and facilities for young people, and aims to involve them in decisions made within the community.

**Housing:** ...monitor the availability of low-cost and rental housing in its region, and, if appropriate, encourages and works with relevant authorities, organisations and developers to provide a diverse range of accommodation that caters for the various sectors of the community.

**Non Residents:** ...be cognisant of the issue of the high percentage of non-resident ratepayers and maximises the opportunities that they present, whilst minimising any downsides.

**Public Safety:** ...work with relevant authorities and organisations to maintain a safe and secure environment for its residents and visitors.

**Regional Services:** ...support objectives that manage the development of long-term growth settlement areas that ensures an acceptable level of services for its residents, regardless of where they live.

**Health:** ...work with relevant authorities and organisations to maintain and improve health services at all levels within the region.

**Recreation:** ...monitor all forms of recreational and cultural facilities and services, and take careful account of the level of community support for those in determining the improvements or new facilities to be supported together with their relative contribution to personal and community well being.

### Environment Objective - Denmark's natural environment is regionally significant, wild and beautiful, yet so inviting and fragile that its protection and enhancement is carefully balanced in meeting the needs of current and future generations' lifestyle, development and tourism needs.

#### GOALS - That the Shire of Denmark....

**Natural Environment:** ...acknowledge the importance of the natural environment to the residents of Denmark and the region, and works with residents and all relevant agencies to maintain a high standard of environmental protection and its integration with community life.

**Climate Change:** ...monitor the effects of climate change and implements and advocates for policies that will not only mitigate any adverse effects, but also take advantage of any opportunities created.

**Fire Management:** ...work collaboratively with relevant agencies to maintain a high level of planning, communication and infrastructure for effective fire and emergency management.

**Waterways:** ...acknowledge the importance of rivers, inlets and coastline to residents, visitors and the local economy, and implements and advocates for policies with other relevant authorities and organisations to maintain these to a high standard of health and amenity.

### Economic Objective - Denmark's economy is diverse and vibrant - its primary industries of tourism and agriculture rely on and enjoy natural and other assets that are sensibly managed and promoted.

#### GOALS - That the Shire of Denmark....

**Agriculture:** ...acknowledge agriculture as a diverse and prominent industry in the region, and implements and advocates for policies and strategies that will assist farming to improve its effectiveness and viability.

**Development:** ...closely monitor development and associated infrastructure needs in the region, and acts in conjunction with other authorities and agencies to plan development which is sensitive, timely and appropriate to the community's needs.

**Employment:** ...identify the key economic drivers in the region and develop, implement and advocate for policies that will provide and assist viable and acceptable employment opportunities for residents and ratepayers.

**Transport:** ...acknowledge the importance of transport through and within its area, and, with the help of other relevant authorities and agencies, develops, implements and advocates for policies that provide quality, efficient and effective transport infrastructure and options.

**Communication:** ...acknowledges the importance of high quality and reliable communication networks, and assists and advocates for the timely growth, capacity and improvement of them.

**Energy:** ...set an example in the use of alternative energy, and encourages authorities, agencies and residents to support alternative methods of power, industry and transport, as well as improving on their efficient use.

**Tourism:** ...acknowledge the importance of tourism to the region, and, by innovative policies, practices and partnerships, facilitates and encourages the greater year-round sustainability of tourism, whilst monitoring and managing its impacts.

### Governance Objective - The Shire of Denmark provides renowned leadership in sustainability, is effective with both its consultation with its people and its management of its assets, and provides transparent and fiscally responsible decision making.

#### GOALS - That the Shire of Denmark....

**Planning:** ...work with other relevant authorities and agencies to develop and implement planning policies and decisions that not only reflect the wishes of the community, but also provide the region with appropriate development options.

**Structure:** ...ensures that it has a structure that is transparent, trustworthy, flexible, consultative and collaborative, and is able to attract and retain a high standard of Councillors and Senior Management.

**Funding:** ...be fiscally responsible and seek to develop both safe income generating assets and the maximisation of external funding, that will benefit the community and assist in meeting its aims and obligations.

**Co-operation & Community Input:** ...acknowledge that it also has a regional role, and endeavours to work collaboratively with neighbouring local governments, the State Government and external organisations, whilst remaining responsive to the voice of its own community.

## Corporate Business Plan

The Shire of Denmark's Corporate Business Plan was adopted during the 2015/2016 financial year and utilises the framework developed in the Strategic Community Plan to link strategic initiatives, actions and projects to the overarching objectives and goals of the Strategic Community Plan.

Whilst the Corporate Business Plan provides operational objectives for the financial years during 2016/2017-2019/2020, Shire of Denmark directorates were able to provide a report on related progress and actions utilising a number of these objectives for 2015/2016, as follows:

## 1. Social Objective

Denmark's communities, people and places are connected and creative, vibrant and dynamic, healthy and safe.

GOALS That the Shire of Denmark...	Strategic Initiative	Action / Project	Comment
<b>1.1 Population:</b> ...closely monitors its population growth over the next two decades, to put into place advocacy, policies and infrastructure that reflect the needs of a diverse age range and which will be attractive to both present and new residents.	1.1.2	Support the provision of active ageing activities and services for seniors.	<ul style="list-style-type: none"> <li>The Library supported seniors and people with disabilities by assisting with selection of items and ensuring customers had sufficient resources to cater for their needs.</li> <li>A Seniors Book Group was established to assist people with visual impairment in participating in a Book Group.</li> </ul>
	1.1.3	Support the provision of services for people with disability through the implementation the Shire's Disability Access and Inclusion Plan and review annually.	
	1.1.6	Implement the Local Planning Strategy implementation items as required.	<ul style="list-style-type: none"> <li>Continuing work on new Local Planning Scheme No. 4.</li> <li>Continuing discussions with DFES (formerly FESA) regarding the potential medium to long term relocation of the Fire Station from the CBD inner core.</li> <li>Continuing work on the scheme amendments for the Service Park and Industrial Area.</li> <li>Funding arrangements entered into with Landcorp for progressing of Stage 1 of the industrial area.</li> <li>Review of 2011 Municipal Heritage Inventory commenced.</li> <li>Sought funding and entered into agreement with Landcorp to undertake design considerations (inclusive of community consultation) on the proposed Denmark River bridge crossing and associated connector roads.</li> <li>Ensured sewer infill program priority areas for Denmark were included in 2016 Lower Great Southern Strategy.</li> </ul>
<b>1.3 Education:</b> ...work with relevant authorities and organisations that encourage the growth and diversity of educational opportunities and facilities for all age groups both in the	1.3.1	Develop partnerships with educational institutions to create an 'environment of learning'.	<ul style="list-style-type: none"> <li>The Library partnered with schools to celebrate Children's Book Week.</li> <li>Author/illustrator Gabriel Evans was invited to Denmark, visiting classes at the Denmark Primary School and home-schooled families at the Library.</li> </ul>
	1.3.2	Promote and support the provision of library services that suit the	<ul style="list-style-type: none"> <li>Provided free access to a wide range of relevant resources and services, within the library and online.</li> </ul>

town of Denmark and in its outlying communities.		needs of the community, including education and lifelong learning programs.	<ul style="list-style-type: none"> <li>• Provided and promoted a wide range of programs to encourage new memberships utilising current resources</li> </ul>
	1.3.3	Review the Shire's involvement in early childhood education and care including use of Shire facilities for these services whilst continuing to support 'A Smart Start' and 'Better Beginnings' early childhood education programs through the Library.	<ul style="list-style-type: none"> <li>• Introduction of 'Sing With Me' program for 2 year-olds.</li> <li>• Continued commitment to the 'Better Beginnings' and 'A Smart Start' programs.</li> <li>• Play in the Park was held once a month at Berridge Park.</li> </ul>
<b>1.4 Youth:</b> ...encourage opportunities, employment and facilities for young people, and aims to involve them in decisions made within the community.	1.4.1	Identify and support mentoring programs that assist in youth development and leadership, including the dissemination of information on youth development and leadership programs leading to a Youth Development Plan.	<ul style="list-style-type: none"> <li>• Membership of Youth Interagency Network which provides opportunities and skills sharing.</li> <li>• Careers Guidance training completed by staff to encourage employment opportunities.</li> <li>• Application for a number of grants for employment opportunities, information sharing, decision making and facilities upgrades.</li> <li>• Youth Friendly Communities Grant Stage 2 completed and the implementation of the findings of Stage 1 youth consultations.</li> <li>• Youth Mentoring Program operated during school terms and was incorporated with Denmark High School and the annual Challenge Camps, providing opportunities for youth leadership and development.</li> </ul>
	1.4.2	Encourage the hosting of apprenticeships and traineeships in the district.	
<b>1.5 Housing:</b> ...monitor the availability of low-cost and rental housing in its region, and, if appropriate, encourages and works with relevant authorities, organisations and developers to provide a diverse range of accommodation that caters for the various sectors of the community.	1.5.1	Guide local development in accordance with the Town Planning Scheme.	<ul style="list-style-type: none"> <li>• Assessment of development applications having regard to Town Planning Scheme No. 3 and associated Planning Policies as relevant.</li> </ul>
	1.5.2	Require local development compliance with the Town Planning Scheme.	<ul style="list-style-type: none"> <li>• Compliance issues were addressed as they were identified.</li> </ul>
<b>1.6 Non-Residents:</b> ...be cognisant of the issue of	1.6.1	Continue to support the use of residential properties for holiday	<ul style="list-style-type: none"> <li>• Policy 19.5: Holiday Homes was adopted by Council in August 2015 following community consultation on the draft Policy</li> </ul>



the high percentage of non-resident ratepayers and maximises the opportunities that they present, whilst minimising any downsides.		home (short-term) use, whilst minimising impacts on adjoining properties, to increase (tourism) accommodation stock.	(noting adoption of Policy 19.5 revoked Policy 19.4: Holiday Homes). <ul style="list-style-type: none"> <li>Development applications assessed having regard to Policy 19.5: Holiday Homes.</li> </ul>
<b>1.7 Public Safety:</b> ...work with relevant authorities and organisations to maintain a safe and secure environment for its residents and visitors	1.7.1	Provide animal control in accordance with legislative requirements.	<ul style="list-style-type: none"> <li>Rangers provided animal control during 2015/2016 in accordance with the Shire of Denmark's Local Laws and relevant State Legislation.</li> </ul>
	1.7.2	Educate the community regarding rules and requirements associated with keeping animals in rural and urban areas.	<ul style="list-style-type: none"> <li>Upon notification from the RSPCA that a dog or cat had been rehomed within Denmark, Rangers mailed out registration forms and a Local Government brochure on responsible pet ownership which outlined Local Government and State Laws. Rangers also organised follow ups to ensure that pets were registered.</li> <li>Dog exercise area information is available on signage throughout the Shire and on the Shire of Denmark's website.</li> <li>When patrolling, or responding to a call out, Shire Rangers provided education to the customer by ensuring they were aware of the relevant legislation relating to the incident/situation.</li> </ul>
	1.7.4	Educate the community in matters of emergency prevention and preparedness.	<ul style="list-style-type: none"> <li>Information disseminated via Fire Regulation Notices, mail and social media.</li> </ul>
	1.7.5	Maximise community safety through the management of the risks associated with fire, natural events and large scale emergencies, whilst supporting initiatives to improve community safety.	<ul style="list-style-type: none"> <li>Rangers liaised with the Community Emergency Services Manager on community safety and assisted with Community Resilience Workshops.</li> <li>Enforcement of provisions within the Building Code aimed at reducing the destruction of houses by requiring specific construction details contained within Australian Standard AS3959 Building in a Bushfire Prone Area.</li> <li>Explanations provided to prospective new home owners and site visits.</li> </ul>
	1.7.6	Develop partnerships with hazard management agencies to help plan for emergency events.	<ul style="list-style-type: none"> <li>Ongoing with Department of Fire and Emergency Services, Department of Parks &amp; Wildlife, City of Albany, Office of Emergency Management and Local Emergency Management Committee.</li> </ul>
	1.7.7	Consult regularly with community groups regarding volunteer	<ul style="list-style-type: none"> <li>Liaised with Demark Weed Action Group in regard to town site</li> </ul>

		requirements and support initiatives regarding community safety and security.	reserve management, pre and post burn activity, and strategic fire break maintenance.
	1.7.8	Promote and support planning and activities that encourage a safe and responsible community.	<ul style="list-style-type: none"> <li>• Provided feedback on Bushfire Management Plans associated with new subdivisions.</li> </ul>
<b>1.9 Health:</b> ...work with relevant authorities and organisations to maintain and improve health services at all levels within the region.	1.9.6	Ensure public health and building legislative requirements are met and undertake inspections of food premises to ensure they meet compliance requirements.	<ul style="list-style-type: none"> <li>• 187 food premises inspections were carried out.</li> <li>• 1 Public Buildings Regulations Certificate of approval was issued.</li> </ul>
	1.9.7	Undertake food safety and public health promotion.	<ul style="list-style-type: none"> <li>• Over 200 food handlers completed the “I’m Alert” food program to prevent food-borne illnesses.</li> </ul>
	1.9.8	Ensure outdoor dining and trading are conducted to the benefit of both retailers and the community.	<ul style="list-style-type: none"> <li>• Renewal of 2015/2016 annual licences and approval of new applications.</li> </ul>
	1.9.9	Promote public health as an important community issue.	<ul style="list-style-type: none"> <li>• Pamphlets recommending flu &amp; whooping cough vaccines for pregnant mothers and their babies were distributed.</li> </ul>
	1.9.10	Work with the State Government to control infectious diseases in accordance with the Health Act 1911 and Health Local Law.	<ul style="list-style-type: none"> <li>• A draft mosquito management plan was compiled with a view to evaluating the benefits of forming a Contiguous Local Action Group with Albany and access assistance from the State Government.</li> </ul>
	1.9.11	Monitor health threats and notices issued by the Health Department and ensure the action required is carried out as soon as possible.	<ul style="list-style-type: none"> <li>• Food recalls have been monitored and inspections have been carried out to ensure that all items are removed from the shelves.</li> </ul>
	<b>1.10 Recreation:</b> ...monitor all forms of recreational and cultural facilities and services, and take careful account of the level of community support for those in determining the improvements or new facilities to be supported together with their relative contribution to personal and	1.10.2	Upgrade and construct paths and trails in line with the Priority Table for Path Development.
1.10.6		Investigate improvements to parks and reserves and implement improvements where appropriate.	<ul style="list-style-type: none"> <li>• Closure of ten unauthorised vehicle and pedestrian tracks at Ocean Beach, Peaceful Bay, Parry Inlet and Prawn Rock Channel.</li> <li>• New picnic table setting installed at Boat Harbour Reserve, in accordance with recommendation BH 4 of the Coastal Reserves Management Strategy and Action Plan.</li> </ul>
1.10.14		Progress planning for the High School Oval development.	<ul style="list-style-type: none"> <li>• The High School Oval Development Working Group met on 28 July 2015 at the High School Oval to discuss developing sport</li> </ul>

community.			facilities at the site. The group discussed potential layout of the fields and multi-use building, parking, access to the High School sewer main and drainage improvements.
	1.10.21	Encourage and support the establishment of new sport and recreation clubs in the district.	<ul style="list-style-type: none"> <li>• Preliminary meetings were held with representatives of a proposed Denmark Running Club.</li> </ul>
	1.10.26	Encourage the delivery of volunteer training opportunities offered through the Club Development Officer program.	<ul style="list-style-type: none"> <li>• Training offered over the past 12 months included Club Sponsorship and Marketing Workshop, Denmark Basketball Association Strategic Planning Session run by the Club Development Officer, one on one assistance with Clubs by CDO in relation to Incorporation Changes.</li> </ul>
	1.10.27	Provide grant and funding assistance to community groups and clubs, and assist with coordinating their promotion.	<ul style="list-style-type: none"> <li>• Denmark Country Club (Golf Club) - Support was provided to the Denmark Country Club with their covered driving range project. Several funding programs were investigated, with funding through the Great Southern Development Commission's Regional Grant Scheme identified as a potential source. Prior applications to the same GSDC program were sourced on behalf of the Club and meetings arranged with GSDC staff.</li> <li>• Denmark Boating and Angling Club - Information regarding a range of funding programs was forwarded to the Boating and Angling Club to help with signage and promotion of the Club.</li> <li>• Denmark Festival of Cycling - Assistance was provided to the organising committee of the Denmark Festival of Cycling to help promote their inaugural cycling festival.</li> </ul>

## 2. Environment Objective

Denmark's natural environment is regionally significant, wild and beautiful, yet so inviting and fragile that its protection and enhancement is carefully balanced in meeting the needs of current and future generations' lifestyle, development and tourism needs.

