



# Minutes

## ORDINARY MEETING OF COUNCIL

HELD IN THE COUNCIL CHAMBERS,  
953 SOUTH COAST HIGHWAY, DENMARK ON  
TUESDAY, 18 DECEMBER 2012.

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# Ordinary Council Meeting

18 December 2012

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**1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

4.05pm - *The Shire President, Cr Thornton, declared the meeting open.*

**2. RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE****MEMBERS PRESENT:**

Cr Ross Thornton (Shire President)  
Cr John Sampson (Deputy Shire President)  
Cr Kelli Gillies  
Cr Adrian Hinds  
Cr Jan Lewis  
Cr Barbara Marshall (*from 4.28pm*)  
Cr David Morrell  
Cr Ian Osborne  
Cr Dawn Pedro  
Cr Roger Seeney  
Cr Belinda Rowland  
Cr Alex Syme

**STAFF:**

Mr Dale Stewart (Chief Executive Officer)  
Mrs Annette Harbron (Director of Planning & Sustainability)  
Mr Gregg Harwood (Director of Community & Regulatory Services)  
Mr Damian Schwarzbach (Manager of Recreation Services) (*from 4.17pm*)  
Ms Claire Thompson (Executive Assistant)

**APOLOGIES:**

Mr Garry Bird (Director of Finance & Administration)  
Mr Rob Whooley (Director of Infrastructure Services)

**ON LEAVE OF ABSENCE:**

Nil

**ABSENT:**

Nil

**VISITORS:**

Members of the public in attendance at the commencement of the meeting: 30  
Members of the press in attendance at the commencement of the meeting: 2

**DECLARATIONS OF INTEREST:**

Name	Item No	Interest	Nature
Cr Thornton	7.1	Impartiality	Cr Thornton's brother owns a hardware store and Cr Thornton owns leased property which sells some similar items to the Denmark Co-operative.
Cr Sampson	7.1	Impartiality	Cr Sampson is social friends with James & Vivian Alpers who are employees of the Denmark Co-operative. Cr Sampson is social friends with Dr Hector Faulkner.
Cr Sampson	8.1.2	Impartiality	Cr Sampson is social friends with Dr Hector Faulkner.
Cr Marshall	7.1	Impartiality	Cr Marshall is a minimum shareholder in the Denmark Co-operative.
Cr Marshall	10.1	Impartiality	Cr Marshall is the nominator for one of the awards.
Cr Hinds	7.1	Impartiality	Cr Hinds is minimum shareholder of the Denmark Co-operative.
Cr Morrell	7.1	Impartiality	Cr Morrell is the co-owner of a Medical Centre in town and the use of the lane way may have a potential impact on the new Medical Centre.
Cr Morrell	8.1.1	Impartiality	Cr Morrell is a landowner of Inlet frontage. Plantagenet Loc. 5434.
Cr Morrell	8.1.2	Financial	Cr Morrell is the co-owner of a Medical Centre in town.
Mr Harwood	8.4.2	Impartiality	Mr Harwood is a member of Denmark Arts Inc.

**3. ANNOUNCEMENTS BY THE PERSON PRESIDING**

Nil

**4. PUBLIC QUESTION TIME****4.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil

**4.2 PUBLIC QUESTIONS**

In accordance with Section 5.24 of the Local Government Act 1995, Council conducts a public question time to enable members of the public to address Council or ask questions of Council. The procedure for public question time can be found on the back of the front cover of this Agenda.

Questions from the public are invited and welcomed at this point of the Agenda.

In accordance with clause 3.2 (2) & (3) of the Shire of Denmark Standing Orders Local Law, a second Public Question Time will be held, if required and the meeting is not concluded prior, at approximately 6.00pm.

**Questions from the Public****4.2.1 Chris Langslow – Item 7.1 (Rescission of Council Resolution No. 111112)**

Mr Langslow, CEO of the Denmark Co-operative, stated that the Denmark Co-operative had always endeavoured to be good neighbours and that there was reasonable solution to the problem. Mr Langslow advised that they would limit deliveries to the site from suppliers to Saturday afternoons when the Medical Centre wasn't open. Mr Langslow requested that Council defer the matter to enable them to work through the issues.

**4.2.2 Steve Hawkes – Item 7.1 (Rescission of Council Resolution No. 111112)**  
Mr Langslow, Director of the Denmark Co-operative, requested that Council remove condition 13 as he believed the establishment of a footpath, as stated, would be impractical given that it wouldn't connect with any others and essentially "go nowhere, from nowhere".

**4.2.3 Don Sheed – Item 7.1 (Rescission of Council Resolution No. 111112)**  
Mr Sheed, Director of the Denmark Co-operative, urged Council to ensure that any redevelopment of the Civic Centre provided provision for them to continue to have access to their premises from the Civic Centre carpark.

**4.2.4 Gail Guthrie – Item 7.1 (Rescission of Council Resolution No. 111112)**  
Mrs Guthrie, President of the Denmark Chamber of Commerce, made the following statements;

*"Following a briefing to Chamber Board members by the Denmark Co-op and Shire CEO & Councillors, a letter has been sent to all parties offering to facilitate a meeting to seek a possible solution to the points where there is no agreement between the Shire, Denmark Co-op and Denmark Medical Centre. As all parties are members of the DCC, we can only take a position of mediation.*

*The DCC request a copy of the draft concept plan for the new civic centre redevelopment to inform the DCC of implications for members and the CBD.*

*The DCC will continue consultation with members regarding loading and unloading as this has implications for not only the current situation but for all businesses in the CBD. These outcomes will be reported to a general Chamber meeting in early February 2013 and to the Denmark Shire.*

*In relation to the planning issues between the Denmark Co-Operative and the Denmark Shire, the Denmark Chamber of Commerce recommends deferring the motion until the New Year so that all parties can meet to discuss a mutually beneficial solution.*

*Should the motion proceed; the DCC recommend that the dual use path (item 13) be constructed as part of proposed redevelopment of Randall Park, and therefore this point be amended as it was at the November meeting."*

**4.2.5 Tony Wilson – Item 7.1 (Rescission of Council Resolution No. 111112)**  
Mr Wilson, Chair of the Denmark Co-operative, stated that the Denmark Co-operative had existed for 92 years and they were happy with its current location in the CBD. Mr Wilson raised concerns about the gradual changing of rules & regulations which the town had been established by.

**4.2.6 Dr Hector Faulkner – Item 7.1 (Rescission of Council Resolution No. 111112)**  
Dr Faulkner stated that the establishment of the Medical Centre was seeking to improve and maintain the health of the Denmark community and that he was disappointed that Council had allowed loading & unloading to take place in the access way to the practice. Dr Faulkner highlighted a number of reasons why he believed it would be unsafe and urged Council to rescind the resolution to ensure that there was 24 hour access to the Medical Centre.

*4.17pm – The Manager of Recreation Services entered the room.*

**4.2.7 Dr Ceinwen Gearon – Item 8.2.1 (Indoor Heated Aquatic Facility Feasibility Study)**

Dr Gearon commended all of the people involved for the amount of time and effort which had been spent to date on the Aquatic Facility proposal. Dr Gearon suggested that the matter of a referendum must be the focus of Council’s resolution and that a referendum be undertaken sooner rather than later. Dr Gearon stated that she believed that Council needed to provide a facility which would meet the expectations of the community such as a six lane pool rather than a two lane pool.

**4.2.8 Natasha Rubie – Item 8.2.1 (Indoor Heated Aquatic Facility Feasibility Study)**

Ms Rubie spoke as a swimming teacher and swimming coach stating that there was a possibility that Walpole Primary School students would use a pool in Denmark. Ms Rubie added that a two lane pool would not be sufficient for the needs of the community.

**4.2.9 Mrs Mavis Hoare – Item 4.4.2 (Improve Denmark Fire Protection)**

Mrs Hoare referred to the tabled petition and highlighted reasons why it was important to keep Denmark safe and ensure easy access to water bombers.

**4.2.10 Mr Ross Boaden – Item 4.4.2 (Improve Denmark Fire Protection)**

Mr Boaden referred to the tabled petition, stating that it had met with great response and spoke about his concerns in relation to fire safety in Denmark. Mr Boaden highlighted a number of recent fires in Queensland and Western Australia and urged Council to support the needs of water bombers at the Denmark Airstrip.

4.28pm – Cr Marshall entered the room

**4.2.9 Mr Chris Swarts – Item 8.1.2 (Proposed Change of Use: Shop/Office to Medical Centre – No. 3 (Strata Lot 2/Lot 218) Mt Shadforth Road, Denmark)**

Mr Swarts highlighted the risks in relation to allowing the Denmark Co-operative to utilise the access way to the Medical Centre for loading and unloading and urged Council to rescind the motion.

**4.3 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

**4.3.1 Cr Hinds**

On the 11 December 2012 Cr Hinds submitted the following questions. Council Officers have provided responses which are shown in italics under each question.

1. a) How many passenger vehicles and utility type vehicles does Council possess/fund/otherwise subsidise?’

*Officer response:*

*Below is a list of passenger vehicles currently possessed, funded or otherwise subsidised by the Shire of Denmark.*

DE1	<i>Toyota Prado GXL Turbo 4WD Wagon</i>
DE 09	<i>Mazda Stationwagon 2.5L Auto</i>
DE 680	<i>Ford Falcon XR6 - Planning</i>
DE 45	<i>Ford XR6 FG Sedan</i>
DE10	<i>Mitsubishi Pajero 3.2L LWB GLX</i>
DE54	<i>Toyota Hilux Dual Cab</i>
DE 87	<i>Mitsubishi Lancer ES SE Sedan</i>

DE 992	Mitsubishi Lancer ES SE Sedan
DE 7005	Hyundai I30 Wagon
DE 7	Ford Ranger Crew Cab 4X4 Utility
DE 025	Mazda B3000 3.0L 4x4 Manual Dual Cab
DE 15	Mitsubishi Triton 4X4 GLX Dual Cab 3.2L Utility
DE 7560	Triton 4X4 GLX Dual Cab Ute
DE 57	Mitsubishi Triton 2WD 2.5L glx Cab/Chassis
DE080	Holden Rodeo 4X4-Parry's Beach Management
DE 7853	Holden Rodeo 4X2
DE 192	Ford Ranger XL STD Cab/Chassis 4x4 Gardeners
DE840	Mazda B2500 2.5Lx Manual Single Cab/Chassis
DE 686	Holden Colorado 4x2 Single Cab 3.0L Manual Utility
DE 198	Mazda BT50 B3000 DX 4x2 Cab/Chassis Utility
DE 6226	Ford Ranger Super Crew Cab 3.0 Litre Diesel Turbo Manual

- b) How many of the above vehicles are manufactured /assembled in Australia?

*Officer response:*

*In regards to manufacture/assembly, the Administration has not been able to source this information for certain without further research. Ford, Holden and Mitsubishi are generally manufactured in Australia however the Officer is unsure whether that is all of the parts.*

2. The Shire administration will be shutting down for an extended period over Christmas. What arrangements are in place to deal with civil emergencies such as fire or flood?

*Officer response: The Community Emergency Services Manager will be out of the area from 22 – 27 December however the Chief Bush Fire Control Officer will still be in the area and available to contact should there be an emergency.*

*The CEO will be available via mobile phone and has the contact details of all Shire Senior Staff, other Staff and Emergency Services contacts, should the need arise and Council has one Law Enforcement Officer on call with relief Rangers available if required.*

*In addition the Shire President is the Chair of the Local Emergency Management Advisory Committee who will be available in the district.*

3. How much of the Shire's proposed protective burning program has been accomplished?

*Officer response: There have been nine (9) burns completed in two (2) years out of the 40 reserves identified for burning. Of those 40, ten (10) are along the foreshore/inlet and are precluded due to Council's decision not to burn these areas (Wilson Inlet Management Plan).*

*There have been no burns completed so far this Spring, in previous years burns have only been undertaken in Autumn. 16 – 20 December 2012 has been identified by key personnel as a time which may see possible good weather to undertaken further prescribed burns. There are 12 prescriptions ready to go, however only some of these can be burnt this time of year.*

CEO comment:

Councillors are advised and encouraged to ask such questions of the CEO or Council's Senior Officers which would obviate the need for them to be included in a Council Agenda.

#### 4.4 PRESENTATIONS, DEPUTATIONS & PETITIONS

##### 4.4.1 Miss Tyne Logan – Leadership Award

*Post Script: It has been noted & Councillors advised that Miss Logan had agreed to attend the meeting scheduled for the 22 January 2013 and not this meeting as incorrectly advised by Staff.*

##### 4.4.2 Petition – Improve Denmark Fire Protection

A Petition with 568 signatures has been received and is attached at Attachment 4.4.2 a). The preamble of the Petition reads as follows;

*“PETITION TO IMPROVE DENMARK FIRE PROTECTION*

*To: Denmark Councilors [sic] and CEO*

*From: The People and Visitors of Denmark*

*Denmark urgently needs better bushfire protection. Dramatic improvements can be made with a modest cost airport improvement project, half funded by the state Regional Airport Development Scheme. The project will TRIPLE the capacity of the airport to handle water bombers in the event of a nearby catastrophic bushfire. We urge you to allocate the necessary co-funding, estimated at about \$104,000, and submit a new RADS proposal in early 2013 during the funding cycle. We neither want to lose our homes nor have Denmark scarred for decades to come. The physical and economic damage to families and businesses could be unimaginable.”*

Council Staff did prepare a grant application in early 2012 in conjunction with the Denmark Airport Association however, due to the commitment outlaid to the Airport in recent years combined with the fact that there was no provision in Council's budget at the time, the Regional Airport Development Scheme (RADS) Application did not include the estimated co-funding contribution of \$104,000 as a Council commitment. The application was subsequently not supported by the relevant Department.

Subsequent to that the Airport Association has been active in attempting to solicit support from politicians and the State Government with the results of that solicitation included as Attachment 4.4.2 b).

From the advice received from FESA (now the Department of Fire & Emergency Services) and the Department of Environment & Conservation indications are that due to there being four existing operational bases for fixed wing water bombers within 40 nautical miles of Denmark at Albany, Mt Barker, Walpole & Frankland, it is extremely unlikely that the Denmark Airstrip would ever have to cater for more than four fire bombers at a time. This is the predominant reason why an application for funding from the RADS would continue to be unsuccessful even if the Council was prepared to fund the required co-contribution.

This notwithstanding Council does have in its draft Long Term Financial Plan, in the financial year 2014/15, the sum of \$300,000 for the general project, including the second coat re-seal of the runway, subject to a successful RADS grant of \$200,000 (net funds required from the Municipal Fund being \$100,000).



<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	ITEM 4.4.2
MOVED: CR PEDRO	SECONDED: CR HINDS
That the Petition with respect to the facilitation of Water Bombers at the Denmark Airfield be received and that Council:	
<ol style="list-style-type: none"> <li>1. Note the advice of the Departments of Fire &amp; Emergency Services, Environment &amp; Conservation and Transport that Denmark is currently adequately serviced with existing Water Bomber facilities both at Denmark and nearby Airfields;</li> <li>2. Notwithstanding part 1, consider in its Long Term Financial Plan applying for a Regional Airport Development Scheme (RADS) Grant for improvement to the Denmark Airfield for the second coat seal of the Runway and additional taxi ways, aprons and associated infrastructure to facilitate general aircraft movement including Water Bombers.</li> </ol>	
CARRIED: 12/0	Res: 011212

**4.4.3 Dr Cyril Edwards – Denmark Aquatic Centre Committee**  
 Dr Edwards made a presentation in relation to Item 8.2.1.

**5. APPLICATIONS FOR LEAVE OF ABSENCE**

**5.1 Cr Belinda Rowland**

<b>COUNCIL RESOLUTION</b>	ITEM 5.1
MOVED: CR MORRELL	SECONDED: CR MARSHALL
That Cr Rowland be granted leave of absence for the Council meetings scheduled for 22 January 2013 and 26 March 2013.	
CARRIED: 12/0	Res: 021212

**6. CONFIRMATION OF MINUTES**

**6.1 ORDINARY COUNCIL MEETING**

ITEM 6.1

MOVED: CR HINDS

That the minutes of the Ordinary Meeting of Council held on the 27 November 2012 be confirmed as a true and correct record of the proceedings subject to the following amendments;

1. That the table on page 11 be altered to read “Pharmacy (assuming 1 pharmacist)” and under car parking standards, the required number of bays be reduced to “4” and the total be reduced to “23”.

LAPSED FOR WANT OF A SECONDER

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	ITEM 6.1
MOVED: CR SAMPSON	SECONDED: CR SEENEY
That the minutes of the Ordinary Meeting of Council held on the 27 November 2012 be confirmed as a true and correct record of the proceedings.	
CARRIED: 11/1	Res: 031212

**7. ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Pursuant to the Section 10 (1) (b) and (1a) of the Local Government (Administration) Regulations 1996, the following motion to revoke a Council decision has received the written support from at least four (4) members of the Council inclusive of the mover being: Cr Dawn Pedro, Cr Alex Syme and Cr Kelli Gillies.

*Prior to consideration of Item 7.1 the Chief Executive Officer, through the Presiding Person, brought to the attention of the meeting the following disclosure(s) of interest:*

*Cr Thornton’s brother owns a hardware store and he also owns a leased property which sells some similar items to the Denmark Co-operative. As a consequence there may be a perception that his impartiality on this matter may be affected. Cr Thornton declares that he will consider this matter on its merits and vote accordingly.*

*Cr Sampson is social friends with James & Vivian Alpers who are employees of the Denmark Co-operative and is social friends with Dr Hector Faulkner. As a consequence there may be a perception that his impartiality on this matter may be affected. Cr Sampson declares that he will consider this matter on its merits and vote accordingly.*

*Cr Marshall is a minimum shareholder in the Denmark Co-operative and as a consequence there may be a perception that her impartiality on this matter may be affected. Cr Marshall declares that she will consider this matter on its merits and vote accordingly.*

*Cr Hinds is a minimum shareholder in the Denmark Co-operative and as a consequence there may be a perception that his impartiality on this matter may be affected. Cr Hinds declares that he will consider this matter on its merits and vote accordingly.*

*Cr Morrell is the co-owner of a Medical Centre in town and the use of the lane way may have a potential impact on the new Medical Centre. As a consequence there may be a perception that his impartiality on this matter may be affected. Cr Morrell declares that he will consider this matter on its merits and vote accordingly.*

<b>7.1 RESCISSION OF COUNCIL RESOLUTION NO. 111112</b>	
<b>File Ref:</b>	A1327 (2012/82); A1162
<b>Applicant / Proponent:</b>	Cr John Sampson
<b>Subject Land / Locality:</b>	No. 42 (Lot 2) South Coast Highway, Denmark
<b>Disclosure of Councillor Interest:</b>	Nil
<b>Date:</b>	6 December 2012
<b>Author:</b>	Cr John Sampson
<b>Attachments:</b>	7.1 a) – Shire of Denmark Parking & Parking Facilities Local Law 7.1 b) – Letter from Denmark Medical Centre

**Summary:**

Due to new information that has come to hand Cr Sampson seeks to rescind Resolution No. 111112.

**Background**

Council at 27 November meeting passed alternate officer recommendation 8.1.1A with amendment Res. 091112:

**AMENDMENT**

**MOVED: CR OSBORNE SECONDED: CR SEENEY**

*That condition 10 be amended to read as follows:*

*—The loading and unloading of goods to and from the premises shall be carried on as much as possible within the site and otherwise shall be undertaken in a manner so as to cause minimum interference with other vehicular traffic.*

*The Director of Planning & Sustainability noted that this condition would be difficult to enforce from a compliance perspective.*

**CARRIED:** 6/4 Res: 091112

**Comment:**

Noting the Directors advice that the amended motion would be difficult to enforce Cr. Sampson has reviewed local parking laws and has been advised by the CEO that the decision is in conflict with our adopted local parking law, specifically clauses 3.3, 3.7 & 3.8. Given that the width of carriageway is 5 metres and the constructed surface is 3 metres it is impossible for a truck to legally park in the laneway.

Council has also received a letter from Dr Hector Faulkner on behalf of the Denmark Medical Centre. Dr Faulkner expresses serious concerns about access to the medical centre particularly in emergency situations plus the adverse effect this would have on the running of the medical centre.

Given the above and the fact that solutions do exist for the COOP to load/unload on their own property without obstructing the laneway, Cr Sampson recommends that res. 111112 be rescinded.

**Consultation:**

Nil

**Statutory Obligations:**

There are no statutory obligations.

**Policy Implications:**

There are no policy implications.

**Budget / Financial Implications:**

There are no known financial implications upon the Council's current Budget or Plan for the Future.

**Strategic Implications:**

There are no known significant strategic implications relating to the report or the Councillor Notice of Motion.

**Sustainability Implications:**

➤ **Environmental:**

There are no known significant environmental considerations relating to the report or Councillor Notice of Motion.

➤ **Economic:**

There are no known significant economic considerations relating to the report or Councillor Notice of Motion.

➤ **Social:**

There are no known significant social considerations relating to the report or Councillor Notice of Motion.

**Voting Requirements:**

Absolute majority is required pursuant to legislation.

**COUNCIL RESOLUTION & NOTICE OF MOTION**

ITEM 7.1

MOVED: CR SAMPSON

SECONDED: CR SYME

That Council Rescind Resolution 111112 Retrospective Planning Application: Showroom (External Display/Storage Area) – No. 42 (Lot 2) South Coast Highway, Denmark.