GOALS <i>That the Shire of Denmark...</i>	Strategic Initiative	Action / Project	Comment
<b>2.1 Natural Environment:</b> ...acknowledge the importance of the natural environment to the residents of Denmark and the region, and works with residents and all relevant agencies to maintain a high standard of environmental protection and its integration with community life.	2.1.1	Reduce the distribution and abundance of weeds within Council controlled roads and reserves, and on private property.	<ul style="list-style-type: none"> <li>Control of priority weeds at over 30 Shire natural area reserves and 20 road reserves.</li> <li>Participation in a regional Sydney Golden Wattle control planning initiative.</li> </ul>
	2.1.2	Manage natural resources in a sustainable manner on land owned or managed by the Shire.	<ul style="list-style-type: none"> <li>Unauthorised four-wheel-drive vehicle track closures at Peaceful Bay.</li> <li>Provided materials to Birdlife Australia for exclusion fencing and educational signage around nesting shorebirds at Prawn Rock Channel.</li> </ul>
	2.1.3	Educate the community on native vegetation clearing requirements.	<ul style="list-style-type: none"> <li>Provided information on the Shire's website for ease of reference.</li> <li>Provided details of native vegetation clearing requirements in Council Conversations on a regular basis.</li> </ul>
	2.1.4	Support programs to control feral animals throughout the Shire.	<ul style="list-style-type: none"> <li>Provided funding and support to the Lake Muir-Denbarker Feral Pig Eradication Project.</li> <li>Submission on WALGA's Biosecurity Discussion Paper.</li> </ul>
	2.1.5	Maintain the Council's land and reserves in accordance with the relevant legislation.	<ul style="list-style-type: none"> <li>Investigation of unauthorised clearing of native vegetation on Shire managed land.</li> <li>Coastal warning signage updated at Back Beach, Peaceful Bay, Hillier Beach, Parry Beach, Ocean Beach and Parry Inlet.</li> </ul>
	2.1.6	Maintain the natural values present on bush reserves controlled by the Shire including Dieback management.	<ul style="list-style-type: none"> <li>Funding from the State NRM Program allowed the installation of 10 dieback educational signs and 27 disease demarcation markers at Redgum Lane, Peace Street and Mount Hallowell Reserves and a portion of the Denmark-Nornalup Heritage Rail Trail. Educational letters were sent to 97 residents directly adjoining these reserves.</li> <li>Broadscale survey of Phytophthora dieback distribution and reserve hygiene management plan completed for Peace Street</li> </ul>

			<p>and Redgum Lane Reserves and a portion of the Denmark-Nornalup Heritage Rail Trail. The surveys were completed with funding from the State NRM Program.</p> <ul style="list-style-type: none"> <li>• Infringement issued to person responsible for unauthorised clearing of native vegetation on a Shire foreshore reserve.</li> <li>• Utilisation of a Green Army team to assist in maintenance of natural area reserves. Work included erosion control on coastal dunes, weeding and litter collection.</li> </ul>
	2.1.7	Identify and monitor areas affected by salinity impacting on Council land.	<ul style="list-style-type: none"> <li>• There are no known salinity-affected areas managed by the Shire.</li> </ul>
	2.1.10	Promote waste minimisation through education and improved infrastructure and resources within the waste management site.	<ul style="list-style-type: none"> <li>• Participation in the national Garage Sale Trail, which promotes re-homing items rather than sending them to landfill.</li> <li>• In-kind support to the community Plastic Free Denmark campaign.</li> <li>• Joined the Responsible Cafes and RedCycle programs.</li> <li>• Promotion of the Plastic Free July campaign.</li> </ul>
<b>2.2 Climate Change:</b> ...monitor the effects of climate change and implements and advocates for policies that will not only mitigate any adverse effects, but also take advantage of any opportunities created.	2.2.1	Support community education and promotion of energy and water efficiency.	<ul style="list-style-type: none"> <li>• Supported Water Corporation GardenWise and Food Garden community seminars held in December 2015 and April 2016 to promote water efficiency, in collaboration with the Denmark Community Resource Centre.</li> </ul>
	2.2.2	Work with relevant organisations to hold a program of workshops to encourage more sustainable practices around the home.	<ul style="list-style-type: none"> <li>• No opportunities this financial year.</li> </ul>
	2.2.3	Reduce environmental impact and encourage sustainability in all aspects of Shire operations.	<ul style="list-style-type: none"> <li>• Promotion of the introduction of photo-voltaic electric hybrid vehicles to the Shire's transport fleet and installation of public electric vehicle charging stations.</li> </ul>
	2.2.4	Develop management plans that improve the performance of Council operations to address global warming.	<ul style="list-style-type: none"> <li>• Active monitoring of water and energy consumption across the Shire's assets through the Planet Footprint subscription.</li> </ul>
	2.2.5	Develop partnerships with State Government agencies to identify initiatives to reduce the use of reticulated potable water.	<ul style="list-style-type: none"> <li>• Working towards Waterwise Council status. In 2015/16 a Memorandum of Understanding was signed with the Water Corporation to recognise the Shire's commitment to the Waterwise Councils program (Criteria 1 of the Program). Criteria 2 of the Program has commenced, with Council's</li> </ul>

			<p>water consumption reviewed and goals to improve water efficiency drafted. Previous to this, Milestones 1 and 3 of the ICLEI Water Campaign were completed (Campaign ceased in July 2015).</p> <ul style="list-style-type: none"> <li>Working with the Water Corporation as part of its Water Efficiency program to reduce water consumption at Shire facilities by installing temporary interval data meters at McLean Park and Berridge Park. The meters enabled identification of significant water leaks which were subsequently able to be fixed.</li> </ul>
	2.2.6	Implement strategies to conserve water, while still retaining amenity, sport and recreation, and biodiversity outcomes.	<ul style="list-style-type: none"> <li>Two smart meters were purchased, which will allow the identification of water leaks.</li> <li>Waterwise retrofits of irrigation and plumbing fixtures were completed at the Visitor's Centre, Recreation Centre, Denmark Surf Life Saving Club and Ocean Beach toilets as part to the Water Corporation's water efficiency program.</li> <li>Training provided to Shire Parks and Gardens staff and Denmark Health Campus and school gardeners on waterwise landscaping. The training was delivered by Beyond Gardens and funded by the Water Corporation.</li> </ul>
	2.2.7	Investigate, promote and encourage proposals for re-use of waste water.	<ul style="list-style-type: none"> <li>Shire supported Water Corporation's funding application for third pipe waste water re-use project from the Denmark Waste Water Treatment Plant to McIntosh Road.</li> </ul>
	2.2.9	Assess coastal vulnerability of high risk Shire assets along the coastline.	<ul style="list-style-type: none"> <li>Funding application submitted to the Department of Transport for the Ocean Beach and Peaceful Bay Coastal Hazard Risk Management and Adaptation Plan.</li> </ul>
<b>2.3 Fire Management:</b> ...work collaboratively with relevant agencies to maintain a high level of planning, communication and infrastructure for effective fire and emergency management.	2.3.1	Support the community in emergency and fire management planning, preparedness, response and recovery.	<ul style="list-style-type: none"> <li>Rangers assisted by inspecting water tanks and standpipes prior to and throughout the fire season.</li> <li>Rangers responded to fire calls and ensured that if a person was burning in the restricted period they had a permit to burn.</li> <li>Rangers assisted the Community Emergency Services Manager and volunteer brigades with community engagement, running fires - signage, fuel, food and refreshments for the volunteers, and transportation of volunteers as required.</li> <li>Rangers liaised with Police regarding traffic management assistance during an emergency event.</li> </ul>
			<ul style="list-style-type: none"> <li>Maintained bushfire brigades, equipment, personal protective</li> </ul>

			<p>equipment, training.</p> <ul style="list-style-type: none"> <li>• Answered queries in regard to personal and property preparedness.</li> </ul>
	2.3.2	Maximise community safety through the management of the risks associated with fire.	<ul style="list-style-type: none"> <li>• Senior Ranger attended quarterly Bush Fire Advisory Committee meetings to engage with local brigade Fire Control Officers regarding concerns they may have with bushfire regulation non-compliance within their area.</li> <li>• Rangers conducted Fire Regulation Notice inspections and educated property owners on compliance.</li> <li>• Facilitated BFAC and LEMC meeting throughout the year and provide recommendations to Council from these meetings.</li> </ul>
	2.3.3	Involve bushfire brigade volunteers in training opportunities to meet their volunteer requirements whilst recognising the contribution volunteers make to the community.	<ul style="list-style-type: none"> <li>• Training for 2015/2016 included Incident Controller Level 1, AIIMS 4, Intro to Fire Fighting, Bushfire Fighting, Crew Leader &amp; Advanced Bushfire Fighting.</li> </ul>
	2.3.4	Undertake fire fuel reduction burns and other works on Shire, strategic private, and Government held land.	<ul style="list-style-type: none"> <li>• Bushfire Brigades conducted numerous Hazard Reduction Burns.</li> </ul>
	2.3.5	Maintain and expand strategic fire access routes.	<ul style="list-style-type: none"> <li>• Ensured annual maintenance was completed.</li> <li>• Provided advice/guidance on new strategic fire access routes through Bushfire Management Plans at subdivision.</li> </ul>
	2.3.6	Review the Fire Regulation Notice and ensure compliance.	<ul style="list-style-type: none"> <li>• Began the major review.</li> </ul>
<b>2.4 Waterways:</b> ...acknowledge the importance of rivers, inlets and coastline to residents, visitors and the local economy, and implements and advocates for policies with other relevant authorities and organisations to maintain these to a high standard of health and amenity.	2.4.2	Work collaboratively with the Department of Water, Department of Transport, Water Corporation and other Government agencies to ensure the best outcomes for our waterways.	<ul style="list-style-type: none"> <li>• Participation in a monthly Wilson Inlet information sharing meeting with other agencies and groups conducting on-ground works in the catchment.</li> <li>• Funding provided towards a Wilson Inlet Catchment Committee project to re-survey the Wilson Inlet foreshore vegetation.</li> </ul>
	2.4.3	Maintain an elementary human contact focused bacterial water quality monitoring program in conjunction with the Health Department of Western Australia, Department of Water and the Department of Fisheries.	<ul style="list-style-type: none"> <li>• 204 water samples were taken to monitor the water quality in the Wilson Inlet and Peaceful Bay.</li> </ul>

### 3. Economic Objective

Denmark's economy is diverse and vibrant - its primary industries of tourism and agriculture rely on and enjoy natural and other assets that are sensibly managed and promoted.

<b>GOALS</b> <i>That the Shire of Denmark...</i>	<b>Strategic Initiative</b>	<b>Action / Project</b>	<b>Comment</b>
<b>3.1 Agriculture:</b> ...acknowledge agriculture as a diverse and prominent industry in the region, and implements and advocates for policies and strategies that will assist farming to improve its effectiveness and viability.	3.1.3	Ensure that local planning development and long term growth needs are met to ensure a viable agriculture sector.	<ul style="list-style-type: none"> <li>• Due regard being given to relevant provisions in new Local Planning Scheme No. 4.</li> </ul>
<b>3.2 Development:</b> ...closely monitor development and associated infrastructure needs in the region, and acts in conjunction with other authorities and agencies to plan development which is sensitive, timely and appropriate to the community's needs.	3.2.1	Finalise the Demark East Development Precinct industrial land subdivision works.	<ul style="list-style-type: none"> <li>• Council accepted funding arrangements for the Denmark East Development Precinct Project in March 2016 – which included progression of Stage 1 of the industrial area.</li> <li>• Continuing work on scheme amendment for the industrial area.</li> </ul>
	3.2.2	Work with other Government bodies on Local and State regional planning and development issues.	<ul style="list-style-type: none"> <li>• Regular meetings with relevant government agencies/servicing authorities regarding regional planning and development related issues.</li> <li>• Active participation by the CEO and the Director of Planning &amp; Sustainability in the review of the 2007 Lower Great Southern Strategy and subsequent development of the 2016 Lower Great Southern Strategy.</li> </ul>
	3.2.3	Encourage development that is consistent with the individual character of town sites.	<ul style="list-style-type: none"> <li>• Assessment of development applications having regard to Town Planning Scheme No. 3 and associated Planning Policies as relevant.</li> </ul>
	3.2.4	Investigate opportunities to rationalise or devolve obsolete buildings, landholdings and other assets.	<ul style="list-style-type: none"> <li>• Provided assistance to facilitate the reuse of the former frail-aged lodge to an office and artist in residence facility for Denmark Arts</li> <li>• Assisted with the conversion of the former hospital building to the Morgan Richards Community Centre.</li> </ul>



	3.2.5	Liaise with utility providers to ensure that adequate power, water and sewer services are available in the Shire.	<ul style="list-style-type: none"> <li>Regular meetings with relevant government agencies/servicing authorities regarding regional planning and development related issues.</li> </ul>
	3.2.6	Provide supportive planning and development guidance on appropriate major land developments.	<ul style="list-style-type: none"> <li>Ensured Shire website and customer service counters were provided with up-to-date information for customers seeking to develop in the Shire of Denmark.</li> </ul>
	3.2.7	Guide local development and require compliance in accordance with the Planning Scheme policy.	<ul style="list-style-type: none"> <li>Assessment of development applications having regard to Town Planning Scheme No. 3 and associated Planning Policies as relevant.</li> <li>Addressed compliance issues as identified.</li> </ul>
	3.2.8	Ensure conditions relative to development approvals and building permits are complied with and issued in a timely and efficient manner.	<ul style="list-style-type: none"> <li>Addressed compliance issues as identified.</li> <li>Regular review of turnaround times to ensure approvals being issued within statutory timeframes.</li> </ul>
<b>3.4 Transport:</b> ...acknowledge the importance of transport through and within its area, and, with the help of other relevant authorities and agencies, develops, implements and advocates for policies that provide quality, efficient and effective transport infrastructure and options amenity.	3.4.1	Undertake construction in relation to Roads to Recovery projects including road resealing and gravel resheeting, blackspot upgrades and reserve rehabilitation.	<ul style="list-style-type: none"> <li>Blackspot Projects for this financial year included sealing of four gravel intersections off South Coast Highway creating a safer entrance and exit.</li> <li>Road to Recovery Projects for this financial year included the resheeting of Atkinson road, resealing of Myers Road, Craig View Road, Powley Street and Kingston Court.</li> </ul>
	3.4.2	Bridge upgrades in line with Main Roads WA funding.	<ul style="list-style-type: none"> <li>Bridges marked for upgrade included Powley's Road Bridge, Porch Road Bridge and Mount Lindesay Road Bridge.</li> </ul>
	3.4.7	Maintain and improve road and pathway infrastructure (including dual use paths) to appropriate standards.	<ul style="list-style-type: none"> <li>Ocean Beach Road (Phase 1) was completed, with upgrades to the carriage way and footpath.</li> </ul>
	3.4.11	Review the provision of on and off street parking.	<ul style="list-style-type: none"> <li>A carpark was constructed at the end of Barnett and Strickland Street.</li> </ul>
	3.4.13	Ensure the provision of directional, service and tourism signage is integrated into the urban and rural landscape and the amenity of the locality is maintained and protected.	<ul style="list-style-type: none"> <li>Applications for directional signage were assessed having regard to Tourism WA recommendations.</li> <li>Ongoing review of current directional signage to ensure accuracy, clarity, visibility and appropriateness having regard to Tourism WA signage recommendations.</li> </ul>

<b>3.5 Communication:</b> ...acknowledges the importance of high quality and reliable communication networks, and assists and advocates for the timely growth, capacity and improvement of them.	3.5.1	Advocate for improved mobile telephone and internet infrastructure in Denmark and the region.	<ul style="list-style-type: none"> <li>• Regular liaison with mobile telephone providers and NBN Co regarding improvements to existing infrastructure to service the community.</li> <li>• Timely processing of development applications (where required) to facilitate provision of improved mobile telephone and internet.</li> </ul>
<b>3.6 Energy:</b> ...set an example in the use of alternative energy, and encourages authorities, agencies and residents to support alternative methods of power, industry and transport, as well as improving on their efficient use.	3.6.1	Continue to investigate the use of renewable energy sources and storage options for Council buildings and infrastructure.	<ul style="list-style-type: none"> <li>• Investigations into the installation of solar PV panels at the Recreation Centre.</li> </ul>
	3.6.2	Support the dissemination of information to the community with respect to energy efficiency measures.	<ul style="list-style-type: none"> <li>• Any relevant grant opportunities were distributed to relevant stakeholders and/or the community for consideration.</li> </ul>
	3.6.3	Continue to improve efficient power usage and introduction of energy efficient lighting and equipment in Council buildings.	<ul style="list-style-type: none"> <li>• Tariff rates reviewed across all Shire assets and amendments made where required.</li> <li>• Upgrade of services within Shire buildings, including replacing incandescent light fittings with more efficient LED fittings and placing time controlled taps to reduce water consumption.</li> </ul>
<b>3.7 Tourism:</b> ...acknowledge the importance of tourism to the region, and, by innovative policies, practices and partnerships, facilitates and encourages the greater year-round sustainability of tourism, whilst monitoring and managing its impacts.	3.7.3	Continue to engage in the management of local natural areas with associated recreation and tourism uses.	<ul style="list-style-type: none"> <li>• Contribution and staff support towards the Department of Parks and Wildlife's construction of a canoe launch and jetty at Nornalup.</li> <li>• Assisted in the development of new trail head signage for the Mokare Trail.</li> <li>• Construction of the WOW Stage 1 through Wilson Head Reserve</li> </ul>

#### 4. Governance Objective

The Shire of Denmark provides renowned leadership in sustainability, is effective with both its consultation with its people and its management of its assets, and provides transparent and fiscally responsible decision making.

GOALS That the Shire of Denmark...	Strategic Initiative	Action / Project	Comment
<b>4.1 Planning:</b> ...work with other relevant authorities and agencies to develop and implement planning policies and decisions that not only reflect the wishes of the community, but also provide the region with appropriate development options.	4.1.1	Ensure quality, consistent and responsive development and building assessment approval processes and enforcement.	<ul style="list-style-type: none"> <li>Assessment of development applications having regard to Town Planning Scheme No. 3 and associated Planning Policies as relevant.</li> <li>Addressed compliance issues as identified.</li> <li>Regular review of turnaround times to ensure approvals being issued within statutory timeframes.</li> <li>Regular review of development approval processes to identify continual improvement opportunities.</li> </ul>
	4.1.2	Ensure that a system of processes through which the Shire conducts its decision making and directs, controls, and monitors the operation of the organisation, is implemented and maintained.	<ul style="list-style-type: none"> <li>Regular review of turnaround times to ensure approvals being issued within statutory timeframes.</li> <li>Regular review of development approval processes to identify continual improvement opportunities.</li> </ul>
	4.1.3	Review existing planning policies and prepare new policies as required whilst providing Council and staff with policies that cover a range of issues and provide a basis for determining applications.	<ul style="list-style-type: none"> <li>Policy 19.5: Holiday Homes was adopted by Council in August 2015 following community consultation on the draft Policy (noting adoption of Policy 19.5 revoked Policy 19.4: Holiday Homes).</li> <li>Ongoing review of existing policies.</li> </ul>
	4.1.7	Prepare Local Planning Scheme No. 4.	<ul style="list-style-type: none"> <li>Draft planning scheme provisions are being prepared having regard to Local Planning Strategy (2011), current Town Planning Scheme No. 3 review and relevant State Planning Policies and related legislative provisions pertaining to Local Planning Schemes.</li> </ul>
<b>4.3 Funding:</b> ...be fiscally responsible and seek to develop both safe income generating assets	4.3.2	Identify grant funding opportunities as a means of financing (fully or partially) Council projects.	<ul style="list-style-type: none"> <li>Sustainability Services secured \$100,000 in funding from Lotterywest towards construction of the Wilderness Ocean Walk Trail and a subsidy from the WA Waste Authority for participation in Garage Sale Trail.</li> </ul>

and the maximisation of external funding that will benefit the community and assist in meeting its aims and obligations.			<ul style="list-style-type: none"> <li>6-month Work for the Dole project at the Morgan Richards Community Centre. The team undertook grounds maintenance and landscaping tasks.</li> </ul>
	4.3.6	Work collaboratively with community groups and organisations to maximise successful grant applications.	<ul style="list-style-type: none"> <li>Supported local community group applications for state and federal funding programs.</li> </ul>
<b>4.4 Co-operation &amp; Community Input:</b> ...acknowledge that it also has a regional role, and endeavours to work collaboratively with neighbouring Local Governments, the State Government and external organisations, whilst remaining responsive to the voice of its own community.	4.4.1	Actively work with neighbouring Councils on a regional approach to relevant Local Government issues.	<ul style="list-style-type: none"> <li>Working with five other Councils across the South Coast on coastal management issues as part of South Coast Management Group.</li> </ul>
	4.4.6	Support strategic alliances, community groups, stakeholder forums and advisory committees that assist the Shire in policy development and service planning.	<ul style="list-style-type: none"> <li>Establishment and support of the Prawn Rock Channel Working Group to develop a concept plan for the area.</li> </ul>

## Local Laws

During the reporting year Council did not adopt any new local laws.

## Public Interest Disclosure Act 2003

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

During the 2015/2016 reporting period, no public interest disclosures were lodged.

*Responsible Officer: Director of Finance and Administration*

## Disability Access and Inclusion Plan (DAIP)

Council adopted the Shire of Denmark Disability Access and Inclusion Plan (DAIP) in July 2013 which was subsequently lodged with the Disability Services Commission, pursuant to the Disability Services Act 1993. The DAIP was reviewed by Council in June 2015, with the next major review scheduled for June 2018.

The DAIP builds on the capacity for people with disabilities to access services, facilities and information in a way that promotes independence, opportunities and inclusion in the community and promotes participation in decision-making processes. Council's Disability Services Advisory Committee has the ongoing task of working towards achieving the seven major outcomes of the plan.

The 2013 DAIP identifies 18 strategies to achieve the (7) outcomes. The Disability Services Advisory Committee has commenced working through an Implementation Plan to undertake the actions required to attain the goals that are detailed in the DAIP. A complete copy of the Shire of Denmark DAIP can be downloaded from the Shire's website at [www.denmark.wa.gov.au/accessibility.aspx](http://www.denmark.wa.gov.au/accessibility.aspx)

## Progress Report 2015/2016 – provided to Disability Services

**Commission Name of public authority:** Shire of Denmark

### 1. For 2015–2016, please describe the strategies your organisation planned and implemented for each outcome area of your DAIP.

**Effective** – enhanced access and inclusion.

**Average** – enhanced access and inclusion in the interim but was not sustainable.

**Ineffective** – did not enhance access and inclusion.

**Not yet evaluated** – implemented but unsure or too early to tell whether access and inclusion was enhanced.

Outcome	Number of strategies / initiatives planned (Strategies/ initiatives planned whether implemented or not).	Strategies/ initiatives implemented	Number of strategies that were implemented that were			
			Effective	Average	Ineffective	Not yet evaluated
Services & Events	13	10	1	0	4	5
<ul style="list-style-type: none"><li>Promotion of the availability of the WA Disabled Sports Association's "Living Life Pack" at the Denmark Recreation Centre – including in the Centre's Activity Guide, on Council's website and an article in the local paper.</li></ul>						

- Installation of an additional hand rail at the steps to the Recreation Centre Function Room.
- Completed review of number of local children with disability accessing, or wishing to access, activities at the Denmark Recreation Centre and other local sporting clubs.
- Reviewed and amended the Council's Functions and Events Evaluation Form to include questions relating to accessibility (mobility and cost).
- Consideration of alternative transport options available for people with disability, ongoing investigation and liaison occurring with other government and non-government agencies to determine any established local need, current services and desired services.
- Investigated need for Council's Community Bus to have a wheelchair hoist fitted when the vehicle is replaced in the future to ensure that appropriate funds would be put aside if the need was established. This matter will be revisited when the Community Bus is due to be replaced and consideration will be made as to whether there is an identifiable need within the community vs potential exclusion due to reduction in the number of seats available.
- Disability Services Advisory Committee audit undertaken of sections of public space (eg. footpaths, crossovers, on/off ramps etc.) within the Townsite CBD and a number of suggested improvements have been referred to Infrastructure Services for investigation and budget consideration including recommendations for people with limited mobility, vision impairment and intellectual disability.
- Investigation occurred following a concern raised by a member of the public as to whether ACROD signs can or should be made bigger to assist ACROD users in locating the bays. Still being investigated with consideration to be made for other users of the area and potential impact on site lines at intersections etc.
- Liaison with AccessWA regarding the existing entries of Council managed facilities on the You're Welcome website with the intention of undertaking a review of the entries. This is to ensure that Council related listings are current. This project has commenced and is due for completion in 2016/17.
- Provided a link to and information about the You're Welcome website on Council's website to provide information to new and existing business owners. Promotion to be undertaken with respect to updating existing information and encouraging new businesses to be listed on the site.

<b>Buildings &amp; Facilities</b>	<b>19</b>	<b>6</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>4</b>
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- An allocation has been included in the draft 2016/17 Budget for retrofitting a portion of the Administration Office customer counter to provide better access for people with disability who may find the current customer counter too high.
- Denmark Cemetery redevelopments undertaken in 2015/16 incorporated elements focussed on accessibility including ensuring gradients were compliant and easy to navigate, on / off ramps for pathways did not have humps and improved connectivity between sections. A number of high vegetation areas at the Cemetery were parkland cleared which has created better visibility for shared use areas.
- Installation of a handrail at the steps from the carpark to the pathway leading to Ocean Beach.
- Council's newly established Ocean Beach and Peaceful Bay Foreshore Concept Plan Working Group has been provided information on the Council's Disability Access & Inclusion Plan to ensure that inclusion and accessibility are considered within draft Concept Plans.
- The Council's Disability Services Advisory Committee reviewed the draft Prawn Rock Channel swimming area and lookout Concept Plan and provided feedback on inclusion and accessibility prior to the Plan being presented to Council for adoption. The plan includes provisions for universal access to the areas, where practicable.
- A brochure was developed to provide information and promotion for Council's two Beach Trekkers which are available at Ocean Beach and Parry Beach. New Agreements were signed with two not-for-profit organisation tasked with managing the free use of the Trekkers. The brochure has been placed on our website and provided to the Denmark Visitor Centre. Information regarding the Beach Trekkers has been provided to TADWA (Technology Assisting Disability WA) who also promote the locations of Beach Trekkers in WA. At Council's 2015 celebration of the International Day of People with Disability Morning Tea, a Beach Trekker was brought to the event so that people attending could have a look at it and obtain information on their availability and use. Signage has been erected at both of the Trekker sites within the Shire of Denmark further promoting their availability. The Beach Trekkers provide people with limited mobility the opportunity to experience the beach and the ocean at two of our popular public beaches.

<b>Information</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
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- Investigation of website features and incorporating Alt Text on images, labelling tables and titling links. The Shire of Denmark's website is also now mobile optimised.

<b>Level &amp; Quality of Service</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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<b>Complaints</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
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- The Shire of Denmark continues to provide a number of ways for people to make complaints including email, mail, facsimile, face-to-face, telephone, website Contact Us & Works Request Forms, Facebook and telephone.

Consultation	5	3	1	0	0	2
<ul style="list-style-type: none"> <li>In July 2015 approximately 15 Council Officers partook in Community Engagement training. Council's adopted Community Engagement Policy and Framework includes matrixes to assist Council Officers in identifying individuals, groups and/or sectors who may be impacted by a decision of Council and provides examples of methods of engagement to seek their views on the matter, including people with disability.</li> <li>A PA System is now provided at each Council Meeting which enables members of the public to address Council using this audio system.</li> <li>A quote is being obtained for the installation of a wireless, up-to-date PA System in the Council Chambers and Reception Room which will enhance the audibility between the Council and members of the public. This sound system will also improve audibility at civic receptions, training and other functions held in the Council's Reception Room.</li> </ul>						
Employment	4	3	2	0	0	1
<ul style="list-style-type: none"> <li>Two Council Officers attended LGMA Lighthouse Project training with respect to implementation of Outcome 7.</li> <li>Workplace audits continuing through Occupation Health and Safety Committee.</li> <li>Relationship with local placement agencies who specialise in placing people with disability into the workforce well-established and continuing. Some work placements have already been made at the Shire of Denmark and are still ongoing.</li> </ul>						

**2. For 2015–2016, how have you informed Agents and Contractors about your DAIP? (Please tick)**

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

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

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

**4. Please provide a description of any significant DAIP strategies undertaken by your organisation's agents and contractors in 2015–2016.**

<ul style="list-style-type: none"> <li>Disability Services Advisory Committee meetings held every two months.</li> <li>Incorporation of access and inclusion principles into the adopted Prawn Rock Channel Development Concept Plan.</li> <li>Acknowledgement and promotion of International Day of People with Disability was in the form of a morning tea where we promoted our Beach Trekker, and heard stories from two people in our Community who live with disability and how they overcome barriers and participate in community life and the workplace.</li> <li>Increased the length of a disabled car parking bay at the front of a local Doctor's Surgery.</li> </ul>
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**5. What challenges did you experience with strategies not completed? (Please tick):**

<b>Budgetary constraints (please explain)</b>	<input checked="" type="checkbox"/>
Some actions can only be implemented as funds become available and/or grant funding is sourced.	
<b>Lack of support / input and feedback from the community (please explain)</b>	<input type="checkbox"/>
<b>Difficulties with contractor or agent input (please explain)</b>	<input type="checkbox"/>
<b>Difficulties coordinating strategies/initiatives (please explain)</b>	<input type="checkbox"/>
<b>Other (please explain):</b>	<input checked="" type="checkbox"/>
The implementation of some of the strategies are subject to staff resources which at times can be limited.	

### **Recordkeeping Plans**

The Shire of Denmark undertook a comprehensive review of the Record Keeping Plan during 2013/2014 and the amended Plan (RKP 2013034) was approved by the State Records Commission in March 2014. The next review of the Plan is due by 21 March 2019.

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

Staff undergo Electronic Records Management System (ERMS) and general record keeping training as required during the year to ensure that all appropriate records are captured, retained and able to be retrieved. The induction manual given to all staff includes directions on recordkeeping requirements, roles and responsibilities.

*Responsible Officer: Director of Finance and Administration*

### **Freedom of Information Requests**

During the 2015/2016 year, Council received seven requests for information under the Freedom of Information Act.

The Shire of Denmark is generally able to satisfy most requests for information on Council related matters outside of the requirements of this Act. Should the requested documentation contain information of a sensitive nature, such as personal or commercial information, the Shire invites the requester to submit a Freedom of Information application.

*Responsible Officer: Director of Finance and Administration*

### **Complaints Lodged Under Provisions of the Local Government Act 1995**

In accordance with Section 5.121 of the Local Government Act 1995, no entries were made in the register of complaints during the financial year.

*Responsible Officer: Director of Finance and Administration*



## Employee's Remuneration

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

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

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

*Table 5: Employee Remuneration*

# Independent Auditor Report

14 December 2016

Attn: Bill Parker  
Chief Executive Officer  
Shire of Denmark  
PO Box 183  
DENMARK WA 6333

FIN. 8

Shire Of Denmark  
ICR161243629

16 DEC 2016

EPH	
COUNCILLORS	
CEO	✓
DIR of FINANCE	
DIR of PLANNING	
DIR of INFRASTRUCTURE	
DIR of COMMUNITY	
OTHER	FIN1 ✓

**Lincolns**  
BEYOND NUMB3RS

Dear Councillors,

## Audit for the year ended 30 June 2016

We are pleased to report that our audit of the Shire of Denmark's financial statements and records for the year ended 30 June 2016 is now complete.

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

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

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

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

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

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

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

.../3

\*Liability limited by a Scheme approved under Professional Standards Legislation\*

70-74 Frederick Street - PO Box 494, ALBANY WA 6331  
e: info@lincolns.com.au w: lincolns.com.au  
t: (08) 9841 1200 f: (08) 9842 1034

**Comment on Financial Position**

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

Ratio	Description	Result	Prescribed Standard
Current Ratio	Indicates the Shire's ability to meet short term debt obligations.	0.91	The standard is met if the ratio is greater than 1.
Asset Sustainability Ratio	Indicates that the Shire is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.	0.39	The standard is met if the ratio is 0.9 or higher.
Debt Service Cover Ratio	Indicates the Shire's ability to repay its debt including lease payments.	3.21	A basic standard is met if the ratio is greater than or equal to 2. An advanced standard is met if the ratio is greater than 5.
Operating Surplus Ratio	Indicates the Shire's ability to cover its operational costs and have revenues available for capital funding or other purposes.	(0.41)	A basic standard is met between 0.01 and 0.15. An advanced standard is met if the ratio is greater than 0.15.
Own Source Revenue Coverage Ratio	Indicates the Shire's ability to cover its costs through its own revenue efforts.	0.64	A basic standard is met if the ratio is between 0.4 and 0.6. Intermediate standard is between 0.6 and 0.9. An advanced standard is met if the ratio is greater than 0.9.
Asset Consumption Ratio	Measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost	N/A	The standard is met if the ratio is 0.5 or greater. The standard is improving if the ratio is between 0.6 and 0.75.
Asset Renewal Funding Ratio	Measures the ability of the Shire to fund its projected asset renewal/replacements in the future.	N/A	The standard is met if the ratio is between 0.75 and 0.95. The standard is improving if the ratio is between 0.95 and 1.05.

We comment that operating ratios have been adversely affected by the receipt in advance of the Financial Assistance Grant program first quarter payment in the prior year and increased depreciation on non-current assets due to the Fair Value reporting requirements of FM Reg 17A.

**SHIRE OF DENMARK  
AUDIT OBSERVATIONS AND COMMENTS SCHEDULE  
FOR THE YEAR ENDED 30 JUNE 2016**

<b>Matter</b>	<b>Present Procedure Finding</b>	<b>Recommendation</b>	<b>DoF Comment</b>
Outstanding Cheques	Our review of bank reconciliations indicated that there are a number of cheques which have been outstanding for a period in excess of twelve months.	As these cheques will now generally be considered to be "stale" by the bank we recommend that they be cancelled and reissued (or in preference direct deposited) to the payee. If the payee can no longer be contacted then the funds should be forwarded to the Registrar of Unclaimed Money.	The three (3) stale cheques, 59568 \$88.45, 59611 \$60.00 and 59676 \$80.00 will be reissued.
Ratio's	As with the prior year and described in our Audit Report and disclosed in the financial statements, the required supplementary ratio information has not been calculated by Council. The Asset Consumption Ratio and Asset Renewal Funding Ratio are required by Financial Management Regulation 50. Source information required from the Asset Management Plan and Long Term Financial Plan, was not available.	We recommend that the Asset Management Plan and Long Term Financial Plan required by Administration Regulation 19D, be prepared as soon as possible.	Draft Long Term Financial Plan has been prepared on is out for comment. The continued development of asset management plans will be prioritised and are due to be commenced in January 2017

Other Matters

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

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

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

Kind Regards



Russell Harrison  
Partner

Enc

## 2015/2016 Annual Financial Report Executive Summary

The following is a summary of the financial position of the Shire of Denmark as at 30 June 2016. The summary provides comment on the financial information contained within the Annual Financial Report in order to assist Electors interpret this information.

### Overall Financial Position

The Shire of Denmark's net result was \$6,770,230 – an increase on the 2014/2015 result which was \$1,123,955. The net result was boosted significantly by grant funding of \$7,626,000 received from the Denmark East Development Precinct Project. Without these funds the Shire would have incurred a net loss of \$855,000. This loss was primarily due to an increase in depreciation expense.

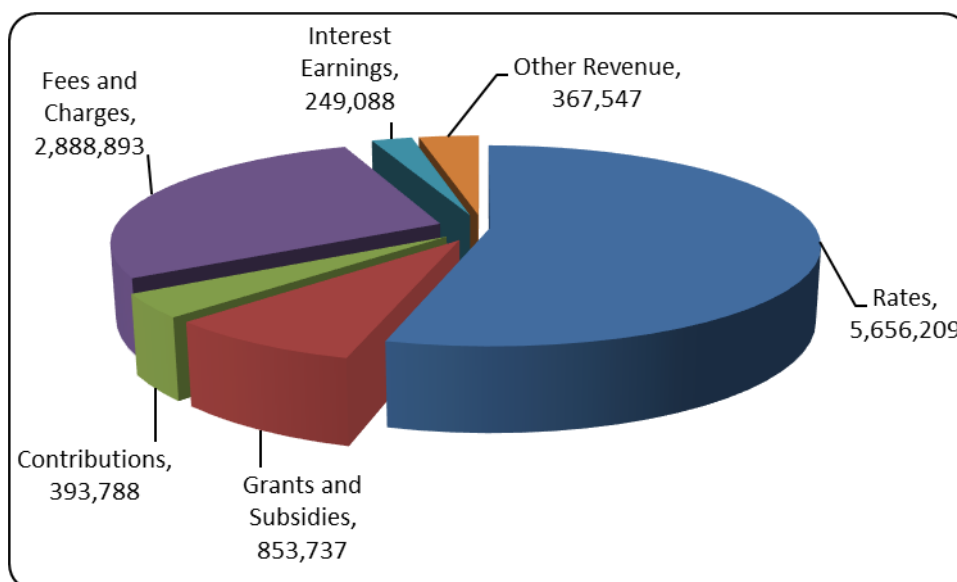
The Council has adequate financial reserves and a relatively low loan borrowing position (excluding self-supporting loans), which provides a good indication of the Shire's capacity to fund future projects and ongoing financial commitments. A Draft Long Term Financial Plan is currently being prepared for Council consideration, which will outline the Shire's capacity to fund future and ongoing financial commitments over a ten year time horizon.