CARRIED BY AN ABSOLUTE MAJORITY: 11/1

Res: 041212

Officer comment: The effect of the amendment being Resolution No. 091112 is such that it cannot be successfully implemented without calling into question the Council's Parking Local Laws. Council's Law Enforcement Officers would effectively have to treat the driver of the Co-operative's delivery truck different to other road users. Use of the word "minimise" in context of "minimum interference to road users" is very subjective and could lead to inconsistent application of an otherwise unambiguous and clear Local Law. The CEO supports the rescission motion to provide greater clarity to its Law Enforcement Officers in enforcing Council's Local Laws and so as not to cause unintended but predictable negative consequences.

The effect of a rescission motion would require a new motion in its place in which to determine the retrospective planning application. Therefore in the event that the rescission motion is successful, the CEO suggests the original Alternate Officer Recommendation for consideration which read as follows.

## ALTERNATE OFFICER RECOMMENDATION

ITEM 7.1

That with respect to the planning application for Proposed Showroom (External Display/Storage Area) for No. 42 (Lot 2) South Coast Highway, Denmark, Council resolve to grant Retrospective Planning Approval subject to the following:

Conditions

- a) Development shall be carried out in accordance with the attached approved plan dated 26 November 2012;
- b) The 'external display/storage area' use hereby permitted by this Planning Approval shall be discontinued when (or before) the Showroom (Hardware) use on No. 33 (Lot 6 & 226) South Coast Highway, Denmark ceases to operate from the site, with the land to be reinstated to the satisfaction of the Shire of Denmark (Planning Services).
- c) Within sixty (60) days of this Planning Approval being issued, a Restrictive Covenant(s) pursuant to the *Transfer of Land Act 1893 (as amended)* is to be placed on the Certificate of Titles of No. 42 (Lot 2) South Coast Highway, Denmark and No. 33 (Lot 6 & 226) South Coast Highway, Denmark advising of the existence of a restriction on the use of No. 42 (Lot 2) South Coast Highway, Denmark. The restrictive covenant is to state as follows:  
*"The use of No. 42 (Lot 2) South Coast Highway, Denmark for external display/storage area has been approved by the Shire of Denmark on the basis that the hardware operations on No. 33 (Lot 6 & 226) South Coast Highway, Denmark are fully operational. In the event that the hardware operations on No. 33 (Lot 6 & 226) South Coast Highway, Denmark cease, the external display/storage area on No. 42 (Lot 2) South Coast Highway is to cease immediately also".*  
 All costs associated with the preparation and lodgement of the Restrictive Covenant(s) shall be at the applicant/owner's expense (refer Advice Note 1).
- d) Within 120 days of this Planning Approval being issued, the vehicle crossover onto the adjoining Right-of-Way is to be constructed, drained and sealed (concrete, asphalt or brick pavers) to the satisfaction and specifications of the Shire of Denmark (Infrastructure Services).
- e) The car parking area to provide for a minimum of twelve (12) car parking bays on-site, with the car parking and manoeuvring areas being constructed and maintained to a minimum all-weather standard (e.g gravel, crushed rock) to

- facilitate access and parking by 2 wheel drive vehicles.
- f) 'Staff Parking Only' signs being erected on the internal side of the northern boundary line fence.
  - g) All car parking areas and access ways shall be maintained for their stated purpose at all times and shall not be used for display or general storage purposes.
  - h) Access to the external storage/display area is to be via the car park and not the adjoining Right-of-Way.
  - i) If the car park area is to be fenced, the car park needs to be available for staff and/or customer car parking when the businesses located on No. 33 (Lot 6 & 226) South Coast Highway, Denmark are open for trade.
  - j) The loading and unloading of goods to and from the premises shall be carried on entirely within the site at all times and shall be undertaken in a manner so as to cause minimum interference with other vehicular traffic.
  - k) No parking or display of vehicles and/or equipment shall occur within the road verge area at any time.
  - l) All stormwater and drainage run off from all impervious areas is to be retained on-site or connected to a legal point of discharge (as determined by Infrastructure Services) to the satisfaction of the Shire of Denmark (Infrastructure Services).
  - m) Within 120 days of this Planning Approval being issued, a dual use path being constructed along the South Coast Highway frontage of the subject lot to the specification and satisfaction of the Shire of Denmark (Infrastructure Services).
  - n) A landscaping plan for the areas highlighted in green shall be submitted and approved by the Shire of Denmark (Planning Services) within sixty (60) days of this Planning Approval being issued. The landscaping plan shall be submitted at a scale of 1:200 or 1:100 and shall detail the following:
    - i. Proposed trees and shrubs to be planted including species, number and size of plants – noting that screening plants should be provided on the South Coast Highway frontage. Trees and plants are to be shown in exact location using clear symbols;
    - ii. Reticulation methods;
    - iii. Maintenance arrangements;
  - o) Landscaping shall be carried out in accordance with the approved landscaping plan no later than 30 June 2013 and thereafter shall be maintained as landscaped areas at all times.
  - p) All signs proposed to be erected on-site require the separate approval of the Shire of Denmark (Planning Approval and/or Building Permit) prior to erection of such.

#### Advice Notes

- a) In relation to Condition 3, the applicant/owner may wish to give authority to the Shire's solicitors to prepare and lodge the necessary documentation, with all expenses associated with the preparation and lodgement being met by the applicant/owner.
- b) In relation to Condition 13, the Shire of Denmark is prepared to consider the applicant/landowner paying the Shire of Denmark the cost of building the dual use path to facilitate construction of such dual use path by the Shire when undertaking other dual use path construction works in the area. In relation to such costs, the Shire has priced this work at \$100/m<sup>2</sup> for a 1.5 metre wide brick paved dual use path, thus equates to \$4,292.00 (plus GST).
- c) The Shire of Denmark's Local Planning Strategy (2011) designates No. 42 (Lot 2) South Coast Highway, Denmark and No. 33 (Lot 6 & 226) South Coast Highway, Denmark as 'Town Centre – Inner Core', noting this designation was established to identify the areas of the town centre that should accommodate the higher order retail uses (shops, cafes etc.) that assist in providing the typical function of a town centre.

Having regard to the above and as per Clause 6.5.4 Service Park of Part 2 – Background & Analysis of the Shire of Denmark's Local Planning Strategy

(2011), the Shire of Denmark will be seeking to encourage lower order and large service related uses (that is service and rural related businesses that require large areas for the delivery, handling, display and/or storage of products) to relocate in the future to the Mixed Business Area and/or Service Park.

**COUNCIL RESOLUTION**

ITEM 7.1

MOVED: CR SEENEY

SECONDED: CR SAMPSON

That with respect to the planning application for Proposed Showroom (External Display/Storage Area) for No. 42 (Lot 2) South Coast Highway, Denmark, Council;

1. Resolve to grant Retrospective Planning Approval subject to the following conditions;

- a) Development shall be carried out in accordance with the attached approved plan dated 26 November 2012;
- b) The 'external display/storage area' use hereby permitted by this Planning Approval shall be discontinued when (or before) the Showroom (Hardware) use on No. 33 (Lot 6 & 226) South Coast Highway, Denmark ceases to operate from the site, with the land to be reinstated to the satisfaction of the Shire of Denmark (Planning Services).
- c) Within sixty (60) days of this Planning Approval being issued, a Restrictive Covenant(s) pursuant to the *Transfer of Land Act 1893 (as amended)* is to be placed on the Certificate of Titles of No. 42 (Lot 2) South Coast Highway, Denmark and No. 33 (Lot 6 & 226) South Coast Highway, Denmark advising of the existence of a restriction on the use of No. 42 (Lot 2) South Coast Highway, Denmark. The restrictive covenant is to state as follows:  
*"The use of No. 42 (Lot 2) South Coast Highway, Denmark for external display/storage area has been approved by the Shire of Denmark on the basis that the hardware operations on No. 33 (Lot 6 & 226) South Coast Highway, Denmark are fully operational. In the event that the hardware operations on No. 33 (Lot 6 & 226) South Coast Highway, Denmark cease, the external display/storage area on No. 42 (Lot 2) South Coast Highway is to cease immediately also".*  
 All costs associated with the preparation and lodgement of the Restrictive Covenant(s) shall be at the applicant/owner's expense (refer Advice Note 1).
- d) Within 120 days of this Planning Approval being issued, the vehicle crossover onto the adjoining Right-of-Way is to be constructed, drained and sealed (concrete, asphalt or brick pavers) to the satisfaction and specifications of the Shire of Denmark (Infrastructure Services).
- e) The car parking area to provide for a minimum of twelve (12) car parking bays on-site, with the car parking and manoeuvring areas being constructed and maintained to a minimum all-weather standard (e.g gravel, crushed rock) to facilitate access and parking by 2 wheel drive vehicles.
- f) 'Staff Parking Only' signs being erected on the internal side of the northern boundary line fence.
- g) All car parking areas and access ways shall be maintained for their stated purpose at all times and shall not be used for display or general storage purposes.
- h) Access to the external storage/display area is to be via the car park and not the adjoining Right-of-Way.
- i) If the car park area is to be fenced, the car park needs to be available for staff and/or customer car parking when the businesses located on No. 33 (Lot 6 & 226) South Coast Highway, Denmark are open for trade.
- j) The loading and unloading of goods to and from the premises shall be carried on entirely within the site at all times and shall be undertaken in a manner so as to cause minimum interference with other vehicular traffic.
- k) No parking or display of vehicles and/or equipment shall occur within the road verge area at any time.

- l) All stormwater and drainage run off from all impervious areas is to be retained on-site or connected to a legal point of discharge (as determined by Infrastructure Services) to the satisfaction of the Shire of Denmark (Infrastructure Services).
- m) Within 120 days of this Planning Approval being issued, a dual use path being constructed along the South Coast Highway frontage of the subject lot to the specification and satisfaction of the Shire of Denmark (Infrastructure Services).
- n) A landscaping plan for the areas highlighted in green shall be submitted and approved by the Shire of Denmark (Planning Services) within sixty (60) days of this Planning Approval being issued. The landscaping plan shall be submitted at a scale of 1:200 or 1:100 and shall detail the following:
  - i. Proposed trees and shrubs to be planted including species, number and size of plants – noting that screening plants should be provided on the South Coast Highway frontage. Trees and plants are to be shown in exact location using clear symbols;
  - ii. Reticulation methods;
  - iii. Maintenance arrangements;
- o) Landscaping shall be carried out in accordance with the approved landscaping plan no later than 30 June 2013 and thereafter shall be maintained as landscaped areas at all times.
- p) All signs proposed to be erected on-site require the separate approval of the Shire of Denmark (Planning Approval and/or Building Permit) prior to erection of such.

#### Advice Notes

- a) In relation to Condition 3, the applicant/owner may wish to give authority to the Shire's solicitors to prepare and lodge the necessary documentation, with all expenses associated with the preparation and lodgement being met by the applicant/owner.
- b) In relation to Condition 13, the Shire of Denmark is prepared to consider the applicant/landowner paying the Shire of Denmark the cost of building the dual use path to facilitate construction of such dual use path by the Shire when undertaking other dual use path construction works in the area. In relation to such costs, the Shire has priced this work at \$100/m<sup>2</sup> for a 1.5 metre wide brick paved dual use path, thus equates to \$4,292.00 (plus GST).
- c) The Shire of Denmark's Local Planning Strategy (2011) designates No. 42 (Lot 2) South Coast Highway, Denmark and No. 33 (Lot 6 & 226) South Coast Highway, Denmark as 'Town Centre – Inner Core', noting this designation was established to identify the areas of the town centre that should accommodate the higher order retail uses (shops, cafes etc.) that assist in providing the typical function of a town centre.

Having regard to the above and as per Clause 6.5.4 Service Park of Part 2 – Background & Analysis of the Shire of Denmark's Local Planning Strategy (2011), the Shire of Denmark will be seeking to encourage lower order and large service related uses (that is service and rural related businesses that require large areas for the delivery, handling, display and/or storage of products) to relocate in the future to the Mixed Business Area and/or Service Park.

- 2. In the event that the Denmark Co-operative Co. Ltd lodge an amended development plan that provides for an alternative layout that addresses on-site loading/unloading arrangements, Council authorise the Director of Planning & Sustainability to:
  - a) Waiver the planning application fee of \$55.00 (GST Exempt) that would be required as per Council's 2012/13 Fees & Charges Schedule; and
  - b) Determine the amended Planning Application accordingly in line with the general intent of Council's resolution on the original Planning Application 2012/82.

**AMENDMENT**

MOVED: CR MORRELL

SECONDED: CR GILLIES

That the motion be amended as follows:

1. Part m) be amended to read;  
*"A dual use path being constructed along the South Coast Highway frontage of the subject lot to the specification and satisfaction of the Shire of Denmark (Infrastructure Services)."*
2. Advice note number b) be amended to read;  
*"In relation to Condition m), the Shire of Denmark is prepared to accept the applicant/landowner paying the Shire of Denmark the cost of building the dual use path to facilitate construction of such dual use path by the Shire when undertaking other dual use path construction works in the area. In relation to such costs, the Shire has priced this work at \$100/m<sup>2</sup> for a 2 metre wide brick paved dual use path, thus equates to \$4,292.00 (plus GST). The payment of contribution would be sought when footpath works in the area are proposed to be undertaken with such contribution being reviewed in line with CPI based on the Perth March Quarter Index yearly. The Shire of Denmark will endeavour to notify the landowner well in advance when the funds are required."*

CARRIED: 9/3

Res: 051212

**DEFERRAL MOTION**

MOVED: CR MARSHALL

SECONDED: CR ROWLAND

That the motion be deferred due to the closing of the office over the Christmas & New Year break to allow the Denmark Co-operative to further liaise with the Director of Planning & Sustainability in the New Year.

LOST: 4/8

Res: 061212

**PROCEDURAL MOTION**

MOVED: CR SYME

SECONDED: CR PEDRO

That the motion now be put.

CARRIED: 10/2

Res: 071212

**AMENDED MOTION**

That with respect to the planning application for Proposed Showroom (External Display/Storage Area) for No. 42 (Lot 2) South Coast Highway, Denmark, Council;

1. Resolve to grant Retrospective Planning Approval subject to the following conditions:
  - a) Development shall be carried out in accordance with the attached approved plan dated 26 November 2012;
  - b) The 'external display/storage area' use hereby permitted by this Planning Approval shall be discontinued when (or before) the Showroom (Hardware) use on No. 33 (Lot 6 & 226) South Coast Highway, Denmark ceases to operate from the site, with the land to be reinstated to the satisfaction of the Shire of Denmark (Planning Services).
  - c) Within sixty (60) days of this Planning Approval being issued, a Restrictive Covenant(s) pursuant to the *Transfer of Land Act 1893 (as amended)* is to be placed on the Certificate of Titles of No. 42 (Lot 2) South Coast Highway, Denmark and No. 33 (Lot 6 & 226) South Coast Highway, Denmark advising of the existence of a restriction on the use of No. 42 (Lot 2) South Coast Highway, Denmark. The restrictive covenant is to state as follows:  
*"The use of No. 42 (Lot 2) South Coast Highway, Denmark for external display/storage area has been approved by the Shire of Denmark on the basis that the hardware operations on No. 33 (Lot 6 & 226) South Coast Highway, Denmark are fully operational. In the event that the hardware operations on No. 33 (Lot 6 & 226) South Coast Highway, Denmark cease, the external display/storage area on No. 42 (Lot 2) South Coast Highway is to cease immediately also".*



- All costs associated with the preparation and lodgement of the Restrictive Covenant(s) shall be at the applicant/owner's expense (refer Advice Note 1).
- d) Within 120 days of this Planning Approval being issued, the vehicle crossover onto the adjoining Right-of-Way is to be constructed, drained and sealed (concrete, asphalt or brick pavers) to the satisfaction and specifications of the Shire of Denmark (Infrastructure Services).
  - e) The car parking area to provide for a minimum of twelve (12) car parking bays on-site, with the car parking and manoeuvring areas being constructed and maintained to a minimum all-weather standard (e.g gravel, crushed rock) to facilitate access and parking by 2 wheel drive vehicles.
  - f) 'Staff Parking Only' signs being erected on the internal side of the northern boundary line fence.
  - g) All car parking areas and access ways shall be maintained for their stated purpose at all times and shall not be used for display or general storage purposes.
  - h) Access to the external storage/display area is to be via the car park and not the adjoining Right-of-Way.
  - i) If the car park area is to be fenced, the car park needs to be available for staff and/or customer car parking when the businesses located on No. 33 (Lot 6 & 226) South Coast Highway, Denmark are open for trade.
  - j) The loading and unloading of goods to and from the premises shall be carried on entirely within the site at all times and shall be undertaken in a manner so as to cause minimum interference with other vehicular traffic.
  - k) No parking or display of vehicles and/or equipment shall occur within the road verge area at any time.
  - l) All stormwater and drainage run off from all impervious areas is to be retained on-site or connected to a legal point of discharge (as determined by Infrastructure Services) to the satisfaction of the Shire of Denmark (Infrastructure Services).
  - m) A dual use path being constructed along the South Coast Highway frontage of the subject lot to the specification and satisfaction of the Shire of Denmark (Infrastructure Services).
  - n) A landscaping plan for the areas highlighted in green shall be submitted and approved by the Shire of Denmark (Planning Services) within sixty (60) days of this Planning Approval being issued. The landscaping plan shall be submitted at a scale of 1:200 or 1:100 and shall detail the following:
    - i. Proposed trees and shrubs to be planted including species, number and size of plants – noting that screening plants should be provided on the South Coast Highway frontage. Trees and plants are to be shown in exact location using clear symbols;
    - ii. Reticulation methods;
    - iii. Maintenance arrangements;
  - o) Landscaping shall be carried out in accordance with the approved landscaping plan no later than 30 June 2013 and thereafter shall be maintained as landscaped areas at all times.
  - p) All signs proposed to be erected on-site require the separate approval of the Shire of Denmark (Planning Approval and/or Building Permit) prior to erection of such.

#### Advice Notes

- a) In relation to Condition 3, the applicant/owner may wish to give authority to the Shire's solicitors to prepare and lodge the necessary documentation, with all expenses associated with the preparation and lodgement being met by the applicant/owner.
- b) In relation to Condition m), the Shire of Denmark is prepared to accept the applicant/landowner paying the Shire of Denmark the cost of building the dual use path to facilitate construction of such dual use path by the Shire when

undertaking other dual use path construction works in the area. In relation to such costs, the Shire has priced this work at \$100/m<sup>2</sup> for a 2 metre wide brick paved dual use path, thus equates to \$4,292.00 (plus GST). The payment of contribution would be sought when footpath works in the area are proposed to be undertaken with such contribution being reviewed in line with CPI based on the Perth March Quarter Index yearly. The Shire of Denmark will endeavour to notify the landowner well in advance when the funds are required.

- c) The Shire of Denmark's Local Planning Strategy (2011) designates No. 42 (Lot 2) South Coast Highway, Denmark and No. 33 (Lot 6 & 226) South Coast Highway, Denmark as 'Town Centre – Inner Core', noting this designation was established to identify the areas of the town centre that should accommodate the higher order retail uses (shops, cafes etc.) that assist in providing the typical function of a town centre.

Having regard to the above and as per Clause 6.5.4 Service Park of Part 2 – Background & Analysis of the Shire of Denmark's Local Planning Strategy (2011), the Shire of Denmark will be seeking to encourage lower order and large service related uses (that is service and rural related businesses that require large areas for the delivery, handling, display and/or storage of products) to relocate in the future to the Mixed Business Area and/or Service Park.

- 2. In the event that the Denmark Co-operative Co. Ltd lodge an amended development plan that provides for an alternative layout that addresses on-site loading/unloading arrangements, Council authorise the Director of Planning & Sustainability to:
  - a) Waiver the planning application fee of \$55.00 (GST Exempt) that would be required as per Council's 2012/13 Fees & Charges Schedule; and
  - b) Determine the amended Planning Application accordingly in line with the general intent of Council's resolution on the original Planning Application 2012/82.

THE AMENDED MOTION THEN BECAME THE SUBSTANTIVE MOTION WHICH WAS PUT & CARRIED: 10/2 Res: 081212

**8. REPORTS OF OFFICERS**

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 8</b>
MOVED: CR LEWIS	SECONDED: CR SEENEY
That Item 8.2.1 be brought forward on the Agenda so that it is the first Report to be considered by Council.	
CARRIED: 12/0	Res: 091212

<b>COUNCIL RESOLUTION</b>	<b>ITEM 8.1.2</b>
MOVED: CR SYME	SECONDED: CR HINDS
That Standing Orders be suspended to allow discussion on Item 8.1.2.	
CARRIED: 12/0	Res: 101212

*Discussion then ensued with respect to Item 8.2.1 Indoor Heated Aquatic Facility Feasibility Study.*

*5.45pm – Cr Morrell left the room.*

*4.56pm – Cr Morrell returned to the room.*

*5.57pm – The Director of Planning & Sustainability left the room*

*6.02pm – The Director of Planning & Sustainability returned to the room.*

**6.02pm - Public Question Time**

The Shire President stated that the second public question time would begin & called for questions from members of the public. There were no questions.

6.46pm – Cr Marshall left the room and did not return.

<b>COUNCIL RESOLUTION</b>	ITEM 8.1.2
MOVED: CR MORRELL	SECONDED: CR SEENEY
That Standing Orders be resumed.	
CARRIED: 11/0	Res: 111212

**8.2.1 INDOOR HEATED AQUATIC FACILITY FEASIBILITY STUDY**

<b>File Ref:</b>	A3035
<b>Applicant / Proponent:</b>	Shire of Denmark
<b>Subject Land / Locality:</b>	Recreation Centre/ McLean Oval Complex
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	10 December 2012
<b>Author:</b>	Gregg Harwood, Director of Community & Regulatory Services
<b>Authorising Officer:</b>	Gregg Harwood, Director of Community & Regulatory Services
<b>Attachments:</b>	8.2.1 a) – Chief Executive Officers Aquatic Centre Decision Tools
	8.2.1 b) – List of Submissions
	8.2.1 c) – Director of Finance & Administration’s Report
	8.2.1 d) – Denmark Aquatic Centre Committee’s Alternative Models
	8.2.1 e) – Deductible Gift Information
	8.2.1 f) – Narrogin Leisure Centre Information
	8.2.1 g) – Toodyay Health & Wellbeing Centre
	8.2.1 h) – Mansfield Aquatic Facilities

**Summary:**

This report receives and discusses a Financial Assessment of the Coffey Consulting Aquatic Facility Feasibility Study that has been prepared by the Director of Finance & Administration and an alternative design and financing model titled “Alternative Models” which has been prepared by DACCI (Denmark Aquatic Centre Committee Inc.) which is based around the methodology of the Coffey Commercial Advisory report with a higher grant funding model and an alternate design that uses floor space more efficiently.

The report also makes reference to a document titled “Feasibility Study for a Sustainable Indoor Heated Aquatic Facility” which has been prepared by David Lanfear of Coffey Commercial Advisory in consultation with the Shire of Denmark Aquatic Centre Project Team and a second report titled “Denmark Aquatic Centre, Interim Report of the Project Team, 12 April 2011” (this report is a heavily marked up version of the first report with a comprehensive addendum).

Note: The Coffey Consulting Aquatic Facility Feasibility Study 2010, the Jill Powell & Associates Needs Assessment 2009, the Ian Mumford Consulting Needs Analysis 2006 and the Denmark Aquatic Centre Interim Report of the Project Team 2011 have not been included in the attachments due to their size and the fact they have previously been copied to Councillors.

Copies of these documents can be downloaded from Council’s website at [www.denmark.wa.gov.au/ourcouncil/council\\_minutes/currentcouncilagenda](http://www.denmark.wa.gov.au/ourcouncil/council_minutes/currentcouncilagenda). In addition Councillors can access a copy of these documents via the Councillors Dropbox and/or a printed copy can be provided upon request.

The officer recommendation is that, given the social, wellbeing and community health benefits of an aquatic facility, Council undertake community consultation of rate payers to confirm two factors. The first is that the community actually supports the construction

of an indoor heated aquatic facility and the second is whether it supports the creation of an Aquatic Facility Development Reserve fund based around the following factors:

- 1) A 6 lane, 25m lap lane pool with a separate warm water therapy pool that is run on a traditional municipal public pool model with a capital cost in the \$8.3 – 9.3 million range and an annual operating deficit in the \$300,000 - \$ 700,000 range with the most likely realistic outcome being, in the opinion of the Officer, a \$450,000 deficit (excluding cashed depreciation).
- 2) The creation of an Aquatic Facility Construction Development Reserve Fund that will be used to accumulate the funds necessary to build a 6 lane indoor heated aquatic facility based on the following parameters:
  - a) The total of any loans used to build the facility being limited to \$1,000,000 dollars and with remainder of the cost of constructing and opening the centre being funded through grants, community donations and reserve accumulation with the goal of achieving a scenario will require a 7 – 16% rate increase (\$92 – \$211 based on a theoretical “average rateable property” of \$1219.77 pa) during reserve accumulation, construction and ongoing operation of the facility.
  - b) The objective of the Aquatic Facility Construction Development reserve being to allow for the outcome of potential grant outcomes to build up sufficient funds for the facility over a period of 2 - 10 years while the design of that facility is being finalised and State, Federal Government forward planning commitments are followed by successful grant outcomes.

In considering the length and complexity of this report Councillors should note that to date Council has undertaken three feasibility studies, a needs assessment, a risk management profiling and an application of local government costs, an Alternate Model and set of costings together with considerable amounts of officer and community time including a research tour. The officer report seeks to pull the outcomes of these reports together and provide Councillors with sufficient information to make a well considered decision as to whether they are prepared to proceed to ratepayer consultation regarding the staging of the construction of a heated indoor aquatic facility.

**Background:**

The need for an indoor aquatic facility has been raised on a number of occasions and addressing this need and facilitating the construction of a 6 to 8 lane indoor heated aquatic facility has been the prime objective of the Denmark Aquatic Centre Association Inc. (DACA) for over 20 years. This group currently has a mailing list with over 450 members DACA's interests are represented by the Denmark Aquatic Centre Committee Inc. (DACCI).

The issue of an aquatic facility has been discussed by Council on numerous occasions (reports from 2006 - 2009 are attached) and prior to the 2010 Coffey Report two previous feasibility studies and a needs analysis have been undertaken.

On the 19 June 2007 Council made the following Resolution No. 193/07;

*“That while Council will not, at this point, offer any financial support for the building or operating costs of an indoor heated aquatic centre in Denmark, it recognises the many benefits that such a facility would offer to the Denmark community and therefore gives its strong in principle support to DACCI in its quest to raise funds for the project from a range of other sources. Further, Council –*

- 1) *will nominate appropriate Officers to assist DACCI to identify possible sources of funding / grants;*

- 2) *Undertakes that when DACCI can demonstrate to Council's satisfaction that sufficient funds have been raised to make the project viable, it will:*
  - i) *make available an appropriate site for the building of the facility; and*
  - ii) *assume full responsibility for the building and operation of the facility.*
- 3) *DACCI can advise potential donors of the Council's in principle support for the project and of the undertakings Council has given; and*
- 4) *will append a statement of its in principle support for an aquatic centre to any formal applications for grants."*

In response to this decision, Council further resolved (Resolution No. 490808) in October 2008 to form a Project Team consisting of Councillors, Shire staff and DACCI members to appoint and oversee a Project Officer/Consultant to complete a Needs Assessment into a Sustainable Indoor Heated Aquatic Facility. Jill Powell of Jill Powell & Associates performed this study and reported to the Project Team in May 2009.

Council on 26<sup>th</sup> May 2009, Resolution No. 110509 resolved;

*"That with respect to a sustainable indoor heated aquatic facility, Council:*

- 1) *Receive the report of the joint Council / DACCI Project team, dated 8 May 2009, titled "Needs Assessment for a Sustainable Indoor Heated Aquatic Facility in Denmark";*
- 2) *Receive the Jill Powell & Associates report titled, "Needs Assessment into a Sustainable Indoor heated Aquatic Facility";*
- 3) *Acknowledge that there is a need for an indoor heated aquatic facility in the Denmark locality; and*
- 4) *Make application for a Community Sporting and Recreation Facilities Fund (CSRFF) Grant to undertake a Feasibility Study for a proposed indoor heated aquatic facility in Denmark and a net cost of \$20,000 be included in Council's draft budget considerations for 2009/2010."*

In response to this resolution, Council staff successfully obtained a Department of Sport Recreation CSRFF grant of \$10,000 towards the cost of the study during the 2009/10 financial year and a Project Team was formed to oversee the Feasibility Study.

The team consisted of two Councillors, up to three members from DACCI, the Director of Community and Regulatory Services; Chris Thompson (Regional Manager of the Department of Sport and Recreation) and Damian Schwarzbach, Council's Manager of Recreation Services who has acted as the Project Manager. The Coffey Feasibility Study and the Project Team's Interim Report are the outcome of their deliberations with that consultant.

On the 23 August 2011 the both reports were referred to Council and the following decision (Resolution 190811) was made;

*"That with respect to the Interim Report of the Denmark Aquatic Centre Project Team, Council;*

1. *Receive the Coffey Commercial Advisory report titled "Feasibility Study for a Sustainable Indoor Heated Aquatic Facility in Denmark".*
2. *Receive the Interim Report of the Project Team.*
3. *Authorise the CEO to request the Director of Finance & Administration to;*
  - a) *Comment on and assess the financial models, scenarios, assumptions and projections of the Coffey Report and Project Team Interim Report with respect to the proposed Aquatic Centre and its implications on Council's future Budgets and Long Term Financial Planning, with this assessment to be provided back to the Project Team by no later than 30 November 2011 and;*
  - b) *Convene no later than 31 October 2011, a risk analysis seminar for the Project Team, Councillors and the Senior Staff of Council relating to the*

- Aquatic Centre decision making framework through the Local Government Insurance Service (Council's Insurer) noting this is at no cost to Council.*
4. *Request the Project Team to report to Council by no later than 28 February 2012 on;*
    - a) *Its assessment of the Financial Analysis prepared by the Council's Director of Finance & Administration and;*
    - b) *The risk analysis prepared pursuant to part 3 and;*
    - c) *Its ability or likely timing to make recommendation(s) to Council on how to proceed with the outstanding issues they note as requiring further study denoted as "G3-01" to "G3-06" and;*
    - d) *Comment on its progress towards recommending 'a decision to implement, amend, postpone, stage development or abandon the proposal' for the Aquatic Centre.*
  5. *That Council consider including in the 2011/12 Budget the sum of \$3,000 to fund an intrastate study tour of relevant aquatic facilities in Western Australia for interested and available members of the Project Team and the Director of Finance & Administration, and open to others Councillors, with this tour scheduled to be undertaken in approximately October 2011 to assist inform the attendees in their findings and financial analysis."*

The study tour, risk analysis seminar and the Director of Finance & Administration's report into the local government costs associated with building a 6 lane, 25m pool with a toddler's area and a hydro therapy pool have been completed.

The Director of Finance & Administration's report was assessed by the Project Team and while found to be valid in terms of Local Government costing in terms of the project when considered against the Shire of Denmark's rate base it represented a financially unsustainable scenario that in the opinion of the DACCI representatives on the Project Team would not be supported by the wider community.

In response to this the DACCI prepared the alternative design and costing model titled "Alternative Models v5dc". This report utilises a higher grant funding model and an alternate design that uses floor space more efficiently resulting in an assumed proportionate reduction in construction costs. The DACCI model also greatly reduces depreciation and relies on Council accumulating a \$2,000,000 reserve while the pool is being built through rate rises and community donations.

After considering the DACCI report titled "Alternative Models v5dc" in September 2012 the Project Team made the following recommendation to Council;

*At its meeting on 17 September the Denmark Aquatic Centre Project Team resolved as follows:*

- "1. *That in response to Council Resolution 190811, the Denmark Aquatic Centre Project Team advise Council that:*
  - (a) *It endorses the report titled "Shire of Denmark 2011 Financial Assessment - Aquatic Facility Feasibility Report" as a reasonable representation of typical local government aquatic facility operating and funding costs of the type of facility that has been identified in the 2010 Coffey Report.*
  - (b) *It endorses the Aquatic Facility Risk Assessment that was prepared by the Director of Finance & Administration with the assistance of the Denmark Aquatic Centre Project Team and Morrena Parrella of WALGA as fair and reasonable analysis of the cost and financial risks of providing for Denmark an aquatic facility of the type envisaged in the CCA Report 2010.*
  - (c) *It recommends that the following documents be considered by Council as part of the decision making process:*
    - *Needs Analysis 2009*

- Coffey Report 2010
- Interim Working Group Report 2011
- Aquatic Facility Risk Assessment 2011
- Shire of Denmark 2011 Financial Assessment - Aquatic Facility Feasibility Report
- DACCI's "Alternative Models"
- Decision Space document

- (d) (i) *In terms of sections 4 (c)&(d) of Resolution 190811, notwithstanding the above comments, it recommends that Council consider an alternate funding scenario prepared by DACCI which responds to the demonstrated community need for the facility by finding a model which fits its financial capacity and*
- (ii) *It requests that officers present to Council a model and decision space concept that considers a range of construction, finance, no finance and annual operating subsidy options.*

1. *That the Project Team further advise Council that the Team:*
- a) *Is aware that Council may choose to seek the community's views on whether it would be justified in increasing the rates in order to provide an Aquatic Centre for the community; and*
  - b) *Believes that any community consultation should be via a Referendum of ratepayers rather than a random survey,*
  - c) *Requests that any consultation be undertaken as a matter of urgency, ideally within 2 months;*
  - d) *Requests that DACCI be consulted on the design of any document to be used to obtain community input on this matter.*

and

2. *That subject to the outcome of any community consultation undertaken the Project Team recommends that Council:*

- (1) (a) *Commit to building and operating an Aquatic Centre, subject to: Receiving an appropriate total sum from State and Federal grants, donations and other sources, the sum to be arrived at by taking into account such factors as: the projected size of the Aquatic Facility Development Reserve; projected income from pool related higher rates; possible transfers of funds from discretionary Council services; and the possibility of earmarking RFR guaranteed funding to be applied to building costs at an appropriate stage;*

and

- (a) *Formalise the objectives of the recently established Aquatic Facility Development Reserve as being: to reduce future borrowing costs; to improve the probability of success in funding applications; and to enable corporate and private donations;*
- (b) *Accept DACCI's offer to add to its recent commitment of \$80,000 to the Reserve, with a final contribution of \$120,000 to be paid into the Reserve at a time to be agreed between DACCI and the CEO;*
- (c) *Consider in each of the next three annual budgets whether Council can pay a sum of at least \$300,000 into the Reserve from rates income, the object being to achieve a total Reserve of at least \$1.18m by the end of the 15/16 budget year (comprising DACCI's \$200,000 and a total from rates income of \$980,000 over four budget years);*
- (d) *Consider whether DACCI's strong preference for a flat charge per rate notice to support the Aquatic Centre could be achieved by some mechanism, such as differential rates and rebates;*

- (e) *Request the CEO to investigate, at the earliest opportunity, means of securing tax deductibility for corporate and private donations to the Aquatic Centre Development Reserve;*
- (f) *Commit to lodging applications with the assistance of DACCI, for all appropriate State and Federal Grants as soon as possible;*
- (g) *Replace the Denmark Aquatic Centre Project Team, which has now completed its task, with a Steering Committee for the next stage of the project."*

**Comment:**

Due to the complexity of this subject and the length of this report the Director of Finance & Administration's report, the DACCI Alternative Model and recommended next step in the process officer comments will be made under the following headings:

- Comments on the working group's recommendation that are not dealt with elsewhere in the report
- Expressed needs for an Indoor Heated Aquatic Facility
- Alternative Models that could possibly meet expressed needs at less cost (Done)
- Limitations, Constraints and Factors and Necessary Compromises of both the Coffey and DACCI Alternative Model designs and the feasibility study (Done)
- Constraints of Recreation Centre Area Site and Service Availability (Done)
- Department of Sport & Recreation and Leisure Institute of Western Australia Aquatics Inc. (LIWA Aquatics) comments on the DACCI Alternative Model
- Staff Comments on the DACCI Alternative Model costing/ funding model
- Staff Comments on the Coffey Report/ Paterson Plan
- Comments on the Director of Finance & Administration's Report
- How an Aquatic Facility differs from other community and recreational infrastructure
- Council's current financial profile in terms of building an Aquatic Facility
- Availability of Royalties for Regions Funding
- Opportunity Cost of not proceeding to construction immediately
- Opportunity Cost of proceeding to construction immediately
- The benefits of delaying a decision to build a pool until the capital cost of a pool can be met out of a reserve (Save & Stage)
- Opportunity Cost of delaying a decision to build a pool until the capital cost of a pool can be met out of a reserve
- Potentially Competing Projects or What Else could be done with \$4-8 million dollars or \$400,000 – 600,000 per year
- Where Council and the Community are at in terms of a decision to build a pool
- Community Consultation

**Comments on the working group's recommendation that are not dealt with elsewhere in the report**

Recommendation 2(a)

*"Believes that any community consultation should be via a Referendum of ratepayers rather than a random survey".*

The concept of that any community consultation/ decision to proceed with a substantial aquatic facility should be via a Referendum of ratepayers rather than a random survey is fully by the officer as they will be the ones paying for the facility.

Recommendation 2(d) & 3(h)

*"Requests that DACCI be consulted on the design of any document to be used to obtain community input on this matter;"*



*“Replace the Denmark Aquatic Centre Project Team, which has now completed its task, with a Steering Committee for the next stage of the project.”*

It is a given that Council staff will consult with DACCI representatives regarding the consultation process and CEO has already given this undertaking and attended a meeting with DACCI representatives where preliminary discussions were held regarding the consultation process.

It should however be noted that Council’s commitment to consult with DACCI representatives is a commitment to do just that consult. Councillors are elected and the CEO is appointed by Council to act in the interests of the Council and for this reason it is important that the final decision as to how community consultation regarding whether or not an indoor heated aquatic facility should be built, rest with Council.

To end it is recommended that during the consultation phase that the CEO liaise directly with DACCI representatives and that if after having consulted with rate payers Council decides to proceed to the next stage of the project, that an Aquatic Facility Community Consultation Steering Group consisting of 2 Councillors, 2 Council staff and 2 DACCI representatives be formed.

#### Recommendation 3(c)

*“Accept DACCI’s offer to add to its recent commitment of \$80,000 to the Reserve, with a final contribution of \$120,000 to be paid into the Reserve at a time to be agreed between DACCI and the CEO;”*

While \$120,000 is a significant amount of money it is inconsequential when compared to the capital cost of a 6 lane indoor heated pool and handing it over to Council will DACCI both financially and politically could also be seen as committing Council to project before its ratepayers have had their opportunity express their opinions on it.

For these reasons it is recommended that Council decline the offer of the final contribution of \$120,000 at this time and reconsider it if the project goes to construction.

#### Recommendation 3(e)

*“Consider whether DACCI’s strong preference for a flat charge per rate notice to support the Aquatic Centre could be achieved by some mechanism, such as differential rates and rebates;”*

The concept of a flat charge per rate notice has been researched and while Council has the ability to levy a defacto flat rate under section 6.37 of the Local Government Act 1995 by an creating area specified rate and setting a minimal gap between the minimum and maximum rate in the dollar it is not recommended for the following reasons:

- 1) It is misleading as it can be revoked by Council at any time in the future and reverted back to a Shire wide a property value based rate increase.
- 2) The rate must be for a specific area (less than the whole) of the Shire, such as 95%, which would leave Council with the difficult position of justifying a how it made a decision to draw a line in the sand in terms of who or who does not pay.
- 3) By excluding a part of the Shire the costs for the remainder are increased.
- 4) The correct usage of a specified area rate is for a specific service that applies to specific area such as a drainage or water scheme. The catchment area of a pool is difficult to define and there is high likelihood that a rating appeal which contested the catchment area’s validity would be successful as the methodology used established catchment for area would be difficult to defend and the Minister has the power to reverse specified area rating decisions that do not stack up.

- 5) A flat area rate could be slated by pool critics as an attempt by Council and or DACCI to buy off wealthy or outlying land owners and it makes the assumption that the owners of high rateable value land are not prepared to contribute according to their means. While philanthropy is not common amongst Australians there is an unwritten ground rule in country towns that well off people are typically keen to be seen to be paying more than their fair share for community infrastructure and may not welcome a rating structure where they could be seen by others as getting a free ride.
- 6) A flat area rate is in effect a poll tax by another name and runs contrary to Australia wide model of progressive taxation that has been one of the hallmarks of Australian society since Federation.
- 7) If Council is seeking significant amounts of grant funding on the basis that the proposed aquatic facility is of regional benefit it would then be somewhat duplicitous to make an argument that it only services part of the Shire. It is either one or the other.

#### Recommendation 3(f)

*“Request the CEO to investigate, at the earliest opportunity, means of securing tax deductibility for corporate and private donations to the Aquatic Centre Development Reserve;”*

The Shire’s eligibility as a Deductible Gift Recipient has been investigated and Council does not qualify for the following reasons:

- 1) It is an entity that has been established under a statute
- 2) It has other streams of income
- 3) It is not capable of being wound up or transferring its assets to another Deductible Gift Recipient.

Based on attached Municipal Association of Victoria and Uniting Church of Australia reports and the Australian Tax Office website it is the officer’s opinion that this same ineligibility of Council projects would apply if an attempt was made to create or use an existing at arm’s length Deductible Gift recipient body.

<http://www.ato.gov.au/nonprofit/content.aspx?menuid=0&doc=/content/18699.htm&page=2&H2>

<http://www.ato.gov.au/nonprofit/content.aspx?menuid=0&doc=/content/31654.htm&page=2&H2>

[http://www.australiacouncil.gov.au/\\_data/assets/pdf\\_file/0004/78385/B\\_-\\_DGR\\_-\\_Artsupport\\_tax\\_guide.pdf](http://www.australiacouncil.gov.au/_data/assets/pdf_file/0004/78385/B_-_DGR_-_Artsupport_tax_guide.pdf)

[http://www.unitingresources.org.au/\\_data/assets/pdf\\_file/0015/31632/Deductible\\_Gift\\_Recipient\\_Info.pdf](http://www.unitingresources.org.au/_data/assets/pdf_file/0015/31632/Deductible_Gift_Recipient_Info.pdf)

#### **Expressed needs for an Indoor Heated Aquatic Facility (Powell Report)**

While Council has not as yet conducted its own survey as to the need and the level of actually support for the construction of an Indoor Heated Aquatic Facility the need for such a facility is clearly identified in the joint Council/DACCI funded Jill Powell & Associates report titled, “Needs Assessment into a Sustainable Indoor Heated Aquatic Facility” and this is best summarised by the following statement taken from page 41 of that report.