### Summary of Income and Expenditure

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

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

**2015/2016 Operating Income by Nature and Type (\$)**



*Figure 10: 2015/2016 Operating Income by Nature and Type*

## Rates

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

The number of properties that comprise the rates base of the Shire has increased by 75, which demonstrates consistent growth within the Shire.

Growth is an important indicator for the Shire, as growth in the number of rateable properties allows costs to be borne by an increased number of owners, which in turn reduces the pressure on Council to increase rates on existing owners when determining the annual budget.

The average rates (excluding all service charges) paid by the owner of a four bedroom and two bathroom residence was \$1,467 up from \$1,374 in the previous year.

### Summary of Rates Base History for Shire of Denmark Total Asset Expenditure

Year	No. of Rateable Properties	Total Rates Levied	Ave Residential Rate (A2077)
2015/2016	3,958	\$5,656,209	\$1,467
2014/2015	3,883	\$5,293,412	\$1,374
2013/2014	3,861	\$4,952,366	\$1,308
2012/2013	3,837	\$4,682,290	\$1,124
2011/2012	3,811	\$4,242,245	\$1,038
2010/2011	3,772	\$3,919,755	\$908
2009/2010	3,656	\$3,700,382	\$856
2008/2009	3,636	\$3,404,550	\$820

Table 6: Summary of Rates Base History for Shire of Denmark Total Asset Expenditure

### 2015/2016 Operating Expenditure by Nature and Type (\$)

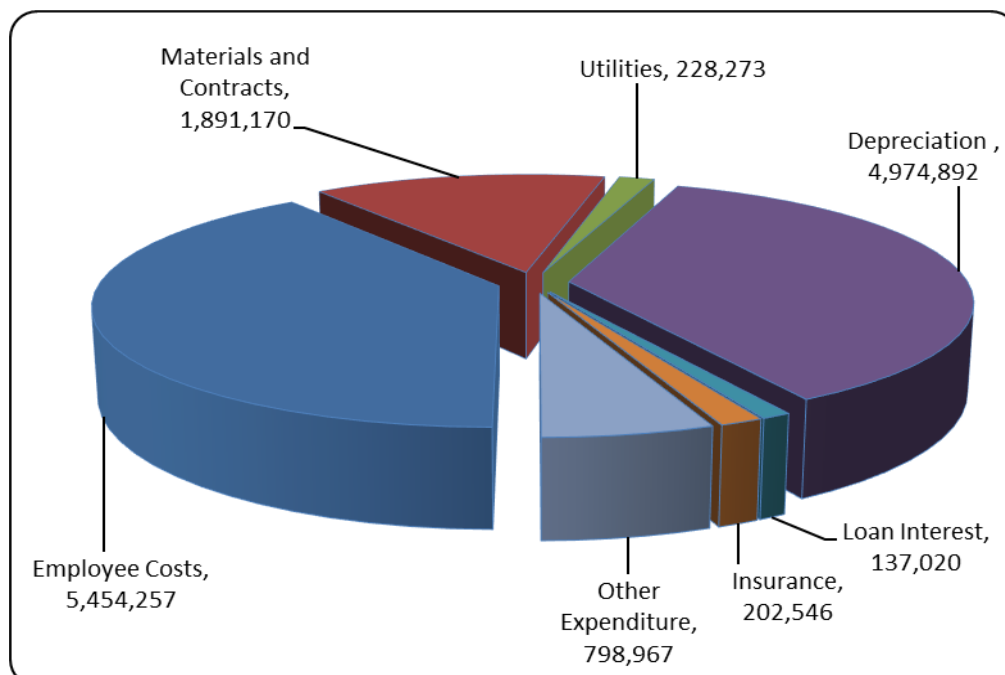


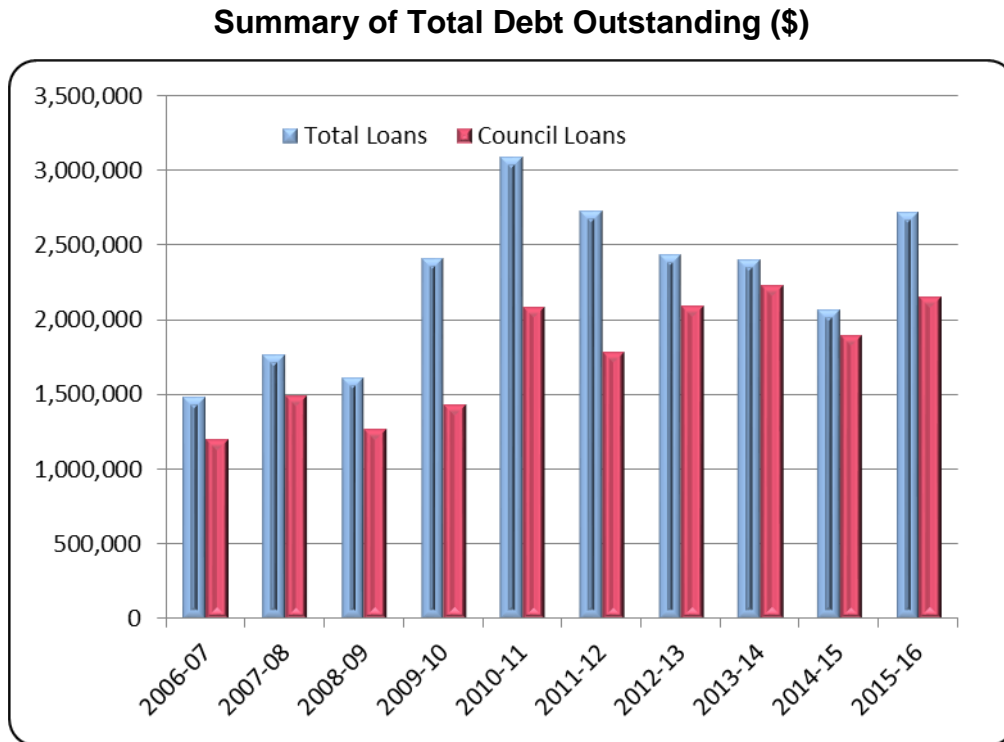
Figure 11: 2015/2016 Operating Expenditure by Nature and Type

## Loans

After principal repayments were made on existing loans, Council's total debt position was \$2,722,822. This amount includes self-supporting loans totalling \$566,641 (or 20.81%), which is payable by various community organisations (to whom the funds have been lent) to Council.

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

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



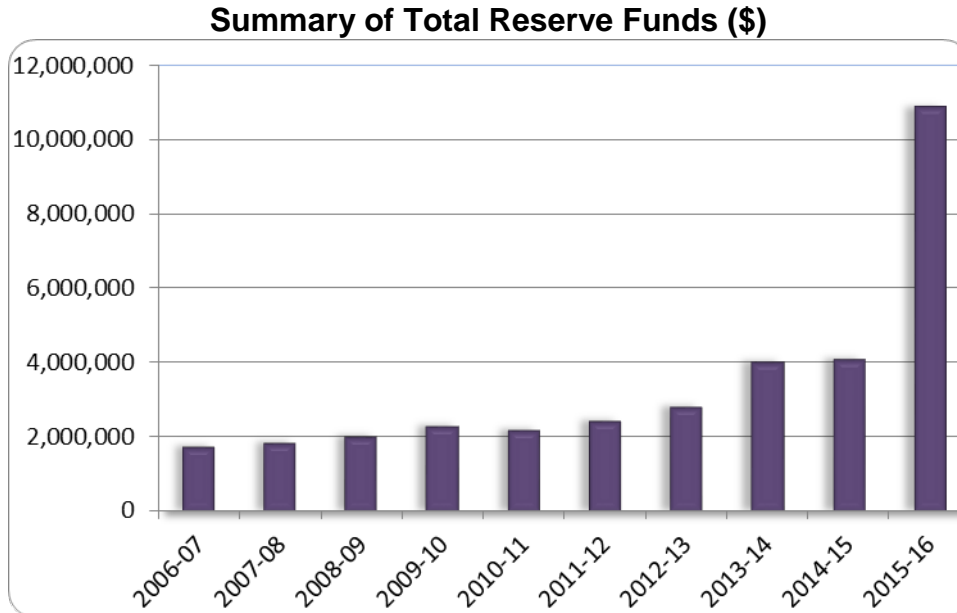
*Figure 12: Summary of Total Debt Outstanding*



## Reserves

The Shire of Denmark's total cash-backed Reserve Funds increased by \$6,763,433 during 2015/2016, which reflects the investment interest earned during the past year and the Denmark East Development Precinct Project grant that was received in 2015/2016.

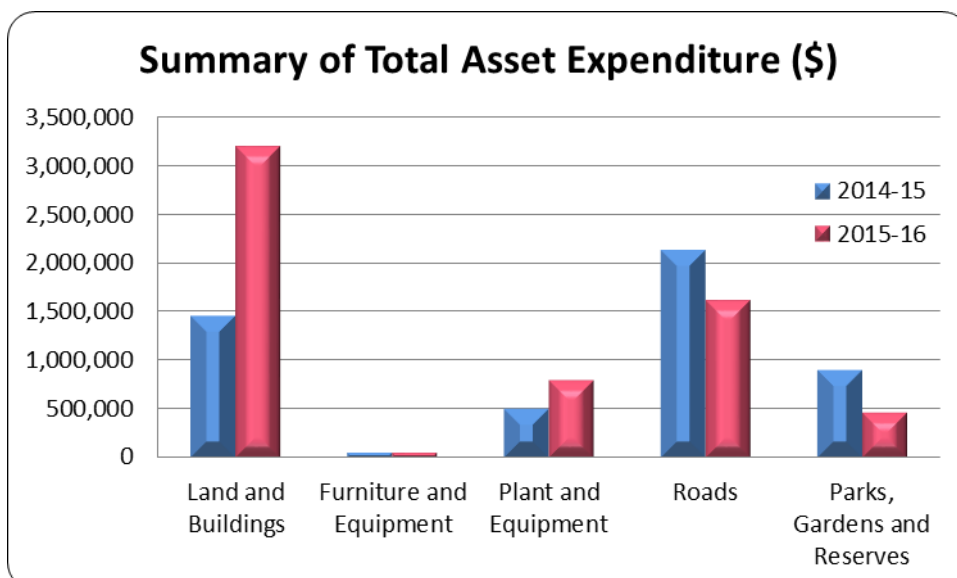
A summary of Reserve Fund balances for the past ten years is as follows:



*Figure 13: Summary of Total Reserve Funds*

## Capital Expenditure

Expenditure on capital works and purchases for 2015/2016 is as follows for the following classes of assets, with a comparison to the previous financial year:



*Figure 14: Summary of Total Asset Expenditure*

### Key Financial Indicators (Financial Ratios)

Changes to the Local Government (Financial Management) Regulations 1996, Section 50 (1), introduced a new set of Financial Ratios for all Western Australian Local Governments to report on, with these ratios detailed on page 59.

A further explanation of the Current and Asset Renewal Funding Ratios are as follows:

Ratio	Description	Result	Prescribed Standard
Current Ratio	Indicates the Shire's ability to meet short term debt obligations.	0.91	The standard is met if the ratio is greater than 1.
Asset Renewal Funding Ratio	Measures the ability of the Shire to fund its projected asset renewal/replacements in the future.	N/A	The standard is met if the ratio is between 0.75 and 0.95. The standard is improving if the ratio is between 0.95 and 1.05.

*Table 7: Key Financial Indicators*

Two minor matters of non-compliance of the financial ratios were identified. These included outstanding cheques and ratios.

The Shire's non-compliance with some of the ratios has been discussed with the Auditor. The Auditor has stressed that all ratios can't be assessed in isolation and need to be considered in a broader context. For example, the Shire's current ratio result of 0.91 is slightly below the Department's benchmark of greater than 1. However, when considered over a 10 year time horizon this ratio is expected to steadily increase to sustainable levels.

The Shire's Asset Sustainability ratio is low due to the revaluation of infrastructure assets in the past year, which has considerably increased the depreciation expense. The Shire is aware of this and will be implementing measures to improve this ratio in coming years as reflected in the draft Long Term Financial Plan.

The Asset Consumption and Asset Renewal Funding Ratios were not calculated because the Shire has not completed an Asset Management Plan or Long Term Financial Plan as required by Administration Regulation 19D, Councillors have been made aware of this matter previously by Officers and these outstanding items are currently being prepared for consideration by Council.

The Auditor has not expressed any significant concerns in relation to these results or the Shire's broader financial position.

### Summary

Whilst there are always financial challenges ahead for Local Governments to consider and respond to, the Shire of Denmark is generally well placed to meet these challenges due to the expected continued population growth and relatively sound financial position of the Shire.

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

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

### **Solicitors**

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

### **Auditors**

Lincolns Chartered Accountants  
PO Box 494  
Albany WA 6330

### **Banking Services**

National Australia Bank Ltd  
59 Strickland St  
Denmark WA 6333

### **Debt Recovery Agents**

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

### **Insurance Broking**

Local Government Insurance Services  
PO Box 1003  
West Perth WA 6872

### **Taxation and Accounting**

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

### **Human Resources Consultancy**

WALGA – Workplace Solutions  
15 Altona St  
West Perth WA 6872

### **Risk Management/Occupational Health and Safety Consultancy**

Local Government Insurance Services  
PO Box 1003  
West Perth WA 6872

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

# **APPENDIX A**

## **2015/2016 Annual Financial Report**



# SHIRE OF DENMARK

## FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2016

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

**SHIRE OF DENMARK  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Denmark being the annual financial report and other information for the financial year ended 30 June 2016 are in my opinion properly drawn up to present fairly the financial position of the Shire of Denmark at 30 June 2016 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the Fifth day of December 2016



---

Bill Parker  
Chief Executive Officer

**SHIRE OF DENMARK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 \$	Budget 2016 \$	2015 \$
<b>Revenue</b>				
Rates	23	5,656,209	5,623,178	5,293,412
Operating Grants, Subsidies	29	853,737	787,660	1,945,651
Contributions and Reimbursements		393,788	391,434	376,066
Fees and Charges	28	2,888,893	2,670,159	2,702,897
Service Charges	25	0	0	0
Interest Earnings	2(a)	249,088	242,458	258,772
Other Revenue		367,547	299,455	336,682
		<u>10,409,263</u>	<u>10,014,344</u>	<u>10,913,479</u>
<b>Expenses</b>				
Employee Costs		(5,454,257)	(5,212,258)	(5,110,345)
Materials and Contracts		(1,891,170)	(2,244,899)	(1,773,891)
Utility Charges		(228,273)	(240,077)	(222,323)
Depreciation on Non-Current Assets	2(a)	(4,974,892)	(3,730,001)	(3,652,135)
Interest Expenses	2(a)	(137,020)	(180,165)	(138,184)
Insurance Expenses		(202,546)	(199,727)	(210,660)
Other Expenditure		(798,967)	(759,567)	(716,359)
		<u>(13,687,125)</u>	<u>(12,566,694)</u>	<u>(11,823,896)</u>
		<u>(3,277,862)</u>	<u>(2,552,350)</u>	<u>(910,417)</u>
Non-Operating Grants, Subsidies and Contributions	29	10,523,781	4,738,846	3,041,599
Loss on Revaluation of Fixed Assets	2(a)	0	0	(1,062,919)
Profit on Asset Disposals	21	16,664	6,912	67,668
Loss on Asset Disposals	21	(492,353)	(54,421)	(11,976)
<b>NET RESULT</b>		<b>6,770,230</b>	<b>2,138,988</b>	<b>1,123,955</b>
Changes on Revaluation of Non-Current Assets	13	2,317,859	0	203,367,236
Revaluation Reserve Adjustment		0	0	0
<b>Total Other Comprehensive Income</b>		<b>2,317,859</b>	<b>0</b>	<b>203,367,236</b>
<b>Total Comprehensive Income</b>		<b><u>9,088,089</u></b>	<b><u>2,138,988</u></b>	<b><u>204,491,191</u></b>

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

**SHIRE OF DENMARK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 \$	Budget 2016 \$	2015 \$
<b>Revenue</b>				
Governance		28,123	21,699	29,866
General Purpose Funding		6,504,438	6,367,450	7,214,771
Law, Order, Public Safety		293,749	277,068	324,547
Health		42,908	32,868	40,070
Education and Welfare		46,658	33,592	32,218
Housing		9,644	9,922	31,169
Community Amenities		1,555,258	1,485,432	1,489,567
Recreation and Culture		325,331	351,899	373,983
Transport		325,344	320,052	237,255
Economic Services		1,073,213	946,272	933,071
Other Property and Services		204,595	168,090	206,962
	<b>2(a)</b>	<b>10,409,262</b>	<b>10,014,344</b>	<b>10,913,479</b>
<b>Expenses</b>				
Governance		(586,931)	(595,886)	(532,233)
General Purpose Funding		(446,355)	(417,571)	(457,974)
Law, Order, Public Safety		(1,201,727)	(1,223,977)	(1,219,104)
Health		(269,743)	(266,026)	(224,131)
Education and Welfare		(276,232)	(275,480)	(245,047)
Housing		(51,259)	(60,768)	(25,681)
Community Amenities		(2,208,788)	(2,413,675)	(2,135,853)
Recreation & Culture		(2,272,198)	(2,309,903)	(2,237,405)
Transport		(5,139,403)	(3,866,256)	(3,593,460)
Economic Services		(970,099)	(1,017,240)	(843,230)
Other Property and Services		(131,283)	(139,747)	(171,594)
	<b>2(a)</b>	<b>(13,554,018)</b>	<b>(12,386,529)</b>	<b>(11,685,712)</b>
<b>Financial Costs</b>				
Governance		(2,798)	(2,797)	(5,058)
Education and Welfare		0	0	0
Housing		(47,018)	(63,070)	(46,426)
Community Amenities		(12,406)	(15,974)	(11,594)
Recreation & Culture		(21,304)	(48,931)	(21,046)
Transport		(9,138)	(9,136)	(14,593)
Economic Services		(40,442)	(40,257)	(39,467)
	<b>2(a)</b>	<b>(133,106)</b>	<b>(180,164)</b>	<b>(138,184)</b>
<b>Non-Operating Grants and Subsidies</b>				
General Purpose Funding		0	0	0
Law, Order, Public Safety		234,862	1,043,240	0
Education and Welfare		6,338	0	0
Recreation & Culture		912,069	1,760,548	1,383,377
Transport		9,334,512	1,845,058	1,370,808
Economic Services		36,000	90,000	287,414
		<b>10,523,781</b>	<b>4,738,846</b>	<b>3,041,599</b>
<b>Profit/(Loss) on Disposal of Assets</b>				
Governance		2,598	1,932	0
Law, Order, Public Safety		(37,439)	0	7,749
Health		1,213	(2,573)	0
Community Amenities		(3,015)	(6,986)	0
Recreation & Culture		(451,899)	0	0
Transport		12,853	(39,882)	47,943
Other Property and Services		0	0	0
		<b>(475,689)</b>	<b>(47,509)</b>	<b>55,692</b>
Loss on Revaluation of Fixed Assets				<b>(1,062,919)</b>
<b>Net Result</b>		<b>6,770,230</b>	<b>2,138,988</b>	<b>1,123,955</b>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	13	2,317,859	0	203,367,236
<b>Total Other Comprehensive Income</b>		<b>2,317,859</b>	<b>0</b>	<b>203,367,236</b>
Revaluation Reserve Adjustments		0	0	0
<b>Total Comprehensive Income</b>		<b>9,088,089</b>	<b>2,138,988</b>	<b>204,491,191</b>