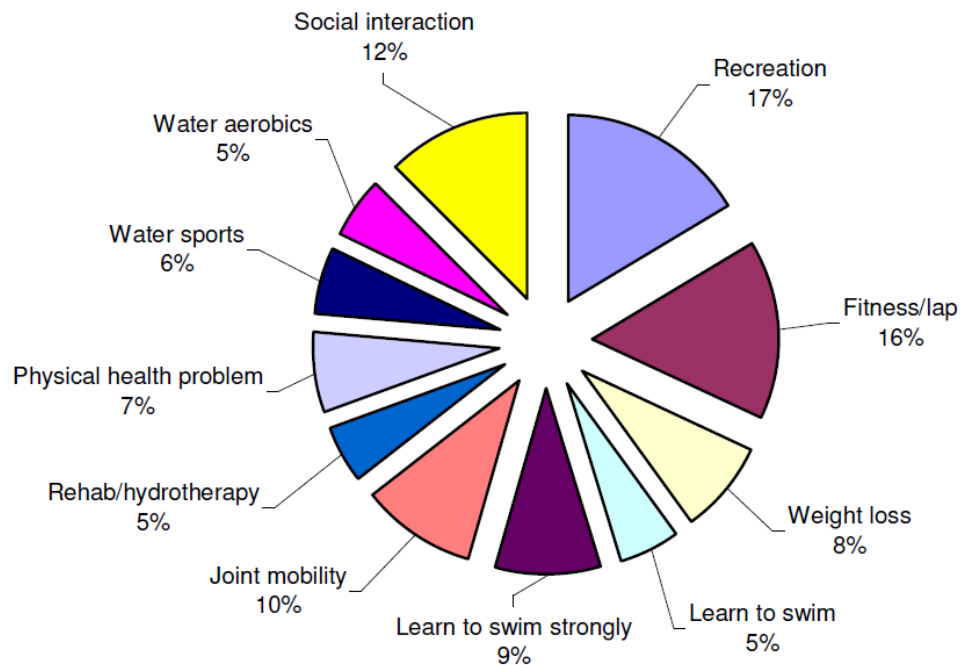
*“The need for an indoor pool clearly has the support of the majority of the survey respondents when it is considered that 35% of residents stated that they would use such a facility more than once per week whereas only 8% stated that they would never use an Aquatic Facility.”*

These statements are based on a survey was distributed to all residents via the Denmark Bulletin as part of the needs assessment exercise, a total of 2500 surveys were distributed and 563 were returned representing a 22.5% return rate. The Powell report’s analysis of the survey’s results interprets that the opinions in 563 surveys that were returned represents those of 1512 persons or 33.5% of Denmark’s populace based on the Shire’s population being (4509).

In this survey a total of 967 persons stated that they would swim at least once per week and their reasons for using the pool were fairly evenly split with the main uses being identified as recreation, fitness/lap swimming and social interaction.

A breakdown of this projected usage pattern can be seen in following diagram.

**Type of use**



In considering the Powell Report councillors should note that while it points out that Denmark is one of only two centres in the state in 5,000 person population range without some form of public pool it also provides the following strategic planning table in terms recommended pool space per head of population that could be used to strategically plan when Denmark should construct a pool.

Facility	Standard	Ratio
Pool <sup>7</sup> Indoor/outdoor	Provides a year-round program; located in community centre or school; usually one or two walls open up to outdoor patio; should accommodate 3% of population at one time; minimum capacity of 200 people per pool using 27 square feet per swimmer; should be built, wherever possible, in place of outdoor pools	1: 20,000
Aquatic Centres <sup>8</sup>	Site to be in close proximity/co-locate indoor recreation; other recreation facilities, schools, close to public transport. Site area required = 2 hectares	1:40,000

Note: 27 square feet is approximately 2.5m<sup>2</sup>. The first ratio is from the “Public Recreation Facility Standards” from Ontario, Canada and the second one is from the City of Swan.

This table indicates that an indoor or indoor/outdoor pool should be provided for the Denmark prior to its population rising to 20,000. The first line of this table also indicate that the 360m<sup>2</sup> of pool space that would be provided by either the DACCI or Paterson/Coffey plan would be sufficient for 12,000 people and a 120 - 160m<sup>2</sup> gym membership model based 3 water body consisting of a 2 lane lap pool, large domestic type recreational pool and hydro therapy pool would be sufficient for 4,000 – 5,400 people.

In considering these ratios Councillors should note that the City of Albany and the Shires of Manjimup and Augusta-Margaret River have facilities that broadly comply with these ratios and their 2011-2012 operating were \$900,000, \$425,000 and \$450,000 respectively.

By comparison the Town of Narrogin with a population of 5,000 and catchment of several smaller rural towns and settlements which closely models Denmark’s population ran at an operating loss of \$750,000 (estimated from total Recreation Centre figures) during the 2011-2012 financial year.

An alternative approach that Council could legitimately take in considering the ratios provided in the Powell report would be not to give in to community pressure to prematurely develop a pool and instead list it as a strategic planning/community development outcome that is scheduled to commence construction when the Shire’s population is approaching 10-12,000 people.

Such an approach would be in line with good financial, town planning, community development, local government and Department of Sport and Recreation practice. It would also allow sufficient time for design of the facility to be thoroughly considered and for quality concept plans to be prepared and for Council’s various plans and strategies to be amended to include reference to a pool at a 10-12,000 people population point. This lead time would also enable significant reserve funds to be accumulated and for Council staff to sell the project to government agencies and politicians and to obtain forward planning commitments from them.

In addition to the Powell Needs Assessment there are also a number of Council documents and public responses to recent DACCI submission campaigns that could be used as indicators of the size type of facility Indoor Heated Aquatic Facility that would meet the needs of the Denmark community.

These documents are attached and are summarised as follows:

The Mumford & Associates report which was terminated at an advanced draft stage by Council because the projected \$254,000 deficit was at the time considered to be unsustainable by Council’s administration and the report’s methodology and projected usage rates being strongly criticised by DACCI.

The previously mentioned Jill Powell & Associates report was received by Council in May 2009. This report resulted in a Council decision to make application for a Community Sporting and Recreation Facilities Fund (CSRFF) Grant to undertake a Feasibility Study for a proposed indoor heated aquatic facility in Denmark pursuant to Council Resolution No. 110509.

This grant application was successful and the resulting Coffey Consulting report that was finalised in 2011 and its facility design survey which sought to clarify whether the community wanted a 3, 6 or 8 lane facility as this information was not fully researched in the Powell report. The result of this survey was an relatively even split between the 3 and 6 lane options and the working group directed the consultant to focus on the 6 lane as this would allow for school swimming carnivals and was closest to the 8 lane option that DACCI had been previously promoting with its email membership base.

There were also a number of unsolicited ‘pro’ pool comments on the completed the 2011 Shire of Denmark Community Needs and Customer Satisfaction Survey forms when that survey did not specifically ask about the need for a pool. These comments cited benefits such as learn to swim for children, schools, youth, adults, sportsmen, the unfit, the aged and water therapy for those with injuries or mobility problems and the disabled.

The 2008 Shire of Denmark Community Needs and Customer Satisfaction Survey did ask the following questions regarding a pool and the following responses were received.

<i>Strength of Agreement</i>	<i>1 Disagree</i>	<i>5 Agree</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
<i>Council should construct a swimming pool within Denmark</i>			20.45	7.39	19.32	16.76	36.08
<i>Council should raise rates to construct and maintain a swimming pool</i>			37.22	11.93	19.32	18.18	13.35

*Officer Comments and recommendation at the time:*

*“From the above questions, there is a strong level of support for the construction of a swimming pool, although it is noted that a high percentage of respondents also are strongly opposed to such a facility, presumably due to the high costs of construction and maintenance of such a facility.*

*This is also reflected in the question as to whether Council should raise rates to fund such a facility with the level of support dropping if rates were to be raised.*

*Council has appointed an Advisory Committee to undertake a needs analysis of a swimming pool facility, with this Committee soon to commence a survey to determine whether such a need exists. If it is determined that such a need exists a feasibility study will be undertaken to examine issues such as preferred design, construction costs and entry fees for this facility.*

*Officer Recommendation;*

*That the results of the Survey regarding the swimming pool questions be referred to the Shire of Denmark Swimming Pool Advisory Committee for information and that it be noted that while there is a high level of support for a pool, this level of support drops markedly when it is to be funded by ratepayers.”*

*(extract from 2008 Shire of Denmark Community Needs and Customer Satisfaction Survey report)*

There have also been some small scale general submissions from private individuals and groups such as schools, coaches and swimming teachers and current or intended swim club members both for and against the project and DACCI ran a sustained public submission campaign in mid 2012 using a variety of survey/submission forms some of which, in hindsight, used the Shire of Denmark logo without permission.

This campaign consumed considerable officer time and resulted in the submission of 483 forms, letters and emails with 480 being for and three against the project. These submissions have already been circulated to Councillors and are tabulated in the attached table.

A postcode survey was also conducted by the City of Albany in September 2012 at the request of Director of Community & Regulatory Services and this survey indicated that typically 80 Denmark children per week attend swimming classes in Albany.

In considering these responses it should be noted that the recent DACCI campaign has skewed communicated public opinion away from the results of the Powell report's survey which indicated that 53% of the respondents supported due to their intention to use it for social interaction 12%, recreation 17%, fitness 16% and weight loss 8% to a focus on children's learn to swim, seniors warm water mobility and hydrotherapy needs. The irony of this outcome is that it has produced a statistical representation of need that if Council choose to take an austerity approach could be largely met in the medium term by a gym membership based 3 water body, 1 or 2, two lane lap pool, large domestic type recreational pool, hydro therapy and wheel chair hoist model which, in the Officer's view, could be built for under \$1 million dollars.

#### **Alternative Models that could possibly meet expressed needs at less cost**

There are a number of alternative models that could possibly meet the needs expressed in both the Powell report and the 2012 DACCI facilitate submissions.

- 1) As has been previously stated a gym membership based 3 water body, 1 or 2, two lane lap pools, large domestic type recreational pool, hydro therapy pool and wheel chair hoist model.

Such a scenario would reduce the need for paid lifeguards and the presence of three separate bodies of water would eliminate the need to totally shut down the pool when contamination occurs and allow each pool's temperature to be manipulated on a day to day basis to suit the conflicting needs of children/seniors and fitness swimmers.

A gym membership/ program model would fit very well with the Recreation Centre's staff's current business strengths in terms of fitness programming and selling memberships and would enhance the income producing potential of the gym which is the one area of a recreational facility that has the potential to make a positive return.

Under such scenario while the majority of the Recreation Centre staff would be trained as lifeguards and technical operators and formal lifeguards (subject to Department of Health Approval) would only be required when the pool was opened for usage by the general public for activities such as children's pool party bookings, learn to swim classes, family social swim sessions on a Saturday afternoon, school holiday programs etc.

Estimates from suppliers of these types of pools indicate that all three pools together with their associated plant and reverse cycle heating equipment and gas boosting for the hydro therapy pool could be obtained and installed for \$250 – 300,000. It is anticipated that if such a pool proceeded it would be housed in a glass atrium extension to the gym with the existing gym wall being replaced by glass with a lockable door allowing the pool to be supervised from the gym and

locked when it is not open for use allowing the gym to still be used. The glassed in wall would also improve the ambience of the gym by bringing a feeling of space, the pool, light and the outside native vegetation into it. This would ambience would then make it far easier for Recreation Centre staff to sell fitness programs and gym memberships.

It is envisaged that pool area would have an access way constructed to existing change rooms and that the reduced scale of the project would eliminate the need for expensive service upgrades. As a result of these savings and small scale of the facility it is anticipated that the entire project could be completed for less than \$1,000,000.

- 2) By entering into an agreement/joint venture with a tourist or aged care accommodation provider that already has a desire to build a “halo” attractant pool to Department of Health public pool specifications to increase its size and open it to the general public.

While such as scenario would initially reduce Council’s costs and its ongoing financial exposure it would come at the risk, potentially, of episodes of compromised public access and poor customer service/quality standards over the life of the agreement. It also would have an element of insecurity as future owners may wish to repudiate the agreement or limit the pool’s opening season or to close the pool all together if it longer suits them.

These tenure and service level concerns joint venture should only be considered as a ten year solution while Denmark’s population grows.

- 3) Donating a hydro therapy pool to the Denmark Health Service on the basis that it be made available in perpetuity to the wider community for hydro therapy use.

While such a facility would meet the needs of hydro therapy patients and reduce both Council’s initial costs and ongoing financial exposure it would not provide for an across the board learn to swim opportunities and would not meet the needs of the fitness and flexibility users.

In considering such an approach there are two rhetorical questions that need to be asked. The first is that if there is sufficient need to warrant Council paying to install a hydro therapy pool at the Denmark hospital why wasn’t such a facility incorporated into the hospital when it was built in 2008 and alternatively if the need is there why can’t the Department of Health be lobbied to incorporate it into future upgrades.

- 4) The provision of a bus service to Albany. While the provision of bus service to Albany would increase access to the Albany pool and address a number of social equity and access to service issues for Denmark’s low income earners it has not been investigated as part of this report due to economic leakage concerns and the fact that Council has given staff clear direction to focus on the viability of constructing a pool in Denmark.

If Councillors are inclined to investigate this issue further the pages 27, 28, 29 & 34 of the Powell report do indicate that while a bus service to Albany scored poorly as first aquatic recreational resource choice it had the highest score as a second choice with a pool scoring 58% and a bus service 2%. It should also be noted that a private bus service to Albany has recently started and if Councillors wish to pursue this option the best approach may be to facilitate or subsidise this service so that it runs more frequently.

### **Limitations, Constraints and Factors and Necessary Compromises of both the Coffey and DACCI Alternative Model designs and the feasibility study**

Incorporating an indoor heated aquatic facility into the existing Recreation Centre is far more complex than it first seems if the resulting structure is to be efficient in terms of building costs and foot prints, maintenance, marketability, energy usage and ongoing staffing costs.

In addition to this the building and its location on the site have the following constraints:

The closeness of the Recreation Centre to the Brazier Street.

The fact that Recreation Centre's office is located on one corner of the centre and offers no scope for future expansion in that direction due to its closeness to the Joe Burton Club Rooms, McLean oval and its car park.

The fact that sufficient space needs to be left at the rear of the Recreation Centre for the future construction of another two basket / net ball courts.

The fact that the land below the Recreation Centre slopes steeply increasing building costs.

The fact that the site has drainage and stormwater problems and there are established houses down slope.

The fact that the Recreation Centre is in a noise sensitive area given that the down slope neighbours are quite close.

The fact that the gym and or the McLean Oval "visitors change rooms" are potentially in the way of either a pool or a pool necessitated relocated reception.

While these factors could be reasonably be expected to be successfully dealt with through an experienced architect's substantive concept planning process that considered how a Recreation Centre that incorporated a pool would look and be used in 30 years time this has not yet been undertaken. This means that all of the concepts that have been produced to date have in reality been attempts to graft the aquatic facility that pool supporters believe is needed onto the current Recreation Centre building.

This lack of long term strategic planning for the project meant that when the Coffey study was undertaken the only resources that could be applied to the Recreation Centre's future design was a small component of the feasibility study's costs that were allocated by Coffey Consulting to get an architect (Paterson) to prepare a set of sketches so that there was a conceptual layout of a pool for quantity surveyors and analysts to cost.

This lack of funding meant that the resultant sketches did not meet the project team's expectations and in hindsight the process would have been much smoother if the concept plans had already been agreed and in place before the study commenced. The project team and the consultant would have been able to focus on the feasibility and business model of an agreed pool rather than that of a possible pool which is what the both the Paterson Plan and the DACCI Alternate Model represent.

### **Constraints of Recreation Centre Area Site and Service Availability**

The while the advantages of co-location mean that the McLean Oval/ Recreation Centre precinct is an ideal location for a pool there a number of constraints involved with utilising the site and they are follows:

- 1) The power transformer that currently feeds the site is at capacity meaning that the construction of a substantial indoor heated aquatic facility will necessitate a transformer/power transmission line upgrade. Western Power have advised that



there should be sufficient power in the neighbourhood to power an indoor heated aquatic facility and that the cost of the transformer/line upgrade would be relatively low providing Council could guarantee that it would use the majority of the line capacity on a 24/7 basis. If however for example due to the varying outputs of solar panels Council was not likely to use the majority of the line capacity on a regular basis then the connection/ line upgrade costs would be far higher.

The reason for this is that Western Power's commercial head works charges are based around a base load take or pay model. If a user intends to continually draw power at high levels then Western Power will perform the upgrade at a low cost because the user will be paying for off their power capacity upgrade through the profit margin on their power usage. If however the line capacity is being sought for spasmodic peaks then Western Power will charge far higher head works charges as they are unlikely to be able to recover their infrastructure costs through profit margins on power usage.

The Coffey report allows \$15,000 for power supply upgrades which given Western Power's response should be sufficient for providing power to the facility.

- 2) If management efficiencies are to be achieved the aquatic facility will need to be built as an addition to the Recreation Centre which complicates and potentially compromises the design of the pool and its deck area. It also means that the construction of an aquatic facility will necessitate the redesign, demolition and reconstruction of various parts of the Recreation Centre adding to the cost of the project.
- 3) The site will need to be provided with a sewerage pumping station and connection to deep sewerage as it has poorly drained duplex soils and is not ideally suited to onsite effluent disposal and would have difficulty absorbing the additional volumes of effluent that an aquatic facility will create. The Coffey report only allows \$15,000 for sewerage headworks which is insufficient given that previous research by Council officers has estimated that the cost of connecting the McLean Oval complex to deep sewerage would be in the region of \$100,000 and pump station to get the Recreation Centre's effluent to that connection would be in the vicinity of \$40,000.
- 4) The need to efficiently supervise swimmers while at the same staffing a reception counter that serves a dry side facility presents special challenges that make designing a retrofitted indoor aquatic facility a difficult exercise. The effect of this constraint is greatly magnified by the fact that the current reception area is located on the front street side of the Recreation Centre whereas the obvious location for a pool is either at the rear or bottom side of the centre.

This means that any proposal to build a substantial public pool at the Recreation Centre may require the relocation of the Recreation Centre entrance so that Council can economically meet the upgraded Department of Health Aquatic Guideline requirements of having the two life guards on the pool deck even during very low usage periods by having one life guard periodically attending to a reception that overlooks both the pool and the dry side courts.

- 5) The location of gym and the McLean Oval away side change rooms and the future expansion direction of the dry side courts also present design challenges. If a pool is constructed at the rear of the centre it will prevent the addition of further basketball courts which is something that the Basket Ball Association periodically requests. Similarly if a substantial pool is to be constructed on the down slope side of the Centre the need to retain the away side change rooms will complicate the design of a joint entrance and the construction of the pool itself will most likely necessitate the relocation of the gym to either the narrow strip between the road and the Recreation Centre or to the rear down slope corner of

centre as these two positions are the only locations where a new gym could be located without compromising the dry side expansion of the Centre.

It is estimated that the relocation of the gym would add \$400,000 – 800,000 to the project.

- 6) Storm and backwash water disposal will be a problem during winter due to the site's poorly drained duplex soils. While extensive rain water tanks could be used to catch and store water that runs off the centre's roof this will only be effective in spring, summer and autumn meaning that a substantial storm water drainage system will be required. In addition to this there is a line houses directly below the Recreation Centre reserve that already experiences drainage problems and heightens the need for a well designed system.
- 7) The McLean Oval complex parking area is used intensively during football games and other events and Recreation Centre' entrance also faces onto this area. This periodic peak usage of the car park and forecourt area complicates the design of an aquatic facility as an addition to the centre.

### **Department of Sport & Recreation and Leisure Institute of Western Australia Aquatics Inc. (LIWA Aquatics) comments on the DACCI Alternative Model**

The reason why DACCI Alternative Model was referred to Department of Sport & Recreation and Leisure Institute of Western Australia Aquatics Inc. (LIWA Aquatics) are as follows.

LIWA Aquatics are the recreational/public pool operator's professional association and Council joined this organisation early in the feasibility study process but made a decision during its 2012/2013 budget deliberations to allow its membership to lapse.

The reason why Council joined this organisation is that they were prepared to provide Council with feedback on its proposed aquatic facility based on its knowledge of industry trends.

Information on LIWA Aquatics can be found at <http://www.liwaaquatics.net.au/index.php/about-us.html>

The Department of Sport & Recreation is the primary funder of aquatic facilities in Western Australia typically contributing one third of capital construction cost grants (capped to \$1,800,000) to both their initial capital and long-term refurbishment costs.

As result of this role this agency has considerable experience in assessing recreational facility funding proposals and determining whether they are likely to be able to achieve their stated long term goals. They also have strict funding application requirements and it was felt by officers that it would be pragmatic to confirm that the Department would accept a proposal based on the DACCI Alternative Model if Council made a decision to proceed with the construction of an Aquatic Facility on that basis.