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



**SHIRE OF DENMARK  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2016**

	NOTE	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	14,518,398	7,080,988
Trade and Other Receivables	4	965,375	982,339
Inventories	5	219,490	106,657
<b>TOTAL CURRENT ASSETS</b>		<u>15,703,264</u>	<u>8,169,983</u>
<b>NON-CURRENT ASSETS</b>			
Other Receivables	4	296,146	318,675
Investments	6	131,326	131,326
Property, Plant and Equipment	7	32,805,060	28,421,067
Infrastructure	8	263,610,228	265,094,149
<b>TOTAL NON-CURRENT ASSETS</b>		<u>296,842,759</u>	<u>293,965,222</u>
<b>TOTAL ASSETS</b>		<u>312,546,023</u>	<u>302,135,205</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	2,630,613	1,957,712
Current Portion of Long Term Borrowings	10	239,966	286,781
Provisions	11	998,112	1,022,086
<b>TOTAL CURRENT LIABILITIES</b>		<u>3,868,691</u>	<u>3,266,579</u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	10	2,482,857	1,782,822
Deferred Liabilities	10	106,700	106,700
Provisions	11	120,950	100,363
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>2,710,507</u>	<u>1,989,885</u>
<b>TOTAL LIABILITIES</b>		<u>6,579,198</u>	<u>5,256,464</u>
<b>NET ASSETS</b>		<u>305,966,825</u>	<u>296,878,736</u>
<b>EQUITY</b>			
Retained Surplus		22,444,012	22,437,215
Reserves - Cash Backed	12	10,872,990	4,109,558
Revaluation Surplus	13	272,649,823	270,331,964
<b>TOTAL EQUITY</b>		<u>305,966,825</u>	<u>296,878,736</u>

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

**SHIRE OF DENMARK  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2014</b>		21,396,378	4,026,439	66,964,728	92,387,546
Comprehensive Income					
Net Result		1,123,955	0	0	1,123,955
Revaluation Reserve Adjustments				0	0
Changes on Revaluation of Non-Current Assets	13	0	0	203,367,236	203,367,236
Total Comprehensive Income		1,123,955	0	203,367,236	204,491,187
Transfers from/(to) Reserves		(83,118)	83,118	0	0
<b>Balance as at 30 June 2015</b>		22,437,215	4,109,558	270,331,964	296,878,735
Comprehensive Income					
Net Result		6,770,230	0	0	6,770,230
Revaluation Reserve Adjustments		0	0	2,317,859	2,317,859
Changes on Revaluation of Non-Current Assets	13	0	0	0	0
Total Comprehensive Income		6,770,230	0	2,317,859	9,088,089
Transfers from/(to) Reserves		(6,763,433)	6,763,433	0	0
<b>Balance as at 30 June 2016</b>		<u>22,444,012</u>	<u>10,872,990</u>	<u>272,649,823</u>	<u>305,966,825</u>

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

**SHIRE OF DENMARK  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 \$	2016 Budget \$	2015 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		5,641,296	5,673,178	5,195,067
Operating Grants, Subsidies		802,905	787,660	1,705,250
Contributions and Reimbursements		393,788	391,434	376,066
Fees and Charges		2,888,893	2,653,200	2,702,897
Service Charges		0	0	0
Interest Earnings		249,088	242,458	258,772
Goods and Services Tax		35,642	0	14,137
Other Revenue		367,547	299,455	336,682
		<u>10,379,159</u>	<u>10,047,385</u>	<u>10,588,871</u>
<b>Payments</b>				
Employee Costs		(5,432,408)	(5,212,258)	(5,016,480)
Materials and Contracts		(1,320,400)	(1,952,329)	(983,606)
Utility Charges		(228,273)	(240,077)	(222,323)
Interest Expenses		(135,849)	(199,727)	(142,000)
Insurance Expenses		(202,546)	(180,165)	(210,660)
Goods and Services Tax		0	0	0
Other Expenditure		(794,046)	(759,567)	(711,438)
		<u>(8,113,522)</u>	<u>(8,544,123)</u>	<u>(7,286,507)</u>
<b>Net Cash Provided By (Used In)</b>				
<b>Operating Activities</b>	14(b)	<u>2,265,637</u>	<u>1,503,263</u>	<u>3,302,364</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale		0	0	0
Payments for Purchase of Property, Plant & Equipment		(4,046,819)	(6,157,280)	(2,019,043)
Payments for Construction of Infrastructure		(2,084,026)	(4,237,540)	(3,033,592)
Advances to Community Groups		0	0	0
Non-Operating Grants, Subsidies and Contributions		10,523,781	4,738,846	3,041,599
Proceeds from Sale of Fixed Assets		98,055	107,409	152,227
		<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Cash Provided by (Used in)</b>				
<b>Investment Activities</b>		4,490,991	(5,548,565)	(1,858,809)
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(286,782)	(408,269)	(334,102)
Proceeds from Self Supporting Loans		27,563	26,635	31,310
Proceeds from New Debentures		940,000	2,422,073	0
<b>Net Cash Provided By (Used In)</b>				
<b>Financing Activities</b>		680,782	2,040,439	(302,792)
<b>Net Increase (Decrease) in Cash Held</b>		7,437,410	(2,004,864)	1,140,763
Cash at Beginning of Year		7,080,988	7,100,988	5,940,236
<b>Cash and Cash Equivalents</b>				
<b>at the End of the Year</b>	14(a)	<u>14,518,398</u>	<u>5,096,125</u>	<u>7,080,999</u>

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

**SHIRE OF DENMARK  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>Revenue</b>				
Governance		30,721	23,631	29,866
General Purpose Funding		894,445	744,272	1,921,359
Law, Order, Public Safety		528,611	1,320,308	332,296
Health		44,121	32,868	40,070
Education and Welfare		59,334	33,592	32,218
Housing		9,644	9,922	31,169
Community Amenities		1,555,258	1,485,432	1,489,567
Recreation and Culture		1,237,400	2,112,447	1,757,360
Transport		9,672,709	2,170,090	1,667,982
Economic Services		1,109,213	1,036,272	1,220,485
Other Property and Services		204,595	168,090	206,962
		<u>15,346,051</u>	<u>9,136,924</u>	<u>8,729,334</u>
<b>Expenses</b>				
Governance		(589,729)	(598,683)	(537,291)
General Purpose Funding		(446,355)	(417,571)	(457,974)
Law, Order, Public Safety		(1,276,605)	(1,223,977)	(1,219,104)
Health		(269,743)	(268,599)	(224,131)
Education and Welfare		(276,232)	(275,480)	(245,047)
Housing		(98,277)	(123,838)	(72,107)
Community Amenities		(2,227,224)	(2,429,649)	(2,147,447)
Recreation and Culture		(3,218,604)	(2,358,834)	(3,195,006)
Transport		(5,148,541)	(3,727,240)	(3,746,393)
Economic Services		(1,050,983)	(1,057,497)	(882,697)
Other Property and Services		(131,283)	(139,747)	(171,594)
		<u>(14,733,576)</u>	<u>(12,621,115)</u>	<u>(12,898,791)</u>
<b>Net Result Excluding Rates</b>		612,475	(3,484,191)	(4,169,457)
<b>Adjustments for Cash Budget Requirements:</b>				
(Profit)/Loss on Asset Disposals	21	475,689	47,509	(55,692)
Movement in Deferred Pensioner Rates (Non-Current)		(3,533)	0	(6,754)
Movement in Employee Benefit Provisions		64,266	0	65,902
Depreciation and Amortisation on Assets	2(a)	4,974,892	3,730,001	3,652,135
Movement in Accrued Interest		1,172	3,819	(3,817)
Movement in Accrued Income		(1,256)	8,500	1,456
Movement in Accrued Expenses		0	0	0
Movement in Accrued Sal & Wages		(11,873)	0	27,951
Revaluation Reserve Adjustments		0	0	1,062,919
<b>Capital Expenditure and Revenue</b>				
Purchase Land and Buildings	7(a)	(3,195,400)	(4,259,408)	(1,460,672)
Purchase Furniture and Equipment	7(a)	(56,975)	(86,860)	(55,715)
Purchase Plant and Equipment	7(a)	(794,445)	(1,811,012)	(502,656)
Purchase Roads & Paths	8(a)	(1,585,900)	(4,237,540)	(2,129,560)
Purchase Parks & Gardens	8(a)	(469,359)	0	(784,601)
Purchase Airstrip	8(a)	0	0	(5,981)
Purchase Bridges	8(a)	(28,768)	0	(113,450)
Proceeds from Disposal of Fixed Assets	21	98,055	128,773	152,227
Repayment of Debentures	22(a)	(286,782)	(408,269)	(334,102)
Proceeds from New Debentures	22(a)	940,000	2,422,073	0
Proceeds from Self Supporting Loans		27,563	26,635	31,310
Transfers to Reserves (Restricted Assets)	12	(8,663,466)	(1,337,591)	(1,140,952)
Transfers from Reserves (Restricted Assets)	12	1,900,033	1,566,209	1,057,834
Transfers (Restricted Assets Grants Unspent)	12	(1,229,315)	0	(462,834)
Transfer Back Grants Unspent		895,865	521,162	895,865
<b>ADD</b> Estimated Surplus/(Deficit) July 1 B/Fwd	23(b)	1,621,255	1,550,787	606,496
<b>LESS</b> Estimated Surplus/(Deficit) June 30 C/Fwd	23(b)	940,402	3,774	1,621,255
<b>Total Amount Raised from General Rate</b>	23(a)	<u>(5,656,209)</u>	<u>(5,623,178)</u>	<u>(5,293,412)</u>

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

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

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

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

**Critical Accounting Estimates**

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

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

**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.

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

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

**(b) 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.

**(c) Cash and Cash Equivalents**

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

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

**(d) Trade and Other Receivables**

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

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

SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Trade and Other Receivables cont'd**

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

**(e) Inventories**

***General***

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

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

***Land held for sale***

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

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

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

**(f) Fixed Assets**

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

***Mandatory requirement to revalue non-current assets***

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

During the year ended 30 June 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2016 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Shire revalues its asset classes in accordance with this mandatory timetable.

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

SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

***Land under control***

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

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

***Initial recognition and measurement between mandatory revaluation dates***

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the 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 acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

***Revaluation***

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

***Land under Roads***

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

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

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

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

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

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Fixed Assets (Continued)**

***Depreciation***

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

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

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

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

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



SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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

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

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

**Capitalisation Threshold**

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

(g) Fair Value of Assets and Liabilities

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

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.

**Fair Value Hierarchy**

AASB 113 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.

SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

**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 an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the 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 and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

(h) Financial Instruments

**Initial Recognition and Measurement**

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

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

**Classification and Subsequent Measurement**

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

Amortised cost is calculated as:

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

SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

***Classification and Subsequent Measurement (continued)***

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

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

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

*(ii) Loans and receivables*

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

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

*(iii) Held-to-maturity investments*

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

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

*(iv) Available-for-sale financial assets*

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

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

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

*(v) Financial liabilities*

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

***Impairment***

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

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

SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

***Impairment cont'd***

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

***Derecognition***

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

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

(i) 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 (eg AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

(j) 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 normally paid within 30 days of recognition.

(k) Employee Benefits

**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. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**Other Long-Term Employee Benefits**

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

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Employee Benefits (continued)**

**Other Long-Term Employee Benefits cont'd**

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.

**(l) 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.

**(m) Provisions**

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

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

**(n) Leases**

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

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

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

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

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

**(o) Investments in Associates**

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

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

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

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

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(p) Interests in Joint Arrangements**

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

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

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

**(q) Rates, Grants, Donations and Other Contributions**

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

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

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

**(r) Superannuation**

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

**(s) Current and Non-Current Classification**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the 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 even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Shire's intentions to release for sale.

**(t) Rounding Off Figures**

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

**(u) 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 statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

**(v) 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.

**SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(i) AASB 9 – Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.
(iii) AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.

**SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
<p>(iv) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations</p> <p>[AASB 1 &amp; AASB 11]</p>	<p>August 2014</p>	<p>1 January 2016</p>	<p>This Standard amends AASB 11: Joint Arrangements to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.</p> <p>Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.</p>
<p>(v) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation.</p> <p>[AASB 116 &amp; 138]</p>	<p>August 2014</p>	<p>1 January 2016</p>	<p>This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.</p> <p>Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.</p>
Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
<p>(vi) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15.</p>	<p>December 2014</p>	<p>1 January 2017</p>	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>



**SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

(vii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101.  [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.  This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.  It is not anticipated it will have any significant impact on disclosures as they currently exist and any changes will relate to presentation.
(viii) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities.  [AASB 10, 124 & 1049]	March 2015	1 July 2016	The objective of this Standard is to extend the scope of AASB 124 Related Party Disclosures to include not-for-profit sector entities.  The Standard is expected to have a significant disclosure impact on the financial report of the Council as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

**Notes:**

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.

**SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(x) Adoption of New and Revised Accounting Standards**

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

- (i) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality.
- (ii) AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

2. REVENUE AND EXPENSES	2016	2015
	\$	\$
<b>(a) Net Result</b>		
The Net Result includes:		
(i) Charging as an Expense:		
<b>Significant Expense</b>	<u>0</u>	<u>0</u>
<b>Auditors Remuneration</b>		
- Audit of the annual financial report	21,500	16,250
- Financial Management Review		0
- Assistance with the finalisation of the annual financial report	3,950	0
<b>Depreciation</b>		
Non-Specialised Buildings	556,437	535,613
Specialised Buildings	0	0
Furniture and Equipment	74,805	69,604
Plant and Equipment	775,700	741,966
Tools	0	0
Roads	3,280,878	2,100,730
Parks & Gardens	194,258	173,384
Airstrip	19,750	24,024
Bridges	73,062	6,813
	<u>4,974,892</u>	<u>3,652,135</u>
<b>Interest Expenses (Finance Costs)</b>		
Debentures ( <i>refer Note 22.(a)</i> )	137,020	138,184
	<u>137,020</u>	<u>138,184</u>
<b>Rental Charges</b>		
- Operating Leases	0	0
	<u>0</u>	<u>0</u>
(ii) Crediting as Revenue:		
<b>Significant Revenue</b>		
Initial Recognition of Vested Land	0	0
	<u>0</u>	<u>0</u>
<b>Other Revenue</b>		
Reimbursements and Recoveries	0	0
Other	336,682	336,682
	<u>336,682</u>	<u>336,682</u>
	<b>2016</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>
	\$	\$
<b>Interest Earnings</b>		<b>2015</b>
- Self Supporting Loans	26,039	Actual
- Reserve Funds	116,730	13,642
- Other Funds	81,173	132,869
Other Interest Revenue ( <i>refer note 27</i> )	25,146	87,114
	<u>249,088</u>	25,146
	<u>322,911</u>	<u>258,772</u>

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**2. REVENUE AND EXPENSES (Continued)**

**(b) Statement of Objective**

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

**GOVERNANCE**

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

**GENERAL PURPOSE FUNDING**

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

**LAW, ORDER, PUBLIC SAFETY**

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

**HEALTH**

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

**EDUCATION AND WELFARE**

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

**HOUSING**

Lionsville Aged Accommodation self supporting loans.

**COMMUNITY AMENITIES**

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

**RECREATION AND CULTURE**

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

**TRANSPORT**

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

**BUILDING & ECONOMIC SERVICES**

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

**OTHER PROPERTY & SERVICES**

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

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**2. REVENUE AND EXPENSES (Continued)**

(c) Conditions Over Grants/Contributions		Opening Balance <sup>(1)</sup> 01/07/14	Received <sup>(2)</sup> 2014/15	Expended <sup>(3)</sup> 2014/15	Closing Balance <sup>(1)</sup> 30/06/15	Received <sup>(2)</sup> 2015/16	Expended <sup>(3)</sup> 2015/16	Closing Balance 30/06/16
Grant/Contribution	Function/ Activity	\$	\$	\$	\$	\$	\$	\$
Pension Deferred Grant	General Purpose	0	1,144	(1,144)	0	1,119	(1,119)	0
Grants Commission	General Purpose	0	1,581,690	(1,581,690)	0	507,168	(507,168)	0
ESL Grants	Law, Order	0	177,819	(177,819)	0	396,028	(396,028)	0
Council of the Ageing	Welfare	0	750	(750)	0	0	0	0
Drug Aware DYS Streetball	Welfare	0	0	0	0	29,750	(8,920)	20,830
National Youth Week	Welfare	0	0	0	0	1,000	(1,000)	0
Youth Friendly Communities	Welfare	10,000	10,000	(20,000)	0	0	0	0
Community Crime Prevention	Welfare	0	0	0	0	6,338	0	6,338
Amaroo Study	Community	0	20,000	(20,000)	0	0	0	0
Old Hospital	Community	0	857,422	(857,422)	0	0	0	0
Dieback Implementation	Environment	0	10,600	(10,600)	0	0	0	0
Tingledale Hall Upgrade	Recreation	0	43,167	(43,167)	0	0	0	0
Peaceful Bay Playground	Recreation	0	13,608	(13,608)	0	0	0	0
Sport 4 All - Kidsport Program	Recreation	0	27,000	(27,000)	0	24,000	(24,000)	0
Lotterywest Community Park	Recreation	0	1,000	(1,000)	0	25,500	(25,500)	0
Riverside Club Stage1	Recreation	0	0	0	0	686,569	(686,569)	0
WOW Walk & Ride Trail	Recreation	0	0	0	0	200,000	0	200,000
CLGF Regional	Recreation	80,000	0	(80,000)	0	0	0	0
Recreational Boating Facilities	Recreation	0	468,180	(468,180)	0	0	0	0
Youth Support Service	Recreation	0	28,749	(28,749)	0	29,295	(25,218)	4,077
Activation Pilot Project	Recreation	0	0	0	0	4,740	(4,740)	0
Main Roads Grants	Transport	0	1,151,618	(1,151,618)	0	731,753	(608,529)	123,224
Regional Bicycle Network	Transport	0	112,250	(112,250)	0	0	0	0
Roads to Recovery	Transport	0	151,160	(136,093)	15,067	634,374	(128,265)	521,176
Royalties for Regions - Roads	Transport	103,168	0	0	103,168	0	(103,168)	0
Denmark East Development	Transport	0	0	0	0	7,626,000	(7,626,000)	0
CSRF Timber Roads	Transport	0	0	0	0	120,000	(120,000)	0
Bridge improvements	Transport	106,000	43,680	(107,066)	42,614	317,885	(60,499)	300,000
Tourism Overflow Camping	Economic	0	248,324	0	248,324	0	(248,324)	0
Chemical Dump Point	Economic	0	39,090	(39,090)	0	0	0	0
Parry Beach Ablutions	Economic	0	0	0	0	36,000	(36,000)	0
CLGF Regional	Economic	596,697	0	(543,027)	53,670	0	0	53,670
<b>Total</b>		<b>895,865</b>	<b>4,987,250</b>	<b>(5,420,273)</b>	<b>462,843</b>	<b>11,377,519</b>	<b>(10,611,047)</b>	<b>1,229,315</b>

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**2. REVENUE AND EXPENSES (Continued)**

(c) Conditions Over Grants/Contributions		Opening Balance <sup>(1)</sup> 01/07/14	Received <sup>(2)</sup> 2014/15	Expended <sup>(3)</sup> 2014/15	Closing Balance <sup>(1)</sup> 30/06/15	Received <sup>(2)</sup> 2015/16	Expended <sup>(3)</sup> 2015/16	Closing Balance 30/06/16
Restricted Creditors	Function/ Activity	\$	\$	\$	\$	\$	\$	\$
Fire Break Conditions	Law Order	4,770	0	0	4,770	0	0	4,770
Animal Equipment Hire Bonds	Law Order	0	0	0	0	50	(50)	0
Developer Contributions	Community	64,365	32,850	0	97,215	57,690	0	154,905
Tree Planting Bond	Environment	0	2,200	0	2,200	9,108	0	11,308
Civic Centre Bonds	Recreation	5,680	3,790	(2,890)	6,580	2,923	(3,796)	5,707
Recreation Centre Bonds	Recreation	720	1,400	(600)	1,520	1,000	(700)	1,820
Bus Hire Bond	Recreation	3,460	5,400	(4,500)	4,360	3,600	(2,700)	5,260
Kerbing & Footpaths Deposits	Transport	0	0	0	0	0	0	0
Relocated Dwelling Deposit	Transport	20,500	0	0	20,500	10,000	(2,500)	28,000
Outstanding Roadworks	Transport	0	19,800	(19,800)	0	0	0	0
Contributions in lieu of Parking	Transport	10,250	10,315	0	20,565	0	0	20,565
Contributions to Roadworks	Transport	288,572	7,316	(9,744)	286,144	56,903	(98,097)	244,949
Retention on Works	Transport	281,094	72,765	(73,496)	280,363	9,089	(123,864)	165,588
Extractive Industry Bonds	Economic	7,700	2,200	0	9,900	0	0	9,900
<b>Total</b>		<b>687,112</b>	<b>158,035</b>	<b>(111,030)</b>	<b>734,116</b>	<b>150,362</b>	<b>(231,707)</b>	<b>652,772</b>

**Notes:**

(1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	Note	2016 \$	2015 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		1,715,943	1,725,490
Restricted		<u>12,802,455</u>	<u>5,355,498</u>
		<u>14,518,398</u>	<u>7,080,988</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave Reserve	12	407,840	396,626
Plant Reserve	12	1,082,964	1,130,256
Parry Inlet Reserve	12	106,015	71,971
Cemetery Reserve	12	1,926	1,873
Lime Quarry Rehabilitation Reserve	12	211,535	157,010
Land and Building Reserve	12	371,063	1,135,337
Refuse Site Development Reserve	12	623,683	557,826
Kwoorabup Community Park Reserve	12	91,508	89,002
Aquatic Facility Development Reserve	12	92,709	87,585
Lionsville Reserve	12	460,932	450,823
Peaceful Bay Water Supply Reserve	12	32,987	16,250
Rivermouth Caravan Park Reserve	12	30,317	10,000
Peaceful Bay Caravan Park Reserve	12	15,159	5,000
Loan Funding Reserve	12	0	0
Recreation Centre Equipment Reserve	12	20,035	0
Denmark East Development Reserve	12	7,324,320	0
Unspent Grants	2(c)	1,229,315	462,843
Restricted Creditors	2(c)	652,772	734,116
Income Received in Advance		47,376	48,979
		<u>12,802,455</u>	<u>5,355,498</u>
<b>4. TRADE AND OTHER RECEIVABLES</b>			
<b>Current</b>			
Rates Outstanding		290,522	279,142
Sundry Debtors		673,856	656,306
GST Receivable		(35,642)	2,835
Loans - Clubs/Institutions		30,191	33,694
Accrued Income		6,698	5,442
Short Term Loan DTI		(251)	4,921
		<u>965,375</u>	<u>982,340</u>
<b>Non-Current</b>			
Rates Outstanding - Pensioners		46,546	43,013
Loans - Clubs/Institutions		249,600	275,662
		<u>296,146</u>	<u>318,675</u>
<b>5. INVENTORIES</b>			
<b>Current</b>			
Fuel and Oils		32,318	22,907
Materials		187,172	83,750
		<u>219,490</u>	<u>106,657</u>
<b>6. INVESTMENTS</b>			
<b>Non-Current</b>			
Local Govt House Units		131,226	131,226
Denmark Co-op Shares		100	100
		<u>131,326</u>	<u>131,326</u>

**SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

	2016 \$	2015 \$
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2014	1,371,770	1,371,770
- Additions after Valuation - Cost	1,842,701	554,256
	<u>3,214,472</u>	<u>1,926,026</u>
Land Vested In and Under the Control of Council at:		
- Independent Valuation 2014	1,470,320	1,470,320
- Cost	0	0
	<u>1,470,320</u>	<u>1,470,320</u>
Total Land	<u>4,684,792</u>	<u>3,396,346</u>
Non-Specialised Buildings at:		
- Independent Valuation 2014	20,543,201	20,543,201
- Additions after Valuation - Cost	2,565,993	1,128,594
Less: Accumulated Depreciation	(1,189,348)	(650,567)
	<u>21,919,848</u>	<u>21,021,229</u>
Specialised Buildings at:		
- Independent Valuation 2014	0	0
- Cost	0	0
Less: Accumulated Depreciation	0	0
	<u>0</u>	<u>0</u>
Total Buildings	<u>21,919,848</u>	<u>21,021,229</u>
Total Land and Buildings	<u>26,604,640</u>	<u>24,417,575</u>
Furniture and Equipment at: Management Valuation 2016	140,116	0
- Management Valuation 2013	0	157,363
- Additions after Valuation - Cost	0	124,280
Less Accumulated Depreciation	0	(123,697)
	<u>140,116</u>	<u>157,946</u>
Plant and Equipment at: Management Valuation 2016	6,060,302	0
- Management Valuation 2013	0	3,822,550
- Additions after Valuation - Cost	0	1,415,437
Less Accumulated Depreciation	0	(1,392,443)
	<u>6,060,302</u>	<u>3,845,544</u>
	<u>32,805,060</u>	<u>28,421,067</u>

The fair value of property, plant and equipment is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.



**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(a) Movements in Carrying Amounts**

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

		Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Carrying Amount at the End of Year \$
Freehold Land	(Level 2)	1,926,026	1,288,445	0	0	0	0	3,214,471
Land Vested In and Under the Control of Council	(Level 3)	1,470,320	0	0	0	0	0	1,470,320
<b>Total Land</b>		<b>3,396,346</b>	<b>1,288,445</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,684,791</b>
Non-Specialised Buildings	(Level 2)	21,021,229	1,906,954	(451,899)	0	0	(556,437)	21,919,847
Specialised Buildings	(Level 3)	0	0	0	0	0	0	0
<b>Total Buildings</b>		<b>21,021,229</b>	<b>1,906,954</b>	<b>(451,899)</b>	<b>0</b>	<b>0</b>	<b>(556,437)</b>	<b>21,919,847</b>
<b>Total Land and Buildings</b>		<b>24,417,575</b>	<b>3,195,400</b>	<b>(451,899)</b>	<b>0</b>	<b>0</b>	<b>(556,437)</b>	<b>26,604,639</b>
Furniture and Equipment	(Level 3)	157,946	56,975	0	0	0	(74,806)	140,116
Plant and Equipment	(Level 2)	3,845,544	794,445	(121,845)	2,317,859	0	(775,700)	6,060,303
<b>Total Property, Plant and Equipment</b>		<b>28,421,066</b>	<b>4,046,819</b>	<b>(573,744)</b>	<b>2,317,859</b>	<b>0</b>	<b>(1,406,943)</b>	<b>32,805,057</b>

**SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Land and buildings</b>					
Freehold land	2	Market approach using recent observable market data for similar properties	Independent Valuation	June 2014	Using market value
Land vested in and under the control of Council	3	Cost approach	Independent Valuation	June 2014	Using market value
Non-specialised buildings	2	Market	Independent Valuation	June 2014	Using market value and current condition, residual values and remaining useful life assessments
Specialised buildings	3	Cost	Independent Valuation	June 2014	Using construction costs and current condition, residual values and remaining useful life assessments
<b>Plant &amp; Equipment</b>					
	2	Market approach using recent observable market data for similar items or cost approach using depreciated replacement cost	Howson Management P/L	June 2016	Price per item
<b>Furniture and equipment</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2016	Price per item

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.

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>8. INFRASTRUCTURE</b>		
Roads & Paths		
- Management Valuation 2015	247,923,979	247,923,979
- Additions after Valuation - Cost	1,585,900	0
- Cost	0	0
Less Accumulated Depreciation	<u>(3,280,878)</u>	<u>0</u>
	<u>246,229,001</u>	<u>247,923,979</u>
Parks & Gardens		
- Management Valuation 2015	8,753,163	8,753,163
- Additions after Valuation - Cost	469,359	0
- Cost	0	0
Less Accumulated Depreciation	<u>(194,258)</u>	<u>0</u>
	<u>9,028,264</u>	<u>8,753,163</u>
Airstrip		
- Management Valuation 2015	770,000	770,000
- Additions after Valuation - Cost	0	0
- Cost	0	0
Less Accumulated Depreciation	<u>(19,750)</u>	<u>0</u>
	<u>750,250</u>	<u>770,000</u>
Bridges		
- Management Valuation 2015	7,647,007	7,647,007
- Additions after Valuation - Cost	28,768	0
- Cost	0	0
Less Accumulated Depreciation	<u>(73,062)</u>	<u>0</u>
	<u>7,602,712</u>	<u>7,647,007</u>
	<u>263,610,228</u>	<u>265,094,149</u>

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**8. INFRASTRUCTURE (Continued)**

**Movements in Carrying Amounts**

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

	<b>Balance as at the Beginning of the Year</b>	<b>Additions</b>	<b>(Disposals)</b>	<b>Revaluation Increments/ (Decrements)</b>	<b>Impairment (Losses)/ Reversals</b>	<b>Depreciation (Expense)</b>	<b>Carrying Amount at the End of Year</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Roads & Paths	247,923,979	1,585,900	0	0	0	(3,280,878)	246,229,001
Parks & Gardens	8,753,163	469,359	0	0	0	(194,258)	9,028,264
Airstrip	770,000	0	0	0	0	(19,750)	750,250
Bridges	7,647,007	28,768	0	0	0	(73,062)	7,602,712
<b>Total</b>	<b><u>265,094,149</u></b>	<b><u>2,084,026</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>(3,567,949)</u></b>	<b><u>263,610,228</u></b>

**SHIRE OF DENMARK  
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**8. INFRASTRUCTURE (Continued)**

**(c) Fair Value Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Roads	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2015	Construction costs and current condition, residual values and remaining useful life assessments. Used Romans software to calculate
Footpaths	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2015	Construction costs and current condition, residual values and remaining useful life assessments. Used Romans software to calculate
Drainage	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2015	Construction costs and current condition, residual values and remaining useful life assessments. Used Romans software to calculate
Parks and Ovals	3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Average square metre rate for redevelopment based on other shire construction rates
Other Infrastructure	3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition, residual values and remaining useful life assessments
Airstrip	3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition, residual values and remaining useful life assessments

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

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

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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	2016 \$	2015 \$
<b>9. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors and Accruals	1,849,193	1,082,643
Accrued Interest on Debentures	14,052	12,881
Accrued Salaries and Wages	0	0
Accrued RDO's	67,220	79,093
Accrued Expenses	0	0
Income Received In Advance	47,376	48,979
Bonds & Deposits	652,772	734,116
	<u>2,630,613</u>	<u>1,957,712</u>

**10. LONG-TERM BORROWINGS**

<b>Current</b>		
Secured by Floating Charge Debentures	239,966	286,781
	<u>239,966</u>	<u>286,781</u>
<b>Non-Current</b>		
Secured by Floating Charge Debentures	2,482,857	1,782,822
	<u>2,482,857</u>	<u>1,782,822</u>

Additional detail on borrowings is provided in Note 22.

<b>Deferred Liabilities</b>		
Peaceful Bay Caravan Park Buildings	82,000	82,000
Rivermouth Caravan Park Buildings	24,700	24,700
	<u>106,700</u>	<u>106,700</u>

**11. PROVISIONS**

Analysis of Total Provisions

Current	998,112	1,022,086
Non-Current	120,950	100,363
	<u>1,119,062</u>	<u>1,122,450</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2015	608,933	513,517	1,122,450
Additional provision	32,394	(35,782)	(3,388)
Balance at 30 June 2016	<u>641,327</u>	<u>477,735</u>	<u>1,119,062</u>

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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	2016 \$	2016 Budget \$	2015 \$
<b>12. RESERVES - CASH BACKED</b>			
<b>(a) Employee Entitlements Reserve</b>			
Opening Balance	396,626	396,626	383,668
Amount Set Aside / Transfer to Reserve	11,214	8,924	12,958
Amount Used / Transfer from Reserve	0	0	0
	<u>407,840</u>	<u>405,550</u>	<u>396,626</u>
<b>(b) Plant Reserve</b>			
Opening Balance	1,130,256	1,150,256	1,013,404
Amount Set Aside / Transfer to Reserve	481,310	475,880	462,352
Amount Used / Transfer from Reserve	(528,602)	(638,999)	(345,500)
	<u>1,082,964</u>	<u>987,137</u>	<u>1,130,256</u>
<b>(c) Parry Inlet Reserve</b>			
Opening Balance	71,971	71,971	32,861
Amount Set Aside / Transfer to Reserve	84,044	83,619	39,110
Amount Used / Transfer from Reserve	(50,000)	(50,000)	0
	<u>106,015</u>	<u>105,590</u>	<u>71,971</u>
<b>(d) Cemetery Reserve</b>			
Opening Balance	1,873	1,873	1,805
Amount Set Aside / Transfer to Reserve	53	42	68
Amount Used / Transfer from Reserve	0	0	0
	<u>1,926</u>	<u>1,915</u>	<u>1,873</u>
<b>(e) Lime Quarry Rehabilitation Reserve</b>			
Opening Balance	157,010	157,010	122,860
Amount Set Aside / Transfer to Reserve	54,525	53,533	34,150
Amount Used / Transfer from Reserve	0	0	0
	<u>211,535</u>	<u>210,543</u>	<u>157,010</u>
<b>(f) Land and Building Reserve</b>			
Opening Balance	1,135,337	1,135,336	1,373,696
Amount Set Aside / Transfer to Reserve	30,726	25,545	45,141
Amount Used / Transfer from Reserve	(795,000)	0	(283,500)
	<u>371,063</u>	<u>1,160,881</u>	<u>1,135,337</u>
<b>(g) Refuse Site Development Reserve</b>			
Opening Balance	557,826	557,825	491,235
Amount Set Aside / Transfer to Reserve	65,857	62,551	66,591
Amount Used / Transfer from Reserve	0	(318,779)	0
	<u>623,683</u>	<u>301,597</u>	<u>557,826</u>
<b>(h) Kwoorabup Community Park Reserve</b>			
Opening Balance	89,002	89,002	86,094
Amount Set Aside / Transfer to Reserve	2,506	2,002	2,908
Amount Used / Transfer from Reserve	0	0	0
	<u>91,508</u>	<u>91,004</u>	<u>89,002</u>
<b>(i) Aquatic Facility Development Reserve</b>			
Opening Balance	87,585	87,587	84,724
Amount Set Aside / Transfer to Reserve	5,124	1,970	2,861
Amount Used / Transfer from Reserve	0	0	0
	<u>92,709</u>	<u>89,557</u>	<u>87,585</u>
<b>(j) Lionsville Reserve</b>			
Opening Balance	450,823	450,823	436,094
Amount Set Aside / Transfer to Reserve	10,109	10,143	14,729
Amount Used / Transfer from Reserve	0	0	0
	<u>460,932</u>	<u>460,966</u>	<u>450,823</u>
<b>(k) Peaceful Bay Water Supply Reserve</b>			
Opening Balance	16,250	16,250	0
Amount Set Aside / Transfer to Reserve	16,737	16,615	16,250
Amount Used / Transfer from Reserve	0	(12,000)	0
	<u>32,987</u>	<u>20,865</u>	<u>16,250</u>