The comments from the Department of Sport & Recreation and Leisure Institute of Western Australia Aquatics Inc. (LIWA Aquatics) together with comments from officers of the Shire of Denmark are as follows:

Department of Sport & Recreation (June 2012):

*“DSR has sighted the report and have some major concerns as to the assumptions it makes in the way of funding, usage and operational income and expenditure. This report would not be considered robust enough to aide a CSRFF application and it should have been one of the detailed options explored by the independent consultants report that were employed to investigate if it was viable.*

*The funding scenario is incorrect and makes the assumption that 83.33% CSRFF is possible. Should an applicant receive a development bonus the grant increases from 33.33% to a maximum of 50%. A development bonus would be extremely unlikely in this case. The 83.33% refers to the maximum allowable amount of state government funding. Should an applicant receive 33.33% CSRFF then they may attract another 50% of other state government agencies. Experience has shown that few projects attract anywhere near 83.33% of state funding as a significant local contribution is expected to meet a local need.*

*The design and cost estimate is not robust enough to assist a CSRFF application. The DACCI have time to rectify this and get a Quantity Surveyors estimate and a more detailed design. The department has some concerns over the costs given being accurate.*

*The department can work with the DACCI and provide greater detail of where the proposal is deficient. The department is concerned that an independent consultant's advice is being ignored and some assumptions that have been made from extracting information from the consultant's report and applying to an untested alternative design appear to be flawed."*

LIWA Aquatics (June 2012):

*"In the scheme of the project all comments except a reconsideration of the design is very minor (a redesign may not be considered minor). It was wonderful to see so much rigor and investigation put into this critical design phase. Too often local authorities are left with facilities that may meet the needs of the users but fail to address operating and maintenance issues that leave a severe financial legacy for the life of the facility. These have been well recognised throughout this planning stage of the project.*

*Getting the aquatic centre built can often be the easy part of the project, it is the realisation that the facility will cost rate payers in excess of \$350K+ per annum (operational deficit) for every year of operation that needs great consideration as this can polarise communities.*

*If you would like to have further discussions with current industry practitioners with some great experience in this area I would be happy to facilitate this if required. The LIWA Aquatics Board members are very keen to see new facilities built and all of a passion for ensuring they are built to good operational standard which includes effective management strategies."*

From these comments it can be deduced that prior to proceeding with a decision to construct a pool based on the DACCI Alternative Model further work such as an independent feasibility assessment would need to be done to ensure that there is sufficient design and costing detail for DSR to consider contributing towards funding its construction.

Notwithstanding these comments the DACCI Alternative Model is the product of considerable thought and effort and could still be used as minimalist model if a joint dry/wet side entry was incorporated into the design and the cost gym of relocating to either the bottom rear corner or to between the road and the Recreation Centre is added to its cost estimates. In considering these changes Councillors should note that they will come at the cost of increased floor areas and construction costs which compromises the basic design intention of the DACCI proposal.

From an operational perspective the DACCI Alternate Model has three main limitations:

- a) The first is that it quite purposefully trims out deck space, storage areas, staff facilities, physio therapy rooms and any other luxurious usage of space in an effort to reduce the facilities footprint and building costs.

While this approach reduces the construction and ongoing finance costs it also reduces the pools functionality as a social, and revenue producing programmable space. The reason why this space is important is that deck space is one of the things that helps savvy managers market to increase their pool's income through programming activities and selling fitness classes. While the revenue produced by a pool is usually less significant in terms of a pool's deficit equation than its capital, operational and maintenance cost it is still an important factor reducing the size of pools net operating cost.

- b) The retention of the current reception area will create a supervision problem that could only be resolved through the employment of an estimated two additional fulltime equivalent life guards if the pool is to be made available for a reasonable spread of hours. The reason for this is that notwithstanding the reception view corridors presented on page 8 of the "Alternative Model" it is unreasonable to expect a staff member to be able to supervise a water body that is 35-70m away from an oblique position through a glass wall that is 30-40m away while periodically attending to the public. When such a scenario is fed through a risk matrix extra staffing on the pool deck is the inevitable outcome.
- c) By retaining the existing reception configuration the "Alternative Model" necessitates wet pool patrons or pool patrons carrying wet items having to cross the dry side's timber floor surface to come and go from the facility and to buy drinks etc. This conflict between the dry and wet side represents unacceptable dry side slippage risk that will lead to accelerated damage to the timber floor and conflict between pool users and dry side players. The management of this conflict/risk factor will require increased staff inputs for the life of facility and may necessitate the construction of a future wet side entry near the pool if the conflict becomes unmanageable.

This slippage/ usage conflict issue and the need for two additional life guard FTEs combine to represent significant flaws in the Alternate Model and it is recommended that if Council chooses to proceed with a facility that is based on this concept that an alternate reception/entry be incorporated into it. An example of how this could be achieved is if an elevated joint dry/wet side entry was incorporated that would enable reception staff to supervise the dry and wet sides, allowing swimmers to bypass the dry side courts while simultaneously providing a viewing deck for both football games and the dry and wet sides. It is anticipated that such scenario would add an estimated \$500,000 - 800,000 to the Alternate Model.

Having said this however the Alternative Model (with some design modifications) should still be considered as one of a number of approaches that Council could take in making a decision to proceed with the construction of an aquatic facility providing:

- 1) The parameters that have been questioned by DSR are verified and;
- 2) The organisational risks of proceeding on the basis of an out of industry trend costing assumption, are carefully considered prior to making a final decision to proceed.

#### **Staff Comments on the DACCI Alternative Model's costing/ funding assumptions:**

DACCI Alternative Model was produced as a result of their concerns that Council would abandon the construction of a pool due to excessive costs if they were presented with the Director of Finance & Administration's costing and the Paterson plan in isolation.

The basic fundamentals of the proposal are that it uses the majority of the trends and assumptions of the Paterson design/Coffey report and seeks to reduce the interest component of the facility's ongoing costs by reducing the building's foot print by removing every feature or space that is not absolutely necessary to the function of the pool. By doing this it projects a \$3,483,743 saving in construction costs and a total

project cost of \$4,510,518 as opposed to \$8,237,000 for the 6 lane Paterson/Coffey option.

While the majority of the deletions are easy to follow and identify the cost items that are detailed on page 9 page of the proposal the first line titled “Provision of new building” makes the assumption that the Alternate Model’s building costs will reduce with the size of building in a linear manner and projects a saving of \$2,409,000 in building costs and a further \$647,027 in preliminaries, design fees and construction contingencies on this basis. While the exact the cost saving of a reduced footprint would need to be determined by a quantity surveyor given that building costs are never linear it is reasonable to assume that Council would be accumulating a cost blowout risk if it applies for grant funding on the basis of a such an assumption.

The Alternative Model also projects a further \$1,028,749 reduction (table 1, page 10) in project cost through saving of \$174,088 in exclusions again based on linear assumptions and it deletes \$329,480 and \$210,181 respectively in inflation and Building Cost Index contingencies based on the continuation of the current downturn and has an assumed saving of \$315,000 in reduced car park construction costs.

Model also projects similar magnitudes of 50.2% or \$217,048 savings on annual operating costs (table 5, page 18) which are broken down as follows:

Reducing building maintenance to 1% of capital or \$33,968, deleting the \$28,831 inflation boost, deleting a further \$25,000 in additional utility charges and assuming \$38,900 in annual energy savings based on the facility achieving best industry practice efficiency rates without the corresponding increases in capital and maintenance costs that are normally associated with new technology.

The Alternative Model also applies a 50 years depreciation schedule as opposed to the 30 year schedule that has been identified in Director of Finance & Administration’s assessment and treats depreciation in a non cash manner which means that it does not show as an annual operating cost.

The table also deletes \$25,000 in additional staff salaries and wages on the basis that the usage of swipe card entries and suggests that the usage of volunteers could be investigated.

<b>Item</b>	<b>Paterson Plan <i>Conservative</i></b>	<b>DACCI Plan A <i>Conservative</i></b>
Operating Income	202,614	202,614
- less café		(6,660)
Net Operating Income	202,614	195,954
Operating Expenditure	(555,933)	(555,933)
- reduced bldng maint @1% of cap cost		33,968
- amortised 5yr refurbishment to annual		72,010
- inflation boost	(28,831)	0
Net Operating Expenditure	(584,764)	(449,956)
<b>Net cash position</b>	<b>(382,150)</b>	<b>(254,002)</b>
Adjustments		
- additional utility charges	(25,000)	
- utility cost savings		38,900
- additional salaries and wages	(25,000)	
<b>Net cash adjusted position</b>	<b>(432,150)</b>	<b>(215,102)</b>

Table 1. Summary of comparative costs of the Paterson and DACCI designs.

The Alternate Model also nominates a funding scenario based on the recently completed Pinjarra pool (table 3 below) where the Shire of Murray received a 42.8% grant from the Department of Sport Recreation which included a development bonus that was 9.5%

more than their standard 33% contribution due areas pending growth as a fringe suburb of Perth and Mandurah.

The Shire of Murray also received 16.84% Federal Grant and a \$1,000,000 donation from Alcoa and \$94,000 in private donations. The Alternate Model also follows this scenario but substitutes a reserve fund that is accumulated during the design and the construction of the facility. This fund would be seeded by a \$200,000 contribution from DACCI and built up to \$943,145 over a 2.5 year period through an additional \$743,145 in community donations and Council rate payer funded contributions.

<i>Source</i>	<b>Pinjarra</b>		<b>Plan A(P)</b>	
	<i>%</i>	<i>\$</i>	<i>%</i>	<i>\$</i>
State govt. DB	<b>40.36</b>	2,920,000	<b>40.36</b>	1,948,743
Federal govt.	<b>16.86</b>	1,220,000	<b>16.86</b>	814,201
Shire Loan	27.65	2,000,000	<b>23.23</b>	1,121,722
Community	15.12	1,094,000	19.54	943,145
Cost	100	7,234,000	100	4,827,812
P&I cost pa				(82,997)

Table 3. Possible funding scenarios for DACCI Alternate Model. (based on achieving similar grant support as provided to the Shire of Murray's facility at Pinjarra)

These factors combine to give a proposal that has a projected build cost of \$4,510,518 which is 30 – 40% less than comparable facilities and a projected annual operating before interest cost of \$215,102 which is 39% less than \$350,000 that LIWA Aquatics have advised is a good outcome for country town and 52% less than the \$432,000 conservative case scenario that has been estimated by the Paterson Plan.

Given that the \$4,510,518 projected build cost of Alternate Model is 30 – 40% below industry trend there is an inherent risk in submitting grant applications based on such a low scenario because any grant funding will be based on that cost and any escalations (which have been excluded from the Alternate Model to make it attractive) would need to be met wholly out of Council funds.

**Staff Comments on the Coffey Report/Paterson Plan:**

The Department of Sport and Recreation in their letter dated the 14 June 2011 have advised that in their opinion the Coffey Report is of a high quality and covers the areas that would be expected in a feasibility study.

They have also advised that the report was optimistic in its assessment of the facilities income and recommended that Council should proceed prior to proceeding towards construction of a facility, verify the staffing costs (as they appear to be too light) and resolve the question of whether the community's preference is in fact for a six lane pool.

They also advised that if Council intends to proceed with the project that it should perform its own due diligence on the projected operating costs and staffing structure including "what if" financial stress testing on the projected outcomes of the study.

The Chief Executive Officer and the Director of Finance & Administration, who both have extensive experience in supervising the management of municipal swimming pools, have assessed the consultant's report and are also of the opinion that while it is a sound document the staffing costs do appear to be too light and that it does not have sufficient contingencies for inflation, the opening of the facility and energy cost increases.

As a result of these concerns these costs have been added to the Director of Finance & Administration local government cost estimates and a risk management workshop has been conducted and the various what if scenarios have been considered in his report.

The overall opinion of staff on the Coffey report is that while it takes an optimistic approach it has reasonably sound methodology and is a useful tool in determining the viability of the project and hence the reason it has been used as a basis for the Director of Finance & Administration's figures.

In terms of Paterson Plan which forms the basis of the Coffey report the primary issues that are associated with its design are as follows:

- 1) The plan includes a remodelling of the entire front façade of the Recreation Centre so that it will marry in with the proposed aquatic facility which could be regarded as unnecessary cost. Having said this however the recent work on the McLean Oval complex change rooms has shown the benefit of renovating facades to tie them in with new buildings.
- 2) The location of the new combined dry side/wet side entry/reception at ground necessitates the relocation of the away side and Recreation Centre change rooms to the rear of the building which makes their use by visiting teams impractical. This problem however could be addressed by raising the entry/reception and café area up onto a second storey. While this would increase costs it would allow the change rooms to be retained and for both the dry side/wet side to do supervised from an elevated location.

The resultant "flying café" apart from giving the centre a real wow factor would create an excellent social space and would be a popular choice for watching sporting events on McLean Oval.

- 3) The centre has a café which could be seen as an unnecessary construction cost but it does create help to create a sense of social space.
- 4) The design could be seen as wasteful as it is overly generous in terms of the amount of deck space that it allows around the pool. The other side of this argument however is that a wider deck space improves pool's perception of size and space and its ability to function as social space by being more than just an exercise and hydro therapy area. This social functionality of the water space is important given that the Powell Report indicated that 29% of potential pool users would do so for social and recreational reasons.

The other advantage of a wide deck is that it improves the pool's capacity for income producing programmed activities which is a pool's main revenue earner. One of the consistent of pieces feedback that was received from the operators of smaller pools during the study tour was that they wished that they had more deck space so that they could store equipment such as pool blankets and run programmed activities more easily.

### **Comments on the Director of Finance & Administration's Local Government Costing Report**

The Director of Finance & Administration's Local Government Costing Report applies Council's local government costing based on the Coffey report, Council normal business costs and practices. The costing also take into account the Directors experience in building and operating pools with other Councils and an additional labour component and factors such as depreciation and various grant and loan finance scenarios have been included.

The report has been written as standalone document and is attached and will not be summarised here in the interests of brevity but the stand out items in it are as follows:

Additional labour component	\$25,000
Additional utility extra charges	\$25,000
Cash Depreciation for all three options	
Finance Scenarios for three options	

Councillors should note that the concept of depreciation has been contested by DACCI on the basis that if it is considered as a cash component it makes a project artificially unaffordable because rate payers are being asked to pay twice for an aquatic facility. This is because they paying off a loan and paying for cash depreciation that is being accumulated in a cash account at the same time.

This difficulty however is largely mitigated if the loans involved in the construction of a facility are limited and the majority of its construction costs funded through grants and reserve accumulation.

Given the decision making complexity of the matrix of reports and other documents that are associated with this proposal the CEO has prepared two tables titled "Denmark Aquatic Centre Financing Scenarios" and "Aquatic Centre Decision Tool" based around a maximum borrowing of \$1,000,000 and best case operational deficit of \$450,000 (without depreciation) that considers various construction cost scenarios. This table is attached and is discussed further in the Community Consultation section of this report.

### **How an Aquatic Facility differs from other community and recreational infrastructure**

Local government recreational infrastructure can be broken down into four main groups depending the level and nature of the debt commitment and the likelihood of significant and potentially rising ongoing cost.

#### a. Facilities with high usage/income rates that actually break even or run at profit

While these facilities are usually already run or are eventually taken over by private enterprise examples of them are Council's provided gyms or function centres that private entrepreneurs for whatever reason do not have the financial capacity, risk appetite or expertise to build and yet have potentially profitable returns per square metre of floor space.

Councillors should note that while it is theoretically possible that a public swimming could be run under this model if there was a high enough participation rate. The feedback that was received from pool managers on the research tour is that a well-run and well promoted pool with a gym and sufficient deck and pool space for programmable for fitness classes requires a catchment of at least 50,000 to 60,000 in order to have a reasonable chance of breaking even with very good management.

If Councillors were to consider a low cost break even model in Denmark a small one or two 2 lane, 22m lap pool, with a large domestic recreational pool and a small hydrotherapy pool complex that has a strong emphasis on weight loss and sporting injury recovery that is run under a health club membership model would be the scenario that is most likely to achieve this outcome.

#### b. Facilities that require initial construction assistance but are not likely to require significant ongoing funding but may require periodic refurbishment.

Examples of this include the Football Club Rooms upgrade, the recent Country Club upgrade and the proposed Riverside Clubs redevelopment. The old hospital redevelopment, the foreshadowed Surf Life Saving Club Rooms upgrade and the



proposed Peaceful Bay Community Centre could also be considered in this category.

These developments usually receive a one third contribution from Council, a one third contribution from the Department of Sport and Recreation and the remainder of the projects cost come through private donations and a self-supporting loan via Council's borrowing capacity.

The attractiveness of these types of projects to Council is that even though its loan liability is rising they do not affect its annual operating costs as the clubs are the ones paying off the loans. In addition to this Council's risk in taking on these loans is fairly low as its loan portfolio is spread over several clubs and the facilities in question as a rule only require refurbishment once every 20-30 years. In addition to this if one club does actually fail there are usually other clubs on the lease or in the community that will take over the facility.

- c. Facilities that are dependent on Council's management and will require a commitment to ongoing maintenance and periodic refurbishment.

Examples of these include the Berridge and Koorabup Parks, paths and trails and most foreshore recreational nodes.

These facilities require varying degrees of ongoing inputs of Council resources to keep them in a manageable state. This means that every additional facility that is created in this category has a direct effect on Council's annual operating costs.

- d. Facilities that will require labour input or moderate ongoing funding and or building/facility maintenance to maintain them.

The Recreation & Youth Centres are examples of this type of facility.

The Recreation Centre runs at a \$268,865 annual operating deficit including depreciation after allocating \$30,000 of the Manager's time to club development and the Youth Centre runs at \$190,035 annual operating cost including depreciation after allocating \$10,000 of the Coordinator's time to community development. The library would also fit into this category and has an annual operating cost of \$168,769 including depreciation.

Both buildings require relatively little maintenance with the exception of the Recreation Centre's timber floor which has a limited life and requires regular recoating but it has an advantage in that it can be used with or without staffing and it costs Council very little when it is not being used.

Again if Councillors were to consider such a model a small one or two 2 lane, 22m lap pool, with a large domestic recreational pool and a small hydrotherapy pool that was run under a health club membership model would be most likely to achieve this outcome.

- e. Facilities that will require significant labour input or ongoing funding and or building/facility maintenance to maintain them for the life of the asset's life.

Typically most indoor heated and outdoor seasonal aquatic facilities fall into in this category due to their high cost operating and maintenance costs that make them a greater business risk than virtually any other item of community or recreational infrastructure.

Indoor aquatic facilities have particularly have high design, project management and build costs which usually also results high loan servicing costs. In addition to this Health Department of Western Australia supervision guidelines stipulate high staffing levels when pools are open to the public and the per hour maintenance

costs are high due to their elevated humidity, temperature and chlorine levels, the complex nature of their plant and control systems and the need to continually heat and circulate the water even when they are closed.

While as is the case with most recreational infrastructure an indoor heated aquatic facilities higher cost of typical translates into a wider and more significant community benefit it is not uncommon that Councils have built a pool and found the costs of staffing and maintaining it more are than what they are prepared to fund. The end result of this realisation is that these Councils are then tempted to under fund/maintain these facilities with sometimes catastrophic results.

Examples of this include the Cunderdin Pool which was closed as result of a structural collapse of a filter with a decision by that Council to bus swimmers to a nearby town. A similar case is the Augusta–Margaret River Pool that has lost the use of its children’s water play fountains through internal collapse of a filter which has blocked the fountains pipes with sand and its air handling/humidity control system which been out of commission for some time and is awaiting the allocation of Council funds for its repair.

**Council’s current financial profile in terms of building an Aquatic Facility**

In order to assess the impact of the construction, operation and maintenance of an aquatic facility, it is first necessary to examine the Council’s financial position. This has been done by the Director of Finance & Administration in the attached report titled “Shire of Denmark 2011 Financial Assessment – Aquatic Facility Feasibility Report” and the significant financial factors relevant to any decision to construct such a facility from a Council financial profile are perspective are summarised as follows;

Incomes and liabilities:

- 2011/12 total rates income ..... \$4,264,010
- 1% of total rates income ..... \$42,640
- Total loans outstanding 30/6/2012 ..... \$3,086,903
- Total loans outstanding 30/6/2012 (less self supporting loans) ..... \$2,089,112
- Total loan repayments (P&I) 2011/12 ..... \$358,275
- Total loan repayments (P&I) 2011/12 (less self supporting loans) ..... \$302,485

Reserve Fund Balances:

- Lime Quarry Rehabilitation ..... \$64,080
- Parry Inlet ..... \$96,749
- Cemetery ..... \$1,704
- Long Service Leave ..... \$362,280
- Land Buildings Reserve ..... \$1,101,395
- Plant Reserve ..... \$309,854
- Refuse Reserve ..... \$415,163
- Kwoorabup Community Park ..... \$81,294
- Pool Reserve ..... \$80,000

Total as at 30 November 2012 ..... \$2,482,933

Shire Reserve Funds

Of Council’s reserve funds, the Land and Buildings Reserve would be the only funds that readily available (current balance \$1,101,395 as at 30 November 2012) that could reasonably be redirected towards the construction of an aquatic facility.

This reserve however has already been tentatively allocated to the industrial land development (and Council’s other existing 120 buildings) and for that reason has been excluded from the financial projections contained within this report.

While Council does have other non-related reserve funds they have been set up for other purposes and the reallocation of funds from these reserves is not recommended as the reallocation of reserve funds away from their intended purpose is not a financially sustainable governance practice.

### Sale of Shire Assets

The Shire of Denmark has few economically realisable assets, the majority of the land that it controls is vested Crown Land and there are only a small number of freehold title lots that could be sold. These sites include the newly acquired saleyards site, the CEO's house, a residence on Chiltern Road, the land behind the Shire Administration Centre and the airport industrial land once it is developed.

### Potential Sources of Loans

Loans are available from the WA Treasury Corporation (WATC) over a twenty five year period (maximum term available from the WATC) at a fixed rate of 5.52% (prevailing rate as at 23 January 2012, based on quarterly repayments) but they are strictly regulated in terms of a local governments loans to income ratio and Council has largely exhausted its capacity through the \$997,791 in self supporting (club facility) loans which it holds that are being paid off by community groups.

There are two reasons why Council's debt/income ratio is an important factor in considering pool.

- 1) The higher debt/income ratio becomes the higher the percentage of its rate income that it must allocate to paying non productive interest.
- 2) Once Council exceeds the WATC debt/income ratio ceiling it can no longer access their low interest loans and unless the WATC approves otherwise (ie: critical projects) it would be forced onto the open market for all future loans and faced with paying interest rates that are typically 2-3% higher than those offered by the WATC.

Such a scenario would reduce the likelihood of other community future projects proceeding as the cost of funding their self supporting loans will be higher. Exceeding the WATC debt/income ratio would also have a negative impact on future plant purchases and budget rate increase outcomes. The reason for this is that once Council is forced to pay higher interest rates it will have to either increase it rates to cover the cost of financing each item's purchase costs or pay for future plant items via additional rate increase during the year that they are purchased.

The most recent advice from the CEO is that Council's current debt/income ratio would allow it to borrow a further \$2,000,000 before it exceeded its WATC debt/income ratio ceiling. Given that it is good governance and community development forward planning to leave at least, say, \$1,000,000 available in borrowing capacity for future projects it is strongly recommended that Council limit in any loan contributions for the pool to \$1,000,000 and that if the remainder of the project's costs cannot be meet through grant funding and community donations that Council adopt a save and stage strategy.

### Summary of Council's Financial Model

The above parameters indicate that Council has many years been successfully running on a low rate, high community service, high community contribution, low reserve accumulation model.

The reason why this has been both sustainable and successful is that Council has managed to avoid high levels of unsupported debt because recent projects such as the McLean Oval redevelopments, the Youth Centre and the Country Club have been

relatively modest in their cost to Council and with the exclusion of the Youth and Recreation Centre have virtually no ongoing operating costs.

The scale debt and operating costs involved in the upper range costs of building and operating a substantial indoor aquatic facility however are entirely different and do not fit with Council's current low rate approach as they have the potential to seriously increase Council's debt burden. This means that the only way Council can maintain its current high community service and community contribution model and build a pool is to either limit the loan budget for the project to \$1,000,000 and accumulate a substantial reserve prior to construction and or commit to significant rate increases which may be as high as 20%.

### **Availability of Royalties for Regions Funding**

The Shire of Denmark is part of a two Council Royalties for Regions group with the City of Albany. In 2012/13, Council will receive approximately \$550,000 in directly allocated Royalties for Regions Country Local Government Fund grants with the City of Albany being allocated \$850,000 and the group collectively receiving a further group allocation \$550,000 that can be allocated by the group to projects in either Council.

Under the Royalties for Regions model both Council's need to come to agreement with the relevant Development Commission as to where both their exclusive shares and the group \$550,000 will be spent but the intent of the funding is that it will be spent on projects that will be of regional benefit. This means that a sizable contribution to a local aquatic facility that competes with a region one in Albany or another regional project may not be supported by either the Development Commission or the City of Albany.

In considering these comments Councillors should note that while the City of Albany has indicated that they would not contest Department or Sport and Recreation CRFFS funding application they have not offered any undertakings in terms of competition for the Royalties for Regions funding.

Considering these factors, the most likely scenario, is that Council may be able with City of Albany support to contribute \$1,100,000 per year for 2 years and if the City of Albany agreed it is possible that Council could allocate \$1,455,000 per year being 100% of the regions available Royalties for Regions funds towards the project. Councillors should note that while this scenario is unlikely it has been factored in as an option in the Director of Finance & Administration's model.

In considering these comments Councillors should also note is that there is no government commitment to continue Royalties for Regions funding beyond the 2013/2014 financial year and that there is likely to be strong competition from State Government departments for what may possibly be final year of this funding source.

### **Opportunity Cost of not proceeding to construction immediately**

There are number of opportunity costs associated with not proceeding to construction immediately.

The first is that the building industry is currently in a recession and therefore building construction costs should be more competitive than during the eventual recovery and boom. Building costs and builder's margins are currently at their lowest point for several years meaning that the next 12 months represent the ideal point at which to commence construction in the building price cycle. If a decision to build is delayed and substantial payments are not being made into a reserve then there is a risk that when building up turn starts that building cost may be escalating 8-10% p.a. which is faster than the 7% reserve accumulation rate that was suggested in the Alternate Model's funding scenario.

The second is that given the significant social, public health, fitness, longevity of indoor heated aquatic facility will bring to the community any decision that to a delay in the

construction of that facility is to the overall detriment of the community as it delays the onset of those benefits. This an important consideration because the whole reason for constructing an indoor heated pool is the health, fitness, recreational and wellbeing benefits that it will bring. If there is a sufficiently strong case to argue that a reserve fund should be created to build a future pool there is also a strong case that can be argued to build it today for the same reasons.

The third is that Council has expended considerable resources in getting to this point and if a decision is not made it will take considerable resources to get back to this place in the future.

The fourth opportunity cost is that DACCI's presence as an active community group is an asset to Council in promoting and creating a culture of high usage of a pool. If a decision is made to not to build a pool in the near future there is a risk that this group may disengage from the process dissolve meaning that Council's task of promoting a pool and achieving high usage rates will be far more difficult when a pool is eventually constructed.

### **Opportunity Cost of proceeding to construction immediately**

The potential opportunity costs of proceeding immediately are as follows:

There is a risk that Council may be committing itself to facility that does not fully meet the community's needs and may cost more to construct and run than what Council anticipates.

Such a scenario may could cause Council to reconsider and terminate the project prior to construction or alternately reduce its size, scope or fit out quality or alternately impose higher than expected rate increases, restrict the pool's opening hours, ongoing maintenance or delay future upgrades in order for it to continue. The other consequence of proceeding on the basis of over optimistic estimates is that future Council's in an effort to balance their budgets may have to consider abandoning other community projects or the funding that it commits to youth, arts, and tourism and community groups on an ongoing basis in order to cover larger than expected pool operating deficit.

A secondary and arguably more important opportunity cost is that by going for a space efficient design such as the Alternate Model and to a lesser extent the Coffey/Paterson plan that is primarily focused on providing a fitness and hydrotherapy space to "get a pool built" Council would be forgoing the opportunity to build an aquatic facility that operates as both a social and water space that includes play items and other spaces that will captivate the imaginations of both children and families.

***If the community's vision is for a pool that functions as social space as well as fitness space then the most pragmatic approach would be to delay the construction of pool until such time as sufficient reserve funds have been accumulated to allow the construction of facility that will function as social space while still meeting the needs of the fitness, learn to swim and the seniors community.***

The third and most important opportunity cost is that by promptly proceeding to the construction of a pool at the Recreation Centre Council is committing to building a \$5-8,000,000 project that will have a 30- 50 year life without having first considered how the Recreation Centre and in fact the McLean Oval complex will need to grow and change over that same period.

**The benefits of delaying a decision to build a pool until the capital cost of a pool can be met out of a reserve (Save & Stage)**

A decision to delay the building of a pool until the capital cost can meet out of a reserve has a number of advantages.

The first is that because the entire ratepayer base is saving to build the facility they will be more likely to take ownership of it and use it when it is built because they "paid for it".

It will reduce the annual contribution for a pool to a more acceptable level because once the pool has been built as ratepayers only will be paying to fund the annual operating deficit and to build up a reserve for future maintenance and upgrades rather than trying to pay off interest and capital as well. A secondary benefit of this approach is that it will enable Council to build a pool while still maintaining its current and anticipated future community commitments.

By saving for the capital cost of a pool the Denmark community will send a clear signal to the Department of Sport and Recreation and local politicians that it has thoroughly considered its decision to build the facility and is able to meet its future running costs and therefore should be a stronger candidate for maximum grant funding.

The fourth benefit of accumulating a reserve is that it will give the Denmark community the opportunity to use any additional grant funding to build a better designed facility that caters for the wider needs of the community including children, teenagers and social groups.

Most important however is that a save and stage approach will ensure that a substantial indoor heated aquatic facility is eventually built in Denmark.

The reason why this comment has been made is that if a decision had been made to launch a reserve back in 2006 based on an annual contribution of \$250,000 (\$71 per "average" property) which was the operational deficit identified in the then aborted Mumford report Council would have accumulated a figure in the region of \$2,876,004 by 2013 (based on a 5% compound interest rate) which with a favourable grant scenario and two years Royalties for Regions funding may have been sufficient to build a minimalistic pool with \$1-2 million in loans.

Bearing this in mind an example of reserve funding scenario that could be used to build a substantial indoor heated aquatic facility without the need for long term capital loans would be as follows:

Based on a rate base of 4,000 properties which Denmark is likely to achieve in 6 years' time (currently 3,750 properties) and the conservative assumptions of a construction cost of \$5,280,000 (based on an \$8,000,000 construction with 1/3 Department of Sport and Recreation grant) the share of the capital cost is \$1,320 per "average" rateable property. Similarly an operational deficit of \$450,000 per year represents an average annual cost of \$112 per property.

Assuming that an annual contribution of \$200 per "average" rateable property per year (or \$800,000) was placed into a reserve it would accumulate approximately \$5,600,000 over 6 years or \$5,662,555 over 5 years if 5% compound interest is applied which should be enough to build a pool and if necessary perform a major upgrade/extension to the Recreation Centre with virtually no loan costs.

Once the pool was constructed the \$200 indexed contribution would be initially maintained to ensure that there would be sufficient income to cover a \$450,000 (\$112) per year operating deficit, a \$160,000 (\$40) per year payment into a reserve for future maintenance and upgrading of the facility and a \$192,000 principal and interest payment

(\$48) which would quickly pay down any loans that were drawn to complete the facility. After any loans were paid down the annual contribution could then be reduced to meet the actual annual operational deficit and the annual maintenance/upgrade reserve accumulation targets or alternatively kept at \$212 indexed and channelled into a separate recreation, paths and parks upgrade reserves.

In considering these figures Councillors should note the following:

- 1) That the annual operating deficit does not include depreciation or borrowing costs.
- 2) That depreciation is no longer an important consideration as maintenance/upgrade reserve is being built up.
- 3) That very few "average" rateable properties exist in Denmark as a property's rates are determined by either its rental or unimproved value. This means that the proportion of the capital and ongoing operating cost that the owner(s) of that property has to bare increases proportionately with that property's value.
- 4) While it is likely that some properties will be 10% lower than the average rate others may be as high twenty times the "average" rate meaning their share of the capital cost would be \$26,400 and their annual contribution would be \$4,000.

**The Opportunity Cost of delaying a decision to build a pool until the capital cost of a pool can be met out of a reserve**

See previous section titled "Opportunity Cost of not proceeding to construction immediately".

**Potentially Competing Projects or What Else Could be Done with \$4-8 million dollars or \$300,000 – 750,000 per year**

Assuming that the capital cost of a pool will be with \$4-8 million dollars and cost \$300,000 – 750,000 per year to operate there are two strategic questions that need to be asked.

The first question is that a capital cost of \$4-8 million dollars what other projects would potentially be competing against a pool and the second question is that at a net operating deficit \$300,000 – 750,000 per year what else could be done with these finds that may be of more benefit to the community.

While the obvious projects that spring to mind are the Riverside Clubs complex, Surf Club extensions and the Peaceful Bay Community Centre these are not as critical competitors that they first seem. This is because while they have the potential to complete in the year that they are funded apart from their initial 1/3 capital contribution they do not represent an ongoing cost to Council as they are funded through self-supporting loans that are paid off by their respective clubs and should not require ongoing funding from Council.

At a \$4 - 8 million dollar build cost an aquatic facility's main competitors for funding are Council's road network, its drainage network, the installation of scheme water and sewerage services that would be part of normalisation of the Peaceful Bay Leasehold Area and the opportunities to create development precincts in the Campbell, Ocean Beach and Minsterly Rd areas and on the western approaches to Denmark.

4 million dollars would:

- 1) Fast track Council's road reseal program
- 2) Fast track Council's current road construction and bitumen sealing program.
- 3) Fast track Council's current gravel road resheating program.

- 4) Would represent a sizable contribution towards the provision of scheme water and sewerage services to 203 Peaceful Bay Leasehold Area lots at \$20,000 per block.
- 5) Would represent a sizable contribution towards the provision of scheme water and sewerage services to the Nornalup town site.
- 6) Totally pay for the upgrading, renovation and remodelling of the Old Hospital, the Civic Centre and their surrounding areas.
- 7) Could be used to construct and open a tertiary education facility that was an annexe of a Perth University. If this occurred it would have the potential to bring employment and economic growth in the long term.
- 8) Acquire and develop rural land within the Shire of Denmark for the establishment of a long term waste disposal landfill to the point where it is ready to receive waste including all environmental approvals, fencing, buildings and site works.

**\$8 million dollars would:**

- 1) Would be a sizable contribution towards the provision of reticulated sewerage to serve the Campbell and Minsterly Rd areas which would open up significant areas of land for redevelopment and growth opportunities in Denmark and improve the health of the inlet.

This development would also increase Council's rate base and stimulate the growth of Denmark generally. In addition to this if Council was to exercise a deft hand and acquire development lots or enter into joint venturing before the sewer was installed it could actually pay for an aquatic facility by developing or on selling development blocks once the sewer had been extended.

- 2) Bringing reticulated deep sewerage across the Denmark River, acquiring parcels of developable beforehand with objective of creating a development precinct on the eastern approach to Denmark. This scenario would provide the majority of the benefits in the previous point while allowing Denmark sufficient space to develop as an economic unit without losing it CBD's country town feel.
- 3) \$8 million dollars should be sufficient to complete the normalisation and free holding of the Peaceful Bay Lease Hold area as well as making other investments in the areas such as Nornalup and Bow Bridge that will stimulate population growth in that part of the Shire.

**\$300,000 - 750,000** in annual operating costs would fund:

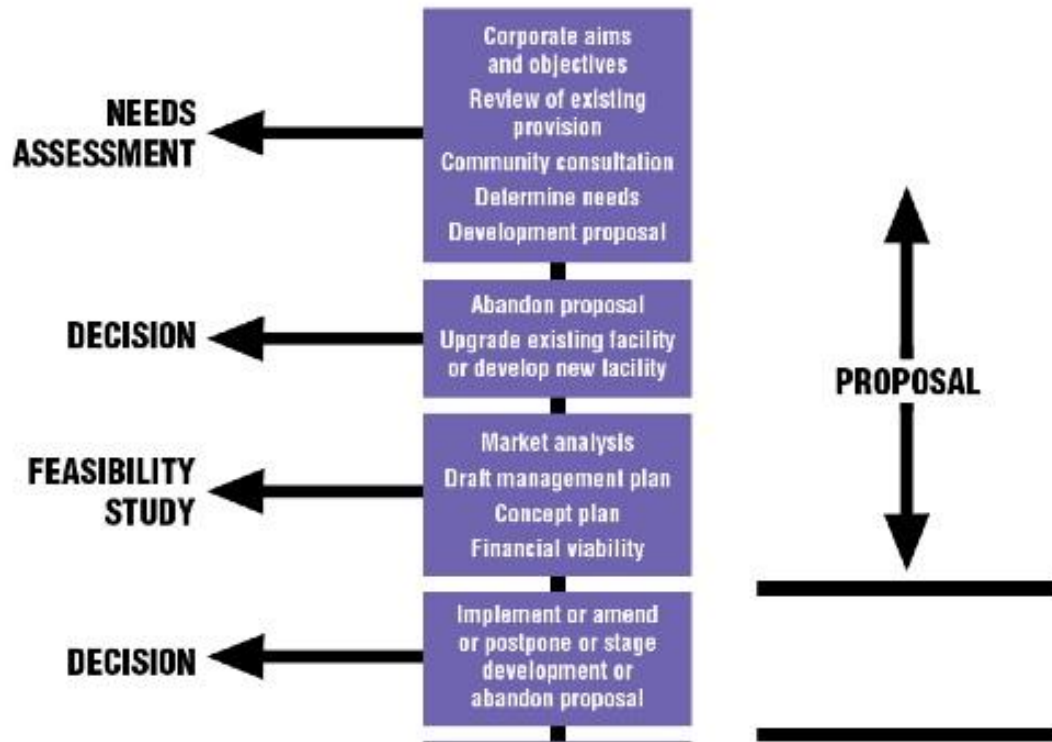
- 1) The employment of 1.5 FTE in community development/grant officers and the construction of \$900,000 in community projects per year based on a 1/3, 1/3, 1/3, grant funding model.
- 2) The construction of \$1,200,000 - \$2,400,000 per year in community projects per year based on a 1/3, 1/3, 1/3, grant funding model.
- 3) Significantly enhance Council's resealing, bituminising and gravel road sheeting campaign.
- 4) Enable a small scale, ongoing developable land acquisition and development program.
- 5) Enable a rolling program of repairs and upgrades to Council's stormwater drainage network.
- 6) Enable the acquisition and development of a local landfill site over a 3-5 year period.



- 7) Enable Council to pay off its loans early providing a 1-2% rate reduction dividend to rate payers.

**Where Council and the Community are at in terms of their decision to build a pool**

The process that Council's and communities commonly go through in deciding to build a pool are described in the below diagram.



Council is currently in the position where it has conducted a needs analysis and a feasibility study but has six factors that need to be addressed before it can make a decision to support the project, build up a reserve, apply for grants and commence construction.

- 1) What size facility? Gym model, 3, 6 or 8 lane

The first decision is that while the Powell Needs Analysis identifies a need for an indoor heated facility it does not stipulate what size. While it is assumed that this was an 8 lane pool that DACCI was discussing at the start of the feasibility study process this needs to be decided by Council as the survey which David Lanfear conducted as part of the feasibility study indicated that the community was split between either a 3 or 6 lane option. This outcome however was contested by DACCI representatives on the project team, who disputed the survey's process and contested that a 6 lane pool was in fact the community's preference. Notwithstanding the above discussion it cannot be assumed that a 6 lane pool is the community's preference and a Council and a decision needs to be made regarding the size, scale and nature of an aquatic facility in Denmark.

- 2) When? Now, in 6 years time while a reserve is being built up? Or when Denmark's population hits 10 - 12,000 people?

The second decision is that when a pool should be built now or in 6 years time when a reserve is being built up so minimal loans are needed or should it be delayed until Denmark hits a population of 10 - 12,000 people.

Building a pool now will require significant loans and resultant rate rises whereas delaying construction until a loan/reserve accumulation target is met will minimise rate impacts.

- 3) Whether the construction of the pool is a trigger for 20 year refurbishment and additions other additions to the Recreation Centre.

The third is whether an indoor heated aquatic facility will just be an extension to the Recreation Centre or whether it will trigger a full review of that facility's operation and possibly an extension of the dry side by adding two additional basketball courts and the relocation of its entrance to address conflicts with football matches.

- 4) The fourth decision is that a recreational planning decision needs to be made as to whether the design objective for an indoor heated aquatic facility is for it to function as a social and programmable space as well as a fitness space or whether it will just be focused on fitness, learn to swim and hydrotherapy alone.
- 5) Does Council need to consult with its rate payers before making a decision to proceed?

The fifth decision is that while Council has previously given conditional in principle support to the concept of an indoor aquatic facility in Denmark in Res: 193/07 and Res 110509 & 190811 it has only resolved to "receive" the Powell Needs Analysis, the Coffey Feasibility Study and Project Team's Interim Report on that study and it did not "adopt". This means that Council is yet to make a final decision regarding the need for an indoor heated aquatic facility, its size and staging. Given the scale of the project Council needs to consult with its ratepayers before it commits to building an indoor heated aquatic facility as one of its primary objectives.

While Council has received numerous comments as a result of DACCI campaigns it is yet to conduct its own independent consultation of ratepayers and should do so in accordance with policy P040123 COMMUNITY CONSULTATION POLICY.

- 6) What model does Council go to rate payer consultation on.

The sixth decision is that while Council has formed a project team to conduct the feasibility study this has been an inconclusive process given that the project team has heavily criticised the Coffey/Paterson report that it has overseen and has then gone on to produce its own design and alternate set of figures. This leaves Council in the position where ideally it should make a choice between two designs and two sets of figures before it can make decision about going to community consultation regarding a pool. While DACCI's recent engagement of Ed Bollig (an experienced pool architect) to review their design and cost the Alternate Model with the assistance of a quantity surveyor should largely resolve this quandary it still places Council in a difficult decision making position.