SHIRE OF DENMARK  
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	2016 \$	2016 Budget	2015 \$
<b>12. RESERVES - CASH BACKED (continued)</b>			
<b>(l) Rivermouth Caravan Park Reserve</b>			
Opening Balance	10,000	10,000	0
Amount Set Aside / Transfer to Reserve	20,317	30,225	10,000
Amount Used / Transfer from Reserve	0	(10,000)	0
	<u>30,317</u>	<u>30,225</u>	<u>10,000</u>
<b>(m) Peaceful Bay Caravan Park Reserve</b>			
Opening Balance	5,000	5,000	0
Amount Set Aside / Transfer to Reserve	10,159	20,112	5,000
Amount Used / Transfer from Reserve	0	(10,000)	0
	<u>15,159</u>	<u>15,112</u>	<u>5,000</u>
<b>(n) Loan Funding Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	526,431	526,431	428,834
Amount Used / Transfer from Reserve	(526,431)	(526,431)	(428,834)
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(o) Recreation Centre Equipment Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	20,035	20,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>20,035</u>	<u>20,000</u>	<u>0</u>
<b>(p) Denmark East Development Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	7,324,320	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>7,324,320</u>	<u>0</u>	<u>0</u>
<b>TOTAL RESERVES</b>	<u>10,872,992</u>	<u>3,900,944</u>	<u>4,109,559</u>
Total Opening Balance	4,109,559	4,129,559	4,026,441
Total Amount Set Aside / Transfer to Reserve	8,663,466	1,317,592	1,140,952
Total Amount Used / Transfer from Reserve	(1,900,033)	(1,546,209)	(1,057,834)
<b>TOTAL RESERVES</b>	<u>10,872,992</u>	<u>3,900,944</u>	<u>4,109,559</u>

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.  
In accordance with council resolutions in relation to each reserve account, the purpose for which the funds are set aside are as follows:

- (a) **Employee Entitlements Reserve**  
- to be used to fund employee entitlements.
- (b) **Plant Reserve**  
- to be used for the purchase of major plant as per the plant replacement schedule.
- (c) **Parry Inlet Reserve**  
- to be utilised to carry out improvements and maintenance on the Parry Beach Reserve.
- (d) **Cemetery Reserve**  
- to be used for the construction of new facilities at the Denmark Cemetery.
- (e) **Lime Quarry Rehabilitation Reserve**  
- to be used for the rehabilitation of the Shire Lime Quarry (Reserve 46273, Ocean Beach Road).
- (f) **Land and Building Reserve**  
- to be used for the construction of new building or land purchases.
- (g) **Refuse Site Development Reserve**  
- to be used for land acquisition and development of a new refuse facility.
- (h) **Kwoorabup Community Park Reserve**  
- to be used for the development of the Kwoorabup Community Park.
- (i) **Aquatic Facility Development Reserve**  
- to be used for the development of a Aquatic Facility.



**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**12. RESERVES - CASH BACKED (continued)**

- (j) Lionsville Reserve**  
- to be used for the future repayment of loan funds.
- (k) Peaceful Bay Water Supply Reserve**  
- to be used for future requirements as per asset plan.
- (l) Rivermouth Caravan Park Reserve**  
- to be used for the future requirements with respect to site and end of lease conditions and adjoining reserves
- (m) Peaceful Bay Caravan Park Reserve**  
- to be used for the future requirements with respect to site and end of lease conditions and adjoining reserves
- (n) Loan Funding Reserve**  
- to be used to maintain non self supporting loan repayment servicability and retain repayment capacity.
- (o) Recreation Centre Equipment Reserve**  
- to be used for the renewal/upgrade of equipment located at the Denmark Recreationa Centre Facility.
- (p) Denmark East Development Reserve**  
- to be used for the future payment of expenses of the Denmark East Development Project.

**13. REVALUATION SURPLUS**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
<b>Land &amp; Buildings</b>		
Opening Balance	12,703,952	12,703,952
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>12,703,952</u>	<u>12,703,952</u>
<b>Plant &amp; Equipment</b>		
Opening Balance	254,988	254,988
Revaluation Increment	2,317,859	0
Revaluation Decrement	0	0
	<u>2,572,847</u>	<u>254,988</u>
<b>Infrastructure</b>		
Opening Balance	203,367,236	0
Revaluation Increment	0	203,367,236
Revaluation Decrement	0	0
	<u>203,367,236</u>	<u>203,367,236</u>
<b>Other Infrastructure</b>		
Opening Balance	53,879,201	53,879,201
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>53,879,201</u>	<u>53,879,201</u>
<b>Investments</b>		
Opening Balance	126,587	0
Revaluation Increment	0	126,587
Revaluation Decrement	0	0
	<u>126,587</u>	<u>126,587</u>
<b>TOTAL ASSET REVALUATION SURPLUS</b>	<u><u>272,649,823</u></u>	<u><u>270,331,964</u></u>

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**14. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	<b>2016</b> <b>\$</b>	<b>2016</b> <b>Budget</b> <b>\$</b>	<b>2015</b> <b>\$</b>
Cash and Cash Equivalents	<u>14,518,398</u>	<u>5,096,214</u>	<u>7,080,988</u>

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

Net Result	6,770,230	2,138,988	1,123,955
Depreciation	4,974,892	3,730,001	3,652,135
(Profit)/Loss on Sale of Asset	475,689	47,509	(55,692)
(Increase)/Decrease in Receivables	11,926	233,041	(319,689)
(Increase)/Decrease in Inventories	(112,833)	14,570	(16,840)
Increase/(Decrease) in Payables	672,901	78,000	831,273
Increase/(Decrease) in Employee Provisions	(3,387)	0	65,901
Grants Contributions for the Development of Assets	(10,523,781)	(4,738,846)	(3,041,599)
Loss on Revaluation of Fixed Assets	0	0	1,062,919
Non-Current Assets recognised due to changes in legislative requirements	<u>0</u>	<u>0</u>	<u>0</u>
Net Cash from Operating Activities	<u>2,265,637</u>	<u>1,503,263</u>	<u>3,302,364</u>

	<b>2016</b> <b>\$</b>	<b>2015</b> <b>\$</b>
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	(30,000)	(30,000)
Credit Card Balance at Balance Date	5,843	19,986
<b>Total Amount of Credit Unused</b>	<u>(24,157)</u>	<u>(10,014)</u>
<b>Loan Facilities</b>		
Loan Facilities - Current	322,328	286,781
Loan Facilities - Non-Current	2,400,493	1,782,822
<b>Total Facilities in Use at Balance Date</b>	<u>2,722,822</u>	<u>2,069,603</u>
<b>Unused Loan Facilities at Balance Date</b>	<u>0</u>	<u>0</u>

**SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**15. CONTINGENT LIABILITIES**

The Shire of Denmark has no current contingent liability claims.

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>16. CAPITAL AND LEASING COMMITMENTS</b>		
<b>(a) Operating Lease Commitments</b>	0	0

The Shire did not have any future operating lease commitments at the reporting date.

<b>(b) Capital Expenditure Commitments</b>	0	0
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The Shire did not have any future capital expenditure commitments at the reporting date.

**17. JOINT VENTURE ARRANGEMENTS**

The Shire is not involved in any joint venture arrangements.

**18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Governance	5,676,068	5,756,897
General Purpose Funding	290,522	279,142
Law, Order, Public Safety	4,478,976	3,019,669
Health	2,079	17,379
Education and Welfare	294,100	300,646
Housing	488,100	450,823
Community Amenities	3,560,596	2,867,688
Recreation and Culture	22,149,861	20,173,376
Transport	259,352,690	261,048,384
Economic Services	3,094,232	3,139,619
Other Property and Services	13,158,799	5,081,581
Unallocated	0	0
	312,546,023	302,135,204

Council did not participate in any major land transactions during the 2015/16.

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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19. FINANCIAL RATIOS	2016	2015	2014
Current Ratio	0.91	0.98	0.79
Asset Sustainability Ratio	0.39	1.36	0.30
Debt Service Cover Ratio	3.21	3.98	2.96
Operating Surplus Ratio	(0.41)	(0.22)	(0.22)
Own Source Revenue Coverage Ratio	0.64	0.72	0.71

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

**Notes:**

Information relating to the Asset Consumption Ratio and the Asset Renewal Funding Ratio can be found at Supplementary Ratio Information on Page 56 of this document.

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

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

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

	<b>2014</b>
Debt Service Cover Ratio	5.74
Operating Surplus Ratio	(0.03)

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**20. TRUST FUNDS**

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

	Balance 1-Jul-15 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-16 \$
DPI Licensing	0	1,432,837	(1,432,837)	0
BCITF Training Levy	12,901	50,126	(51,320)	11,707
Building Levy	2,890	44,107	(40,873)	6,124
Bushfire Command Vehicle	0	2,100	0	2,100
Lieu of Open Space	169,541	4,746	0	174,287
Nomination Deposits	0	1,280	(1,280)	0
Councillor Donations	2,000	0	0	2,000
Parks & Trails Committee	850	0	(850)	0
	<b>188,183</b>	<b>1,535,196</b>	<b>(1,527,160)</b>	<b>196,218</b>

**21. DISPOSALS OF ASSETS - 2015/16**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Plant and Equipment</b>						
<b>Governance</b>						
Ford Falcon XR6 Sedan DE 45 (Sale only)	4,675	6,250	7,273	8,182	2,598	1,932
<b>Law &amp; Order</b>						
Owingup Fast Attack	23,439	0	0	0	(23,439)	0
Kordabup Toyota Light Tanker	8,000	0	0	0	(8,000)	0
Harewood Light Tanker	6,000	0	0	0	(6,000)	0
<b>Health</b>						
Replacement PEHO Hyundai ix35 DE992	12,296	15,300	13,509	12,727	1,213	(2,573)
<b>Community Amenities</b>						
Ford Territory DE 680 (Sale Only)	25,288	28,350	22,273	21,364	(3,015)	(6,986)
<b>Recreation and Culture</b>						
Demolition Bowling Club Building	451,899	0	0	0	(451,899)	0
<b>Transport</b>						
Replace Holden Colorado DE 686	0	3,020	0	8,000	0	4,980
Replace Merlo Tele Handler DE 6690	0	75,277	0	38,500	0	(36,777)
Replace Komatsu Loader DE 950	42,147	48,085	55,000	40,000	12,853	(8,085)
	<b>573,743</b>	<b>176,282</b>	<b>98,055</b>	<b>128,773</b>	<b>(475,689)</b>	<b>(47,509)</b>

Profit	16,664	6,912
Loss	(492,353)	(54,421)
	<b>(475,689)</b>	<b>(47,509)</b>

**SHIRE OF DENMARK**  
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**22. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal	New	Principal		Principal		Interest	
	01 July 2015		Loans	Repayments	Repayments	Actual	Budget	Actual
	\$	\$	Actual	Budget	Actual	Budget	Actual	Budget
			\$	\$	\$	\$	\$	\$
<b>Governance</b>								
153 Photovoltaic System	64,587		11,900	11,900	52,687	52,687	2,798	2,797
<b>Housing</b>								
123 Lionsville S/Supporting *	123,424		20,937	20,937	102,487	102,487	9,427	9,426
142 Lionsville	505,730		21,236	21,236	484,494	484,494	37,591	37,603
154 Purchase Reserve 34209			0	27,430	0	272,570	0	5,941
155 Remediation Reserve 34209			0	46,630	0	463,370	0	10,100
<b>Community Amenities</b>								
157 Purchase Land Kernutts Road				11,364	0	169,857	0	3,569
156 Purchase Rubbish Truck	300,966		45,678	45,678	255,288	255,288	12,406	12,405
<b>Recreation and Culture</b>								
129 Scouts S/Supporting	28,329		2,649	2,649	25,680	25,680	1,751	1,737
144 Recreation Centre Expansion	43,008		7,622	7,622	35,386	35,386	2,740	2,738
145 Recreation - Tennis Club	36,413		6,453	6,453	29,960	29,960	2,321	2,319
147 Recreation - Football Clubrooms	192,117		7,962	7,962	184,155	184,155	13,395	13,392
148 Football Clubrooms S/Supporting *	17,203		3,049	3,049	14,154	14,154	1,096	1,095
<b>Transport</b>								
150 Plant Purchases 10/11	109,664		109,664	109,664	0	0	4,809	4,808
143 Airport	63,555		4,741	4,741	58,814	58,814	4,330	4,328
<b>Economic Services</b>								
131 Visitors Centre	207,272		23,930	23,930	183,342	183,342	15,509	15,324
151 Denmark Tourism Inc S/Supporting *	6,678		6,678	6,678	0	0	293	293
152 Purchase Reserve 27101	370,657		14,283	14,283	356,374	356,374	24,641	24,640
New Riverside Club S/Supporting *	0	450,000	0	7,613	450,000	450,000	2,545	8,527
New Riverside Club Stage 1	0		0	8,304	0	490,852	0	9,301
New Purchase Lot 228 Reserve 18587	0	490,000	0	20,147	490,000	490,000	1,369	9,822
	2,069,603	940,000	286,782	408,269	2,722,822	4,119,471	137,020	180,165

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

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**22. INFORMATION ON BORROWINGS (Continued)**

(b) New Debentures - 2015/16

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
154 Purchase Reserve 34209	0	300,000	WATC	Council	5	33,559	3.95	0	300,000	
155 Remediation Reserve 34209	0	510,000	WATC	Council	5	57,050	3.95	0	510,000	
157 Purchase Land Kernutts Road	0	181,221	WATC	Council	7	27,970	3.95	0	181,221	
New Riverside Club S/Supporting *	450,000	450,000	WATC	S/Supporting	20	194,495	3.80	450,000	450,000	
New Riverside Club Stage 1	0	490,852	WATC	Council	20	214,333	3.80	0	490,852	
New Purchase Lot 228 Reserve 18587	490,000	490,000	WATC	Council	10	109,887	4.02	490,000	490,000	
	940,000	2,422,073				637,294		940,000	2,422,073	0

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2016.

(d) Overdraft

Council did not utilise an overdraft facility during the 2015/16 financial year.

SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016

23. RATING INFORMATION - 2015/16 FINANCIAL YEAR

(a) Rates	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Rates Written Off	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
<b>RATE TYPE</b>												
<b>Differential General Rate</b>												
1 Residential Developed	9.1172	1,138	15,252,964	1,451,452	32,452	5,020	(323)	1,488,601	1,390,643	25,000	1,000	1,416,643
2 Business/Commercial Developed	9.7711	127	4,721,154	461,309				461,309	461,309			461,309
3 Lifestyle Developed	9.1381	406	5,854,710	535,009				535,009	535,009			535,009
4 Rural Developed	9.8219	131	2,046,232	200,979				200,979	200,979			200,979
5 Holiday Use Developed	10.2053	106	1,532,232	156,369				156,369	156,369			156,369
6 Residential Vacant	18.2319	155	1,211,150	227,285				227,285	220,816			220,816
7 Business/Commercial Vacant	11.2446	6	207,070	23,284				23,284	23,284			23,284
8 Rural Vacant	13.8170	8	133,860	18,495				18,495	18,495			18,495
9 Lifestyle Vacant	17.2883	249	2,082,510	360,031				360,031	360,031			360,031
<b>Unimproved Value Valuations</b>												
10 UV Base	0.4586	473	223,605,000	1,026,970				1,026,970	1,025,453			1,025,453
11 UV Additional Use 1	0.5044	29	12,005,999	60,558				60,558	60,558			60,558
12 UV Additional Use 2	0.5493	8	3,928,000	21,577				21,577	21,577			21,577
13 UV Additional Use 3	0.5941	6	2,564,000	15,233				15,233	15,233			15,233
14 UV Additional Use 4	0.6414	6	2,889,000	18,530				18,530	18,530			18,530
<b>Sub-Totals</b>		2,848	278,033,881	4,577,081	32,452	5,020		4,614,230	4,508,285	25,000	1,000	4,534,285
<b>Minimum Payment</b>	<b>Minimum \$</b>											
1 Residential Developed	952.00	604	4,855,796	532,876				532,876	575,008			575,008
2 Business/Commercial Developed	1066.00	125	677,853	133,250				133,250	133,250			133,250
3 Lifestyle Developed	975.00	56	489,600	54,600				54,600	54,600			54,600
4 Rural Developed	975.00	39	257,845	38,025				38,025	38,025			38,025
5 Holiday Use Developed	1046.00	11	79,800	11,506				11,506	11,506			11,506
6 Residential Vacant	864.00	140	457,717	117,341				117,341	120,960			120,960
7 Business/Commercial Vacant	1007.00	4	20,108	4,028				4,028	4,028			4,028
8 Rural Vacant	1007.00	1	6,900	1,007				1,007	1,007			1,007
9 Lifestyle Vacant	874.00	8	30,451	6,992				6,992	6,992			6,992
<b>Unimproved Value Valuations</b>												
10 UV Base	1162.00	108	18,666,013	124,334				124,334	125,496			125,496
11 UV Additional Use 1	1279.00	13	641,100	16,627				16,627	16,627			16,627
12 UV Additional Use 2	1394.00	1	220,000	1,394				1,394	1,394			1,394
13 UV Additional Use 3	1511.00	0	0	0				0	0			0
14 UV Additional Use 4	1627.00	0	0	0				0	0			0
<b>Sub-Totals</b>		1,110	26,403,183	1,041,980	0	0		1,041,980	1,088,893	0	0	1,088,893
<b>Ex-Gratia Rates</b>								5,656,209				5,623,178
Discounts & Waivers (refer note 26.)								(46,215)				(43,979)
<b>Total Amount Raised From General Rate</b>								<b>5,609,993</b>				<b>5,579,199</b>
Specified Area Rate (refer note 24.)								0				0
<b>Totals</b>								<b>5,609,993</b>				<b>5,579,199</b>



SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016

23. RATING INFORMATION - 2015/16 FINANCIAL YEAR (Continued)

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

	2016 (30 June 2016 Carried Forward) \$	2016 (1 July 2015 Brought Forward) \$	2015 (30 June 2015 Carried Forward) \$
<b>Surplus/(Deficit) 1 July 13 Brought Forward</b>	<u>940,402</u>	<u>1,621,255</u>	<u>1,621,255</u>
<b>Comprises:</b>			
Cash and Cash Equivalents			
Unrestricted	1,715,943	1,745,490	1,745,490
Restricted	12,802,455	5,355,498	5,355,498
Receivables			
Rates Outstanding	290,522	279,142	279,142
Sundry Debtors	673,856	656,306	656,306
GST Receivable	(35,642)	2,835	2,835
Loans - Clubs/Institutions	30,191	33,694	33,694
Accrued Income	6,698	5,442	5,442
Short Term Loan DTI	0	4,921	4,921
Inventories			
Fuel and Oils	32,318	22,907	22,907
Materials	187,172	83,750	83,750
<b>Less:</b>			
Trade and other Payables			
Sundry Creditors and Accruals	(1,849,193)	(1,082,643)	(1,082,643)
Accrued Interest on Debentures	(14,052)	(12,881)	(12,881)
Accrued Salaries and Wages	(67,220)	(79,093)	(79,093)
Accrued Expenses	0	0	0
Income Received In Advance	(47,376)	(48,979)	(48,979)
Bonds & Deposits	(652,772)	(734,116)	(734,116)
Current Portion of Long Term Borrowings			
Secured by Floating Charge Debentures	(239,964)	(286,781)	(286,781)
Debentures	0	0	0
Provisions			
Provision for Annual Leave	(641,327)	(608,933)	(608,933)
Provision for Long Service Leave	(356,785)	(413,153)	(413,153)
<b>Net Current Assets</b>	<u><b>11,834,824</b></u>	<u><b>4,923,406</b></u>	<u><b>4,923,406</b></u>
Less:			
Reserves - Restricted Cash	(10,872,992)	(4,109,560)	(4,109,560)
Land Held for Resale - Cost			
Cost of Acquisition	0	0	0
Restricted Grants	(1,229,315)	(462,843)	(462,843)
Loans - Clubs/Institutions	(30,191)	(33,694)	(33,694)
Short Term Loan DTI	0	(4,921)	(4,921)
Provision for Annual Leave	641,327	608,933	608,933
Provision for Long Service Leave	356,785	413,153	413,153
Add:			
Secured by Floating Charge Debentures	239,964	286,781	286,781
<b>Surplus/(Deficit)</b>	<u><b>940,402</b></u>	<u><b>1,621,255</b></u>	<u><b>1,621,255</b></u>

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**24. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR**

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

**25. SERVICE CHARGES - 2015/16 FINANCIAL YEAR**

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

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, WAIVERS & WRITE-OFFS  
- 2015/16 FINANCIAL YEAR**

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

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

The Shire of Denmark also administers the Rates and Charges (Rebates and Deferments) Act 1992 which enables State Government Rebates to be provided with respect to Annual Rate and Emergency Levy charges. Ratepayers who are the holders of a State Seniors Card, Pensioners Concession card or Commonwealth Senior Health card may be eligible for a rebate of up to 50%, dependant upon individual circumstances. Eligible ratepayers need to apply to register with the Shire to receive any rebate.

In accordance with Section 6.47 of the Local Government Act 1995, and Regulation 26 (1) (c) of the Local Government (Financial Management) Regulations 1996 and Council Policy P030101 and Council Resolution 100415 to waive the local government rate charge for each of the following land parcels for the 2015/2016 financial year.

	<b>Actual 2016 \$</b>	<b>Budget 2016 \$</b>
<b>Denmark Arts Council</b>		
A5583 – 1 (Lease of Part Lot 41) Mitchell Street, Denmark - Administration office	1,066.00	1,066.00
<b>Denmark Boating &amp; Angling Club</b>		
A5585 – Lease of Part Lots 304 and 307 Parry Road, Parryville - Boating and angling shed and land at Parry Beach	1,279.00	1,279.00
<b>Denmark Boating &amp; Angling Club, &amp; Denmark Sea Rescue Group</b>		
A5587 – 891B (Lease of Part Lot 556) Ocean Beach Road, Ocean Beach - Sea rescue, boating and angling hall and sheds	1,279.00	1,279.00
<b>Denmark Clay Target Club</b>		
A3565 – Lease of Whole Lot 7399, Sunny Glen Road, Hay - Clay target shooting range	1,279.00	1,279.00
<b>Denmark Cottage Crafts Inc.</b>		
A5584 – Lease of Part Lot 41 Mitchell Street, Denmark - Craft hall and Denmark Family Centre Church building	1,066.00	1,066.00
<b>Denmark Country Club Inc.</b>		
A3088 – 925 (Lease of Whole Lots 154, 155, 156, 157, 158, 159, 1072, and 1073) South Coast Highway, Hay - Golf Course, Tennis Courts and facilities	3,322.17	3,225.00
<b>Denmark Environment Centre Incorporated</b>		
A2622 – 1/35 (Strata Lot 1) Strickland Street, Denmark	1,066.00	1,066.00
A3747 – 4/35 (Strata Lot 4) Strickland Street, Denmark - Shop and administration centre	2,413.46	1,007.00
<b>Denmark Machinery Restoration Group Inc.</b>		
A5599 – 2 (Lease of Part Lot 952) Inlet Drive, Denmark - Shed and displays	1,066.00	1,066.00
<b>Denmark Occasional Day Care Centre Inc. and Denmark Playgroup</b>		
A3179 – 81 (Lease of Whole Lot 500) South Coast Highway, Denmark - Day care and playgroup building	1,066.00	1,066.00

SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016

26. DISCOUNTS, INCENTIVES, CONCESSIONS, WAIVERS & WRITE-OFFS  
- 2015/16 FINANCIAL YEAR cont'd

	Actual 2016 \$	Budget 2016 \$
<b>Denmark Pistol Club</b>		
A3167 – 223 (Lease of Whole Lot 7441) Churchill Road, Scotsdale - Pistol shooting range	1,279.00	1,279.00
<b>Denmark Equestrian Club Inc.</b>		
A3189 – 73 (Lease of Whole Lot 1004) Beveridge Road, Denmark - Horse racing track and facilities	1,066.00	1,066.00
<b>Denmark Riverside Club</b>		
A5601 – Lease of Part Lot 1002 Bambrey Road, Denmark	1,066.00	1,066.00
A3069 – 3 (Lease of Whole Lot 1110) Morgan Road, Denmark - Bowling green, canoeing, kayaking and dragon boating launching site and facilities	3,013.12	2,150.00
<b>Denmark Surf Lifesaving Club</b>		
A5588 – 891A (Lease of Part Lot 556) Ocean Beach Road, Ocean Beach - Clubrooms and facilities	1,279.00	1,279.00
<b>Denmark Tourism Incorporated</b>		
A3186 – 73 (Lease of Lot 501) South Coast Hwy, Denmark - Denmark Visitor Centre	5,618.38	5,619.00
<b>Green Skills Inc.</b>		
A5590 – 46 (Lease of Part Lot 326) McIntosh Road, Hay - Recycling Centre and Tip Shop	2,492.00	1,279.00
<b>Kentdale Community Hall Committee Inc.</b>		
A5593 – 518 (Lease of Part Lot 300) Parker Road, Kentdale - Kentdale Hall	1,279.00	1,279.00
<b>Lions Club of Denmark Inc.</b>		
A5600 – 2 (Lease of Part Lot 952) Inlet Drive, Denmark - Clubroom	1,066.00	1,066.00
<b>Nornalup Residents and Ratepayers Association</b>		
A5591 – 3 (Lease of Part Lot 2368) Riverside Drive, Nornalup - Nornalup Community Hall	1,066.00	1,066.00
<b>Parry's Beach Voluntary Management Group Inc.</b>		
A5592 – 2830 (Lease of Part Lot 5393) South Coast Highway, William Bay - Parryville Hall	1,279.00	1,279.00
<b>Peaceful Bay Progress Association Inc.</b>		
A5615 – 30 (Lease of Whole Site 300) First Avenue, Peaceful Bay	1,066.00	1,066.00
A5616 – 3 (Lease of Whole Site 302) West Avenue, Peaceful Bay - Peaceful Bay Community Hall and Les Carpenter Fire Station	1,066.00	1,066.00
<b>Peaceful Bay Returned Services League (RSL) Sub Branch</b>		
A5596 – 28 (Lease of Whole Site 400) First Avenue, Peaceful Bay - Clubroom	1,066.00	1,066.00
<b>Peaceful Bay Sea Rescue Group Inc.</b>		
A5595 – Lease of Whole Lots 401 and 402 Old Peaceful Bay Road, Peaceful Bay - Sea rescue facilities	1,066.00	1,066.00
<b>Scout Association of Australia</b>		
A5597 – 53 (Lease of Part Lot 1087) Brazier Street, Denmark - Scout Hall and facilities	1,066.00	1,066.00
<b>The Returned &amp; Services League of Australia WA Branch Inc</b>		
A3097 – 54 (Lease of Whole Lot 40) Strickland Street, Denmark - RSL Hall	1,066.00	1,066.00
<b>Tingledale Hall Committee Inc.</b>		
A5594 – 976 (Lease of Part Lot 2381) Valley of the Giants Road, Tingledale - Tingledale Hall and Community Centre	1,279.00	1,279.00
<b>Denmark Historical Society Inc.</b>		
A3256 – 16 (Lease of Lot 1021) Mitchell Street Denmark	439.80	0.00

SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016

26. DISCOUNTS, INCENTIVES, CONCESSIONS, WAIVERS & WRITE-OFFS  
- 2015/16 FINANCIAL YEAR cont'd

	Actual 2016 \$	Budget 2016 \$
<b>Trustees: Richard John Marshall and Richard William Mumford and Eric Rose</b>		
A3041 – 891 (Lot 583) Scotsdale Road, Scotsdale Scotsdale Hall and tennis courts	1,279.00	1,279.00
<b>Denmark Community Resource Centre Inc.</b> A5729 - Part Lot 228, 2 Strickland Street Denmark	707.75	1,066.00
<b>Denmark Over 50's Association</b> A5730 - Part Lot 228, 2 Strickland Street Denmark Morgan Richards Community Centre	707.75	1,066.00
<b>Denmark Arts Council Inc.</b> A5731 - Part Lot 228 and Part Lot 1093, 2 Strickland Street Denmark Morgan Richards Community Centre	0.00	1,066.00
<b>Total</b>	<b>46,215.43</b>	<b>43,979.00</b>

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

27. INTEREST CHARGES AND INSTALMENTS - 2015/16 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		10,016	23,000
Interest on Instalments Plan	5.50%		0	17,000
Charges on Instalment Plan		8.00	15,400	18,000
Pensioner Deferred Rate Interest	0		0	0
			25,146	58,000

Ratepayers had the option of paying rates in four equal instalments, due on 4 September 2015, 5 November 2015, 6 January 2016 and 8 March 2016. Administration charges and interest applied for the final three instalments.

	2016 \$	2015 \$
<b>28. FEES &amp; CHARGES</b>		
Governance	46,087	40,256
General Purpose Funding	0	0
Law, Order, Public Safety	44,815	44,626
Health	38,778	36,462
Education and Welfare	10,500	10,500
Housing	0	0
Community Amenities	1,490,262	1,454,745
Recreation and Culture	200,200	210,596
Transport	14,174	23,222
Economic Services	1,026,536	877,574
Other Property and Services	17,542	4,917
	2,888,893	2,702,897

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

**SHIRE OF DENMARK**  
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**FOR THE YEAR ENDED 30TH JUNE 2016**

**29. GRANT REVENUE**

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

	2016	2015
	\$	\$
<b>By Nature or Type:</b>		
Operating Grants, Subsidies and Contributions	853,737	1,945,651
Non-Operating Grants, Subsidies and Contributions	10,523,781	3,041,599
	<u>11,377,519</u>	<u>4,987,250</u>
<b>By Program:</b>		
Governance	0	0
General Purpose Funding	508,287	1,582,834
Law, Order, Public Safety	396,028	177,819
Health	0	0
Education and Welfare	37,088	10,750
Housing	0	0
Community Amenities	0	30,600
Recreation and Culture	970,104	1,439,126
Transport	9,430,012	1,458,708
Economic Services	36,000	287,414
Other Property and Services	0	0
	<u>11,377,519</u>	<u>4,987,250</u>

**30. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

<u>63.57</u>	<u>57.50</u>
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**31. ELECTED MEMBERS REMUNERATION**

The following fees, expenses and allowances were paid to council members and/or the president.

	2016	2016	2015
	\$	Budget	\$
		\$	
Meeting Fees	65,731	59,525	69,525
President's Allowance	10,815	10,815	10,815
Deputy President's Allowance	2,704	2,704	2,704
Travelling Expenses	7,455	15,296	6,785
Telecommunications Allowance	17,126	14,000	15,296
	<u>103,831</u>	<u>102,339</u>	<u>105,125</u>

**32. MAJOR LAND TRANSACTIONS**

Council did not participate in any major land transactions during the 2015/16.

**33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

Council did not participate in any trading undertakings or major trading undertakings during the 2015/16 financial year.

**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**34. FINANCIAL RISK MANAGEMENT**

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

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

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

*The Council held the following financial instruments at balance date:*

	Carrying Value		Fair Value	
	2016	2015	2016	2015
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	14,518,398	7,080,988	14,518,398	7,080,988
Receivables	1,261,521	1,301,013	1,261,521	1,301,013
	<u>15,779,919</u>	<u>8,382,001</u>	<u>15,779,919</u>	<u>8,382,001</u>
<b>Financial Liabilities</b>				
Payables	2,630,613	1,957,712	2,630,613	1,957,712
Borrowings	2,722,823	2,069,603	2,278,856	1,860,162
	<u>5,353,436</u>	<u>4,027,315</u>	<u>4,909,469</u>	<u>3,817,874</u>

Fair value is determined as follows:

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

**SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(a) Cash and Cash Equivalents**

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

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

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

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

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

	2016 \$		2015 \$	
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash				
- Equity	0		0	
- Statement of Comprehensive Income	223,942	<sup>(2)</sup>	233,626	<sup>(*)</sup>

*Notes:*

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

<sup>(2)</sup> Maximum impact.

**SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**34. FINANCIAL RISK MANAGEMENT (Continued)**  
**(b) Receivables**

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

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

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

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

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

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

	<b>2016</b>	<b>2015</b>
<b>Percentage of Rates and Annual Charges</b>		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
<b>Percentage of Other Receivables</b>		
- Current	96.93%	97.04%
- Overdue	3.07%	2.96%



**SHIRE OF DENMARK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(c) Payables**

**Borrowings**

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<b><u>2016</u></b>					
Payables	2,630,613	0	0	2,630,613	2,630,613
Borrowings	375,351	1,433,727	1,852,673	3,661,751	2,722,821
	<u>3,005,964</u>	<u>1,433,727</u>	<u>1,852,673</u>	<u>6,292,364</u>	<u>5,353,434</u>
<b><u>2015</u></b>					
Payables	1,957,712	0	0	1,957,712	1,957,699
Borrowings	409,812	1,153,117	1,329,612	2,892,541	2,069,603
	<u>2,367,524</u>	<u>1,153,117</u>	<u>1,329,612</u>	<u>4,850,253</u>	<u>4,027,302</u>

**SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(c) Payables  
Borrowings (Continued)**

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

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	<b>&lt;1 year</b>	<b>&gt;1&lt;2 years</b>	<b>&gt;2&lt;3 years</b>	<b>&gt;3&lt;4 years</b>	<b>&gt;4&lt;5 years</b>	<b>&gt;5 years</b>	<b>Total</b>	<b>Weighted Average Effective Interest Rate</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
<b><u>Year Ended 30 June 2016</u></b>								
<b>Borrowings</b>								
<b>Fixed Rate</b>								
Debentures	0	0	0	234,674	255,288	2,232,860	2,722,821	5.03%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	6.46%	3.70%	5.03%		
<b><u>Year Ended 30 June 2015</u></b>								
<b>Borrowings</b>								
<b>Fixed Rate</b>								
Debentures	116,342	0	0	0	284,635	1,668,626	2,069,603	6.06%
Weighted Average Effective Interest Rate	5.58%	0.00%	0.00%	0.00%	6.45%	6.03%		

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



***Report on the Financial Report***

We have audited the accompanying financial report of the Shire of Denmark, which comprises the balance sheet as at 30 June 2016, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

***Management's Responsibility for the Financial Report***

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

***Auditor's Responsibility***

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

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

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

***Independence***

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

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

### *Emphasis of Matter*

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

### *Auditor's Opinion*

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

- (a) giving a true and fair view of the Shire's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

### *Other Matters*

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

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



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Russell Harrison, Partner

Lincolns Accountants and Business Advisers

70 - 74 Frederick Street, Albany WA

Dated this <sup>14<sup>th</sup></sup> day of December 2016.

**SHIRE OF DENMARK  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2016**

**RATIO INFORMATION**

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

	2016	2015	2014
Asset Consumption Ratio	N/A	N/A	N/A
Asset Renewal Funding Ratio	N/A	N/A	N/A

The above ratios are calculated as follows:

Asset Consumption Ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

N/A - In keeping with amendments to Local Government (Financial Management) Regulations 50, comparatives for the two preceding years (being 2015 and 2014) have not been reported as financial information is not available.