In summary Council needs to verify the ratepayer support and willingness pay factors in the first box of the above chart before it can make a decision that a pool is in fact feasible to build and operate which is the decision in the fourth box on the chart.

### **Community Consultation**

Going to rate payer consultation regarding support and willingness pay in the case of an indoor heated aquatic facility requires the determination of four factors:

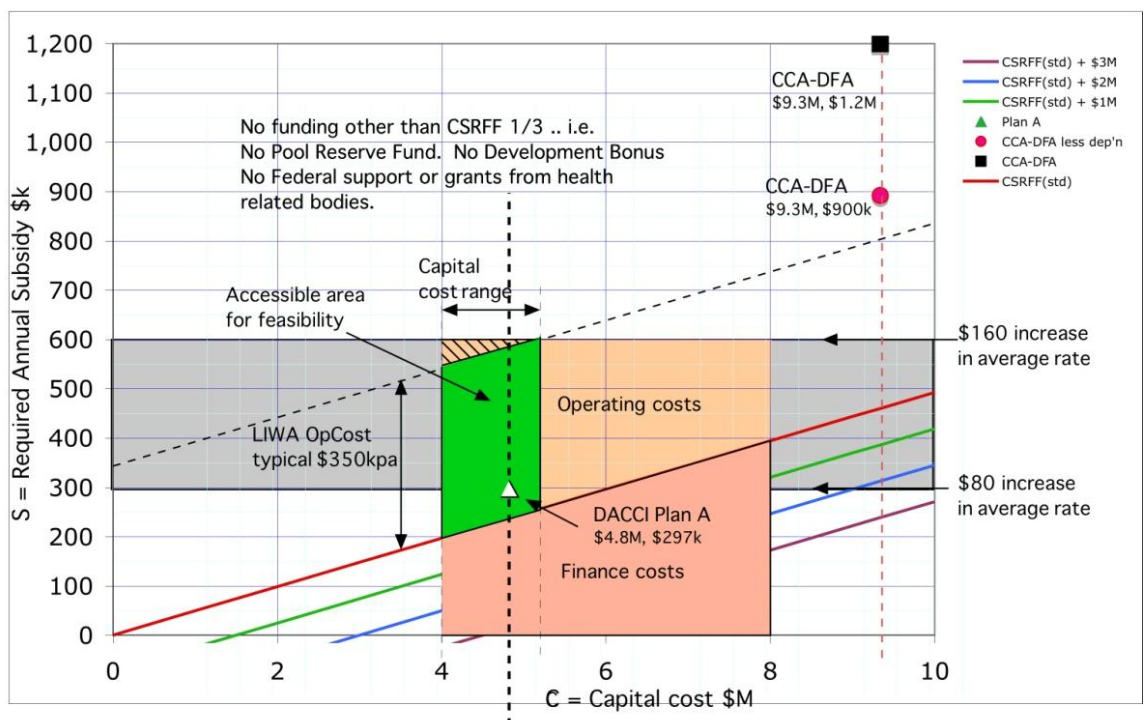
- 1) What size/type?
- 2) Estimated range of capital cost to build the facility.
- 3) Estimated annual running (net operational) costs within a range.

- 4) Whether a reserve fund used will be to reduce overall annual costs (net operational plus finance) and if so how much and for how long?
- 5) The estimated range of resultant rate increases

While the size and type of a facility can be easily defined when going to rate payer consultation accurately determining construction and ongoing operating costs is far more difficult.

This difficulty is best displayed in the following graph which is based on a model prepared by Dr Cyril Edwards of DACCI for the purpose diagrammatically comparing the impact of various capital and operating cost ranges.

In reading this diagram Councillors should that green shaded area titled “Accessible area for feasibility” represents DACCI’s opinion based on their Alternative Model’s construction and operating cost scenario”.



In terms of what size and type while some other alternatives have been discussed in this the answer is quite straight forward. DACCI and their supporters have since 2009 demonstrated an unwavering preference for a 6 lane, 25m lap lane pool with a separate warm water therapy pool that is focused on functioning as fitness, learn to swim and warm water therapy space and as a result of this the detailed costings in the Coffey Report are based are a 6 lane model. Given these factors it is recommended that Council go to ratepayer consultation on the basis of a 6 lane model in the first instance.

While the DACCI Alternate Model with its \$4.8 million construction and \$115 - \$301,000 annual operating cost may be theoretically achievable in a depressed building market there is reasonable risk that this will not be the case and therefore it should not be used for ratepayer consultation.

A far more realistic scenario would be to use an estimated build cost in the \$8 – 9 million range and a best case annual operating deficit of \$450,000 as this reflects trends in the industry. As a comparison the Shire of Murray’s Pinjarra Pool was recently completed with for \$7.2 million and runs at a \$480,000 net operational cost and the proposed Toodyay Pool/Recreation Centre has been costed at \$10.1 million dollars for its pool which is its first stage.

A table of what comparable pool operational costs is below.

**Net Operating Cost Comparison** (excluding depreciation and financing)

Scenario	Alternate Model	Coffey/DFIN	LIWA	Waroona	Murray	Manjimup	Narrogin
Current				\$444k	\$480k	\$425k	Est \$750K
Optimistic	\$115K	\$240k	>350k				
Conservative	\$301K	\$357k					

Based on the above table it appears that both scenarios in the Alternate Model will be unachievable when compared to LIWA’s best case for a well run pool and the actual operation deficits of the Waroona, Murray, Manjimup and Narrogin facilities. Given LIWA’s comments and the actual construction cost and operation deficits of the previously mentioned pools the CEO has recommended that Council go to rate payer consultation on the basis of a \$8.3 – 9.3 million cost, a \$1 million dollar debt limit, a best case annual operating deficit in the range of \$450k per annum and a 12%-16 rate rise “save & stage” reserve accumulation/grant outcome model which is described in the attached table titled “Denmark Aquatic Centre Financing Scenarios”.

The advantage of the CEO’s model is that it frees the ratepayer consultation process from the divisive debate over which design is appropriate design and what it can be built for. Under the save & stage approach the Council’s debt and rate rise would be locked in at \$1,000,000 and 12-16% until the centre was built and if construction and grant scenarios were favourable it would be built earlier and if not it may be delayed by eight or nine years but either way it eventually gets built.

The other advantage of the CEO’s table is that it is also a scenario calculator that allows Councillors to consider various rate increase models.

The fourth factor that needs to be determined is size of the per property preconstruction contribution to a pool reserve and the estimated period of time that it would be necessary before a pool could be built. It is estimated that this figure could range from 7% and 2 years in the Alternate Model assuming it can be built for its projected costs to as high as 16% for 5-6 years when a scenario based Coffey Report and the Director of Finance & Administration’s cost is used. Given this range it is suggested that range of 7 – 16% and 2-6 years of accumulation before construction be used for the consultation. Based on an “average” Denmark property being rated at \$1,320 per annum a 7% increase would be \$92.40 and 16% increase would be \$211.

Having established the size and type of the facility and the cost ranges the next step is to discuss how the consultation will take place and what questions will be asked.

The Shire of Toodyay’s and the Shire of Mansfield consultation papers and their survey question are attached for reference and a copy of the Mansfield Feasibility Study is available for Councillors who would like a copy. It is recommended that Council instruct the CEO to prepare a similar document that discusses the following parameters and includes a rate payer referendum as to their willingness to pay an ongoing rate increase of between 7-16% (most likely 12%) into a reserve to find the eventual construction of a substantial indoor heated aquatic facility.

Potential draft Referendum Statements and Questions proposed by the CEO prior to formal consultation with the DACC include (noting that there would an appropriate preamble):

STATEMENTS

- a) That the facility should be located adjacent the existing McLean Park Recreation Centre; that the loan funds (debt) that Council is prepared to borrow to fund the facility is limited to an indicative maximum of \$1,000,000;
- b) That the maximum debt service ratio percentage that Council is prepared to be required to service is 8%, to be calculated inclusive of the proposed loan for the facility, at the time that the Council needs to borrow that loan;
- c) That the maximum total construction cost of the facility, inclusive of all necessary servicing, car parks and structural alterations to the existing facilities and services at McLean Park at the time of the proposed construction, is limited to \$9,300,000 plus GST, if there is an approved 2013 Federal Government Grant of at least 50% of this total, or alternatively only \$8,300,000 plus GST (plus price adjusted from 2012 dependent upon when the facility is to be constructed), should the current Federal Government Grant application not be successful;
- d) That the primary purposes of the facility are for servicing the needs of recreational program activities, learn to swim and hydrotherapy and not necessarily competitive swimming;
- e) That Council’s contribution to the construction of the facility net of loan funds raised for the purpose, community contributions/donations and Government Grants raised or approved specifically for the purpose, (including the Country Local Government Fund) (ie the construction cost shortfall that would need to be funded from rates) is to be predominantly funded from an annual accumulation (into the existing Aquatic Centre Reserve Fund) of a proposed specific rate increase in addition to any normal identified annual rate increases, if approved by a referendum of ratepayers.

QUESTIONS

Question 1

Please advise whether you agree or disagree with the following statement.

“That the Shire of Denmark proceed to construct an indoor heated aquatic centre adjacent to the McLean Park Recreation Complex in Denmark based on the following **indicative** parameters;

- a total estimated construction cost of \$w;
- an estimated Loan of \$1,000,000;
- an estimated net capital contribution by Council (of Grants and Loan) of \$x;
- which would **generate** a predicted annual operating shortfall (of income) of \$y;
- which would **necessitate** a predicted permanent average rate increase of ‘z’ percent (above the normal increase).

Yes / No

Question 2

Notwithstanding your response to Q1, what would be the maximum rate increase percentage that you would be prepared to pay noting that this may necessitate Council needing to find alternative funds or ‘save’ for the facility over a period of up to 5 years prior to construction commencing?

Please select one of the following, noting this is the maximum rate increase (above the normal increase) you would be prepared to pay for the indicative facility.

range 1	range 2	range 3	range 4	range 5	range 6
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*(note: these numbers need to be no less than required to fund a Pool within 5 years but no more than ‘z’ above – yet to determined)*

**Consultation:**

The preparation of the Consultant's report has involved a public meeting, a survey and dialogue with key stake holders and community groups and the DACCI Alternate Model and it takes into account a long history of public consultation on that group's part. Councillors should also note that although DACCI's ongoing media campaign has been promoting and creating community awareness regarding their "Alternate Model" it has not yet been through a formal ratepayer consultation process.

In addition the Nornalup Residents & Ratepayers Association resolved as follows at their meeting held on the 30 September 2012 (carried unanimously).

*"That the Nornalup Residents & Ratepayers Association request the Shire of Denmark to cease all planning for an aquatic centre until rate increases have been consistently maintained at the CPI or less".*

**Statutory Obligations:**

Council's maximum loan liability to rates revenue ratio is set by WATC (Treasury) and specific permission is required from them to exceed that ratio.

**Policy Implications:**

Council has previously given conditional in principle support to the concept of an indoor aquatic facility in Denmark in Res: 193/07 and Resolutions No. 110509 & 190811 but Council has yet to make a final decision to support the construction of a facility and still needs to seriously consult with its ratepayers before it commits itself to building an indoor heated aquatic facility as one of its primary objectives.

Policy P040123 COMMUNITY CONSULTATION POLICY maps out the parameters of that consultation process.

The following section of Policy P040226 - ASSET MANAGEMENT POLICY also relates and reads as follows.

*"In making informed decisions in relation to assets, the Shire will consider the following key principles:*

- *Philosophy of renewing assets before acquiring new assets and where possible, rationalising assets that are no longer used or do not provide the necessary level of service required to sustainably deliver the intended service for which the asset was originally acquired.*
- *Prior to consideration of any major refurbishment or improvement to an asset, a critical review of the following shall occur as part of the evaluation process:*
  - *Need for facility (short and long term);*
  - *Legislative requirements;*
  - *Opportunities for rationalisation;*
  - *Future liability including ultimate retention/disposal;*
  - *Opportunities for multiple use;*
- ***All capital projects will be evaluated in accordance with a Capital Evaluation model and take into account capital cost, ongoing cost of maintenance, refurbishment, replacement and operating cost ("whole of life" cost assessment).***
- *Manage its assets utilising a team approach supported by the multi discipline cross-functional asset management working group.*
- *Developing and implementing a 10 year "rolling" financial plan that incorporates the asset renewal requirements as identified within various Service & Asset Management Plans.*

**Budget / Financial Implications:**

Aquatic facilities have significant construction capital, ongoing operating deficits, maintenance and midlife refurbishment costs associated with them. Any facility

constructed in Denmark will have a significant impact on Council's financial capacity for the life of the facility.

It is a Local Government industry reality that community aquatic facilities run at significant annual deficits. This is best evidenced by the fact that the Department of Sport and Recreation's interpretation of a "sustainable facility" is not one that breaks even or runs at a profit but rather one which runs within loss parameters that the community is prepared to pay for during the life of that facility. It is likely that the construction and operation of a substantial indoor heated aquatic centre in Denmark will entail a rate rise that is in the vicinity of 12-16%.

Further evidence of this reality can be seen from the experience of the Shires of Manjimup and Murray whose recently constructed facilities have failed to meet their preconstruction operating cost projections.

In considering the concept of what constitutes a "sustainable deficit", Councillors should note that the debate should include not just the cost of meeting the deficit but also a consideration of what projects or services will have to be delayed or abandoned as a result of Council's commitment to the project.

A further consideration is that as has been mentioned previously in this report WATC (Treasury) approval will be required to raise the loans in excess of \$2,000,000 and for this reason it is recommended that loan budget for the project be limited to \$1,000,000.

In considering this loan limit Councillors should note that Council's auditors have indicated to the Director of Finance & Administration that they would like the opportunity to brief Council if it intends to adopt a pool construction model that relies on using a significant amount of loan funds.

This approach of limiting Council's debt obligations to a low percentage of the overall project cost is consistent with principles expressed in the Earnest and Young report titled "Strong foundations for sustainable local infrastructure connecting communities, projects, finance and funds".

The Director of Finance & Administration in his 2011 Financial Assessment of the Aquatic Centre Feasibility Report notes with respect to depreciation as follows;

*"Depreciation estimates are important to the whole of life cost facility and need to be factored into the financial estimates of any facility. Although not a "cash" expense as such, the value of the depreciation should be placed into a Reserve Fund to fund replacement/ renovation of the facility as the building and associated equipment requires. Without this, there will be a significant funding shortfall when time comes to undertake these works.*

*Whilst this philosophy has not previously been applied to other Council assets, such as plant and equipment, this has been as a result of lack of finances to do so and is certainly not recommended best practice. Failure to do so has meant Council has had to borrow funds to finance such purchases, meaning a higher cost once debt financing is taken into consideration.*

*The Coffey Report provided for a 30 year life for the facility and as such a depreciation rate of 3.33% of the total construction cost has been applied to the annual cost to Council (see Part 9).*

*It is acknowledged by the Director of Finance and Administration that there are different philosophies on how depreciation can be funded and that putting aside funds less than the prescribed depreciation rate is a decision that has been made historically for political and financial reasons by the Shire of Denmark and other local authorities."*

**Strategic Implications:**

Depending on how it is funded the decision to build an Aquatic facility will have significant impact on Council's future ability fund other projects and if funded by loans may necessitate a reduction in or the abandonment of some of Council's current levels of what might be labelled "discretionary" areas of expenditure such as natural resource management, community development and arts funding.

Such a scenario will have a significant impact on Council's strategic plans and for this reason the option of saving for a pool via a reserve and the concept of a gym membership based 3 water body, 2 lane lap pool, large domestic type recreational pool and hydro therapy pool listed as an alternative for consideration.

**Sustainability Implications:****➤ Environmental:**

The consideration of an indoor heated aquatic facility in Denmark will have environmental implications. The industry norm is that heating represents around 10-15% of the cost of running a commercial swimming pool meaning that there are significant carbon footprint concerns associated with the construction of a heated indoor aquatic facility in Denmark unless this can be avoided by the generation of renewable energy either on or offsite.

The disposal of warm, chlorinated backwash water on a clay/loam site adjacent to a river is also a concern that would need to be addressed during the facility's final design stages.

The DACCI representatives on the Working Group have expressed a strong interest in further exploring technologies such as heat pumps that extract heat from the ground and the usage of solar energy and power to reduce the operating costs of the facility. While the exploration of these technologies is consistent with Council's corporate philosophies and should be undertaken it should also be noted that they will come at the cost of additional capital and ongoing maintenance and reduced reliability and as a result may not make an appreciable improvement to the operating deficit of the centre.

It should also be noted that if a hydrotherapy facility is to be maintained at higher temperatures the usage of fossil fuel energy sources such as gas or electricity will most certainly be required as the heat pumps that are commonly available are not able to efficiently achieve such temperatures during winter.

**➤ Economic:**

There are significant economic implications for the Denmark Community relating to the report and the officer recommendation as the construction of an aquatic facility has the potential to bring both positive and negative economic impacts to the Denmark.

On the negative side of the equation the anticipated \$90 - 211 cost per average property per year will mean that there will be less money available to the community for discretionary spending at local business but on the positive side of the equation it is likely that because swimmers and their families are not travelling to Albany to swim they will have more time and discretionary funds to spend in Denmark.

Based on these factors it is likely that the construction of an aquatic facility in Denmark will be of a net economic benefit as it will reduce economic leakage to Albany.

**➤ Social:**

There are significant health and wellbeing benefits for the Denmark Community associated with the construction of an aquatic facility and for this reason the officer report recommends that Council adopt a strategy that is consistent with its resources by accumulating sufficient capital in a reserve so that a future pool can be built without significant loan commitments.



**Voting Requirements:**

Simple majority.

## PROJECT TEAM RECOMMENDATION:

ITEM 8.2.1

1. *That in response to Council Resolution 190811, the Denmark Aquatic Centre Project Team advise Council that:*
  - (a) *It endorses the report titled "Shire of Denmark 2011 Financial Assessment - Aquatic Facility Feasibility Report" as a reasonable representation of typical local government aquatic facility operating and funding costs of the type of facility that has been identified in the 2010 Coffey Report.*
  - (b) *It endorses the Aquatic Facility Risk Assessment that was prepared by the Director of Finance & Administration with the assistance of the Denmark Aquatic Centre Project Team and Morrena Parrella of WALGA as fair and reasonable analysis of the cost and financial risks of providing for Denmark an aquatic facility of the type envisaged in the CCA Report 2010.*
  - (c) *It recommends that the following documents be considered by Council as part of the decision making process:*
    - *Needs Analysis 2009*
    - *Coffey Report 2010*
    - *Interim Working Group Report 2011*
    - *Aquatic Facility Risk Assessment 2011*
    - *Shire of Denmark 2011 Financial Assessment - Aquatic Facility Feasibility Report*
    - *DACCI's "Alternative Models"*
    - *Decision Space document*
  - (d) *(i) In terms of sections 4 (c)&(d) of Resolution 190811, notwithstanding the above comments, it recommends that Council consider an alternate funding scenario prepared by DACCI which responds to the demonstrated community need for the facility by finding a model which fits its financial capacity and*
    - (ii) *It requests that officers present to Council a model and decision space concept that considers a range of construction, finance, no finance and annual operating subsidy options.*
2. *That the Project Team further advise Council that the Team:*
  - a) *Is aware that Council may choose to seek the community's views on whether it would be justified in increasing the rates in order to provide an Aquatic Centre for the community; and*
  - b) *Believes that any community consultation should be via a Referendum of ratepayers rather than a random survey,*
  - c) *Requests that any consultation be undertaken as a matter of urgency, ideally within 2 months;*
  - d) *Requests that DACCI be consulted on the design of any document to be used to obtain community input on this matter.*

*and*
3. *That subject to the outcome of any community consultation undertaken the Project Team recommends that Council:*

- (1) (a) *Commit to building and operating an Aquatic Centre, subject to: Receiving an appropriate total sum from State and Federal grants, donations and other sources, the sum to be arrived at by taking into account such factors as: the projected size of the Aquatic Facility Development Reserve; projected income from pool related higher rates; possible transfers of funds from discretionary Council services; and the possibility of earmarking RFR guaranteed funding to be applied to building costs at an appropriate stage;*

and

- (b) *Formalise the objectives of the recently established Aquatic Facility Development Reserve as being: to reduce future borrowing costs; to improve the probability of success in funding applications; and to enable corporate and private donations;*
- (c) *Accept DACCI's offer to add to its recent commitment of \$80,000 to the Reserve, with a final contribution of \$120,000 to be paid into the Reserve at a time to be agreed between DACCI and the CEO;*
- (d) *Consider in each of the next three annual budgets whether Council can pay a sum of at least \$300,000 into the Reserve from rates income, the object being to achieve a total Reserve of at least \$1.18m by the end of the 15/16 budget year (comprising DACCI's \$200,000 and a total from rates income of \$980,000 over four budget years);*
- (e) *Consider whether DACCI's strong preference for a flat charge per rate notice to support the Aquatic Centre could be achieved by some mechanism, such as differential rates and rebates;*
- (f) *Request the CEO to investigate, at the earliest opportunity, means of securing tax deductibility for corporate and private donations to the Aquatic Centre Development Reserve;*
- (g) *Commit to lodging applications with the assistance of DACCI, for all appropriate State and Federal Grants as soon as possible;*
- (h) *Replace the Denmark Aquatic Centre Project Team, which has now completed its task, with a Steering Committee for the next stage of the project.*

#### OFFICER RECOMMENDATION

#### ITEM 8.2.1

- 1) That Council confirms that it acknowledges the need for an Aquatic Centre for Denmark and in order to facilitate both its eventual construction and to guide its future planning, resolves the following mutually inclusive principles;
- a) That the facility should be located adjacent the existing McLean Park Recreation Centre;
  - b) That the loan funds (debt) that Council is prepared to borrow to fund the facility is limited to an indicative maximum of \$1,000,000;
  - c) That the maximum debt service ratio percentage that Council is prepared to be required to service is 8%, to be calculated inclusive of the proposed loan for the facility, at the time that the Council needs to borrow that loan;
  - d) That the maximum total construction cost of the facility, inclusive of all necessary servicing, car parks and structural alterations to the existing facilities and services at McLean Park at the time of the proposed construction, is limited to \$9,300,000 plus GST, if there is an approved 2013 Federal Government Grant of at least 50% of this total, or alternatively only \$8,300,000 plus GST (plus price adjusted from 2012 dependent upon when the facility is to be constructed), should the current Federal Government Grant application not be successful;

- e) That the primary purposes of the facility are for servicing the needs of recreational program activities, learn to swim and hydrotherapy and not necessarily competitive swimming;
  - f) That Council's contribution to the construction of the facility net of loan funds raised for the purpose, community contributions/donations and Government Grants raised or approved specifically for the purpose, (including the Country Local Government Fund) (ie the construction cost shortfall that would need to be funded from rates) is to be predominantly funded from an annual accumulation (into the existing Aquatic Centre Reserve Fund) of a proposed specific rate increase in addition to any normal identified annual rate increases, if approved by a referendum of ratepayers.
  - g) That the deemed average life of the Aquatic Centre comprising its buildings, plant & equipment, for the purposes of determining depreciation is 30 years.
  - h) That Council require at least 50% of the deemed depreciable value of the facility to be cashed annually and to be placed in a suitable reserve for the purposes of ongoing maintenance and refurbishment (the Aquatic Facility Development Reserve).
- 2) That Council propose to conduct a referendum of ratepayers (only) in the first quarter of Calendar year 2013, seeking an indication of the ratepayers preparedness to accept a one-off permanent rates increase in the 2013/14 financial year in addition to any normal identified rates increase for 2013/14) to enable the construction of an indoor heated aquatic centre (over an indicative 3-6 year time frame) subject to that rates increase also being sufficient to meet the projected annual ongoing operating shortfall. The details of the proposed question(s) and community consultation plan, that would define how the referendum is to be conducted, is to be developed by the Chief Executive Officer who shall liaise with the Denmark Aquatic Centre Committee Inc. (DACCI) and present that detail to the Council Meeting of January or February 2013 for consideration.
  - 3) That Council thank the Denmark Centre Project Team, the Director of Community & Regulatory Services and the Director of Finance & Administration for their efforts in scoping and overseeing the Coffey Consulting Feasibility Study, DACCI's Alternate Model and Finances costings to Council.
  - 4) That the Denmark Centre Project Team be wound up and replaced with a Denmark Aquatic Centre Development Steering Committee consisting of two Councillors, two staff and two DACCI representatives if Council, after considering the outcome of its ratepayer consultation, chooses to proceed with the project.
  - 5) That Council thank DACCI for the large amount of work that it has put into the development of the Alternate Model and for the contribution that it has made to the aquatic facility discussion.
  - 6) That Council decline DACCI's \$200,000 Aquatic Facility Development Reserve offer in point 3(c) of the Project Team's 17 September 2012 recommendations until such as the it makes a decision to proceed with construction of an indoor heated aquatic facility.
  - 7) That Council advise DACCI that is does not support the concept of a regressive flat tax model for funding the construction of community infrastructure as it is contrary to Australian taxation norms and is not likely to be approved by the Minister for Local Government.

- 8) That Council advise DACCI that its research indicates that a Council owned aquatic facility would not be able to obtain Deductible Gift Recipient (DGR) status.
- 9) That Council endorses the report titled "Shire of Denmark 2011 Financial Assessment – Aquatic Facility Feasibility Report" as a reasonable representation of typical local government aquatic facility operating and funding costs of the type of facility that has been identified in the 2010 Coffey Report.
- 10) That Council endorses the Aquatic Facility Risk Assessment that was prepared by the Director of Finance & Administration with the assistance of the Denmark Aquatic Centre Project Team and Morrena Parrella of WALGA as fair and reasonable analysis of the cost and financial risks of providing for Denmark an aquatic facility of the type envisaged in the CCA Report 2010.
- 11) That Council notes that it has considered the following documents as part of the decision making process:
  - a) Mumford Report 2006
  - b) Powell Needs Analysis 2009
  - c) Coffey Report 2010
  - d) Interim Working Group Report 2011
  - e) Aquatic Facility Risk Assessment 2011
  - f) Shire of Denmark Financial Assessment – Aquatic Facility Feasibility Report
  - g) DACCI's "Alternative Models"
  - h) Decision Space document
  - i) Financial Scenarios & Aquatic Centre Decision Making Tools Spreadsheet.
- 12) Consider the amendment of the objectives stated in the 2012/13 Municipal Budget, of the recently established "Aquatic Facility Development Reserve", from the following purpose "The development of an Aquatic Facility" to "The development of an Aquatic Facility and once constructed its ongoing maintenance and refurbishment" in the 2013/14 Municipal Budget.

**COUNCIL RESOLUTION**

ITEM 8.2.1

MOVED: CR SAMPSON

SECONDED: CR GILLIES

- 1) That Council confirms that it acknowledges the need for an Aquatic Centre for Denmark and in order to facilitate both its eventual construction and to guide its future planning, resolves the following mutually inclusive principles;
  - a) That the facility should be located adjacent the existing McLean Park Recreation Centre;
  - b) That the loan funds (debt) that Council is prepared to borrow to fund the facility is limited to an indicative maximum of \$1,000,000;
  - c) That the maximum debt service ratio percentage that Council is prepared to be required to service is 8%, to be calculated inclusive of the proposed loan for the facility, at the time that the Council needs to borrow that loan;
  - d) That the maximum total construction cost of the facility, inclusive of all necessary servicing, car parks and structural alterations to the existing facilities and services at McLean Park at the time of the proposed construction, is limited to \$9,300,000 plus GST, if there is an approved 2013 Federal Government Grant of at least 50% of this total, or alternatively only \$8,300,000 plus GST (plus price adjusted from 2012 dependent upon when the facility is to be constructed), should the current Federal Government Grant application not be successful;

- e) That the primary purposes of the facility are for servicing the needs of recreational program activities, learn to swim, hydrotherapy and competitive swimming;
  - f) That Council's contribution to the construction of the facility net of loan funds raised for the purpose, community contributions/donations and Government Grants raised or approved specifically for the purpose, (including the Country Local Government Fund) (ie the construction cost shortfall that would need to be funded from rates) is to be predominantly funded from an annual accumulation (into the existing Aquatic Centre Reserve Fund) of a proposed specific rate increase in addition to any normal identified annual rate increases, if approved by a referendum of ratepayers.
  - g) That the deemed average life of the Aquatic Centre comprising its buildings, plant & equipment, for the purposes of determining depreciation is 30 years.
  - h) That Council require at least 50% of the deemed depreciable value of the facility to be cashed annually and to be placed in a suitable reserve for the purposes of ongoing maintenance and refurbishment (the Aquatic Facility Development Reserve).
  - i) That Council does not consider that any funds should be allocated to the construction of the facility from the existing Land & Buildings Reserve.
- 2) That Council propose to conduct a referendum of ratepayers (only) in the first quarter of Calendar year 2013, seeking an indication of the ratepayers preparedness to accept a one-off permanent rates increase in the 2013/14 financial year in addition to any normal identified rates increase for 2013/14) to enable the construction of an indoor heated aquatic centre (over an indicative 3-6 year time frame) subject to that rates increase also being sufficient to meet the projected annual ongoing operating shortfall. The details of the proposed question(s) and community consultation plan, that would define how the referendum is to be conducted, is to be developed by the Chief Executive Officer who shall liaise with the Denmark Aquatic Centre Committee Inc. (DACCI) and present that detail to the Council Meeting of February 2013 for consideration.
  - 3) That Council thank the Denmark Centre Project Team, the Director of Community & Regulatory Services and the Director of Finance & Administration for their efforts in scoping and overseeing the Coffey Consulting Feasibility Study, DACCI's Alternate Model and Finances costings to Council.
  - 4) That the Denmark Centre Project Team be wound up and replaced with a Denmark Aquatic Centre Development Steering Committee consisting of two Councillors, two staff and two DACCI representatives if Council, after considering the outcome of its ratepayer consultation, chooses to proceed with the project.
  - 5) That Council thank DACCI for the large amount of work that it has put into the development of the Alternate Model and for the contribution that it has made to the aquatic facility discussion.
  - 6) That Council accept DACCI's \$200,000 Aquatic Facility Development Reserve offer in point 3(c) of the Project Team's 17 September 2012 recommendations.
  - 7) That Council advise DACCI that it does not support the concept of a regressive flat tax model for funding the construction of community infrastructure as it is contrary to Australian taxation norms and is not likely to be approved by the Minister for Local Government.

- 8) That Council advise DACCI that its research indicates that a Council owned aquatic facility would not be able to obtain Deductible Gift Recipient (DGR) status.
- 9) That Council endorses the report titled “Shire of Denmark 2011 Financial Assessment – Aquatic Facility Feasibility Report” as a reasonable representation of typical local government aquatic facility operating and funding costs of the type of facility that has been identified in the 2010 Coffey Report.
- 10) That Council endorses the Aquatic Facility Risk Assessment that was prepared by the Director of Finance & Administration with the assistance of the Denmark Aquatic Centre Project Team and Morrena Parrella of WALGA as fair and reasonable analysis of the cost and financial risks of providing for Denmark an aquatic facility of the type envisaged in the CCA Report 2010.
- 11) That Council notes that it has considered the following documents as part of the decision making process:
  - a) Mumford Report 2006
  - b) Powell Needs Analysis 2009
  - c) Coffey Report 2010
  - d) Interim Working Group Report 2011
  - e) Aquatic Facility Risk Assessment 2011
  - f) Shire of Denmark Financial Assessment – Aquatic Facility Feasibility Report
  - g) DACCI’s “Alternative Models”
  - h) Decision Space document
  - i) Financial Scenarios & Aquatic Centre Decision Making Tools Spreadsheet.
- 12) Consider the amendment of the objectives stated in the 2012/13 Municipal Budget, of the recently established “Aquatic Facility Development Reserve”, from the following purpose “The development of an Aquatic Facility” to “The development of an Aquatic Facility and once constructed its ongoing maintenance and refurbishment” in the 2013/14 Municipal Budget.

**AMENDMENT**

MOVED: CR MORRELL

SECONDED: CR SEENEY

That part 6 be deleted.

CARRIED: 10/1

Res: 121212

**AMENDMENT**

MOVED: CR THORNTON

SECONDED: CR ROWLAND

That part 1 j) be added to read as follows;

*“Assuming the Country Local Government Fund (CLGF) still exists at the time of the decision to proceed to construction of the facility, that Council agrees to consider half of the entire allocation (50%) of two (2) successive years of its ‘as of right’ allocation (if any) together with its ‘share’ of the ‘competitive component’ of the grant, towards the construction of the facility over two financial years, noting that this would require the support of the City of Albany (and / or other regional partners at the time), together with the approval of the Great Southern Development Commission and Department of Regional Development and Lands. The indicative allocation of total funds over two years under consideration by this part is approximately \$1,100,000 (based on 2012 figures).”*

7.08pm – Cr Pedro left the room.

CARRIED: 8/2

Res: 131212

**AMENDMENT**

MOVED: CR SYME

SECONDED: CR LEWIS

7.16pm – Cr Pedro returned to the room.

That parts 1, 3 to 5, 7 to 12 of the motion be deleted and part 2 of the motion be amended as follows;

*That Council propose to conduct a referendum of ratepayers (only) in the first quarter of Calendar year 2013, seeking an indication of all ratepayers' preparedness to accept a one-off fixed rates increase in the 2013/14 financial year (in addition to any normal identified rates increase for 2013/14) to create a reserve fund to enable the construction of an indoor heated aquatic centre.*

*This rate increase is to remain constant in dollar terms over an indicative 3-6 year time frame during which an agreed capital reserve is being accumulated subject to the maximum increase being sufficient to meet the projected annual ongoing operating shortfall once the pool becomes operational.*

*The details of the proposed question(s) and community consultation plan, that would define how the referendum is to be conducted, is to be developed by the Chief Executive Officer who shall liaise with the Denmark Aquatic Centre Committee Inc. (DACCI) and present that detail to the Council Meeting of January or February 2013 for consideration.*

*That Items 1 and 12 of the Officer Recommendation 8.2.1 be presented alongside the DACCI commissioned new information expected from the Bollig Design Group (BDG) and from Energy Made Clean (EMC) in early February 2013. The balance of the Officer Recommendation (3 to 5, and 7 to 11) being matters of record are noted.*

LOST: 3/8

Res: 141212

**AMENDMENT**

MOVED: CR LEWIS

SECONDED: CR GILLIES

That part 1 e) be amended to read as follows;

*"That the primary purposes of the facility are for servicing the needs of recreational program activities, learn to swim, hydrotherapy and competitive swimming".*

CARRIED: 11/0

Res: 151212

**AMENDMENT**

MOVED: CR HINDS

That a part 13 be added to read:

*"That any preamble to any community referendum make reference to the Bollig & EMC studies of the DACCI research into the Aquatic Facility design and financing."*

7.37pm – Cr Gillies left the room.

7.38pm – Cr Rowland left the room

7.39pm – Cr Gillies returned to the room.

7.41pm – Cr Rowland returned to the room.

LAPSED FOR WANT OF A SECONDER

7.43pm – Cr Lewis left the room.

**PROCEDURAL MOTION**

MOVED: CR MORRELL

SECONDED: CR ROWLAND

That the motion be now put.

7.44pm – Cr Lewis returned to the meeting.

7.45pm – Cr Pedro left the meeting.

CARRIED: 7/2

Res: 161212

7.46pm – Cr Lewis returned to the meeting.

**AMENDED MOTION**

- 1) That Council confirms that it acknowledges the need for an Aquatic Centre for Denmark and in order to facilitate both its eventual construction and to guide its future planning, resolves the following mutually inclusive principles;
  - a) That the facility should be located adjacent the existing McLean Park Recreation Centre;
  - b) That the loan funds (debt) that Council is prepared to borrow to fund the facility is limited to an indicative maximum of \$1,000,000;
  - c) That the maximum debt service ratio percentage that Council is prepared to be required to service is 8%, to be calculated inclusive of the proposed loan for the facility, at the time that the Council needs to borrow that loan;
  - d) That the maximum total construction cost of the facility, inclusive of all necessary servicing, car parks and structural alterations to the existing facilities and services at McLean Park at the time of the proposed construction, is limited to \$9,300,000 plus GST, if there is an approved 2013 Federal Government Grant of at least 50% of this total, or alternatively only \$8,300,000 plus GST (plus price adjusted from 2012 dependent upon when the facility is to be constructed), should the current Federal Government Grant application not be successful;
  - e) That the primary purposes of the facility are for servicing the needs of recreational program activities, learn to swim, hydrotherapy and competitive swimming.
  - f) That Council's contribution to the construction of the facility net of loan funds raised for the purpose, community contributions/donations and Government Grants raised or approved specifically for the purpose, (including the Country Local Government Fund) (ie the construction cost shortfall that would need to be funded from rates) is to be predominantly funded from an annual accumulation (into the existing Aquatic Centre Reserve Fund) of a proposed specific rate increase in addition to any normal identified annual rate increases, if approved by a referendum of ratepayers.
  - g) That the deemed average life of the Aquatic Centre comprising its buildings, plant & equipment, for the purposes of determining depreciation is 30 years.
  - h) That Council require at least 50% of the deemed depreciable value of the facility to be cashed annually and to be placed in a suitable reserve for the purposes of ongoing maintenance and refurbishment (the Aquatic Facility Development Reserve).
  - i) That Council does not consider that any funds should be allocated to the construction of the facility from the existing Land & Buildings Reserve.
  - j) Assuming the Country Local Government Fund (CLGF) still exists at the time of the decision to proceed to construction of the facility, that Council agrees to consider half of the entire allocation (50%) of two (2) successive years of its 'as of right' allocation (if any) together with its 'share' of the 'competitive component' of the grant, towards the construction of the facility over two financial years, noting that this would require the support of the City of Albany (and / or other regional partners at the time), together with the approval of the Great Southern Development Commission and Department of Regional Development and Lands. The indicative allocation of total funds over two years under consideration by this part is approximately \$1,100,000 (based on 2012 figures).



- 2) That Council propose to conduct a referendum of ratepayers (only) in the first quarter of Calendar year 2013, seeking an indication of the ratepayers preparedness to accept a one-off permanent rates increase in the 2013/14 financial year in addition to any normal identified rates increase for 2013/14) to enable the construction of an indoor heated aquatic centre (over an indicative 3-6 year time frame) subject to that rates increase also being sufficient to meet the projected annual ongoing operating shortfall. The details of the proposed question(s) and community consultation plan, that would define how the referendum is to be conducted, is to be developed by the Chief Executive Officer who shall liaise with the Denmark Aquatic Centre Committee Inc. (DACCI) and present that detail to the Council Meeting of February 2013 for consideration.
- 3) That Council thank the Denmark Centre Project Team, the Director of Community & Regulatory Services and the Director of Finance & Administration for their efforts in scoping and overseeing the Coffey Consulting Feasibility Study, DACCI's Alternate Model and Finances costings to Council.
- 4) That the Denmark Centre Project Team be wound up and replaced with a Denmark Aquatic Centre Development Steering Committee consisting of two Councillors, two staff and two DACCI representatives if Council, after considering the outcome of its ratepayer consultation, chooses to proceed with the project.
- 5) That Council thank DACCI for the large amount of work that it has put into the development of the Alternate Model and for the contribution that it has made to the aquatic facility discussion.
- 6) That Council advise DACCI that it does not support the concept of a regressive flat tax model for funding the construction of community infrastructure as it is contrary to Australian taxation norms and is not likely to be approved by the Minister for Local Government.
- 7) That Council advise DACCI that its research indicates that a Council owned aquatic facility would not be able to obtain Deductible Gift Recipient (DGR) status.
- 8) That Council endorses the report titled "Shire of Denmark 2011 Financial Assessment – Aquatic Facility Feasibility Report" as a reasonable representation of typical local government aquatic facility operating and funding costs of the type of facility that has been identified in the 2010 Coffey Report.
- 9) That Council endorses the Aquatic Facility Risk Assessment that was prepared by the Director of Finance & Administration with the assistance of the Denmark Aquatic Centre Project Team and Morrena Parrella of WALGA as fair and reasonable analysis of the cost and financial risks of providing for Denmark an aquatic facility of the type envisaged in the CCA Report 2010.
- 10) That Council notes that it has considered the following documents as part of the decision making process:
  - a) Mumford Report 2006
  - b) Powell Needs Analysis 2009
  - c) Coffey Report 2010
  - d) Interim Working Group Report 2011
  - e) Aquatic Facility Risk Assessment 2011
  - f) Shire of Denmark Financial Assessment – Aquatic Facility Feasibility Report
  - g) DACCI's "Alternative Models"
  - h) Decision Space document
  - i) Financial Scenarios & Aquatic Centre Decision Making Tools Spreadsheet.

11) Consider the amendment of the objectives stated in the 2012/13 Municipal Budget, of the recently established "Aquatic Facility Development Reserve", from the following purpose "The development of an Aquatic Facility" to "The development of an Aquatic Facility and once constructed its ongoing maintenance and refurbishment" in the 2013/14 Municipal Budget.

THE AMENDED MOTION THEN BECAME THE SUBSTANTIVE MOTION WHICH WAS PUT & CARRIED: 9/2 Res: 171212

**COUNCIL RESOLUTION**

MOVED: CR HINDS

SECONDED: CR MORRELL

That the meeting adjourn for a short break, the time being 8.05pm.

CARRIED: 11/0

Res: 181212

*8.27pm – The meeting adjourned with all Councillors & Staff who were present prior to the adjournment with the exception of Cr Pedro & the Manager of Recreation Services.*

*Given that item 8.2.1 was completed, the meeting resumed at Item 8.1.1.*

## 8.1 Director of Planning & Sustainability

Prior to consideration of Item 8.1.1 the Chief Executive Officer, through the Presiding Person, brought to the attention of the meeting the following disclosure(s) of interest:

Cr Morrell is a landowner of Inlet frontage, Plantagenet Location 5434 and as a consequence there may be a perception that his impartiality on this matter may be affected. Cr Morrell declares that he will consider this matter on its merits and vote accordingly.

### 8.1.1 WILSON INLET FORESHORE POLICY

<b>File Ref:</b>	REM.10
<b>Applicant / Proponent:</b>	Shire of Denmark
<b>Subject Land / Locality:</b>	Wilson Inlet Foreshore Reserves
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	29 November 2012
<b>Author:</b>	Craig Baru, Sustainability Officer
<b>Authorising Officer:</b>	Annette Harbron, Director of Planning & Sustainability
<b>Attachments:</b>	No

#### Summary:

Many local authorities around Australia provide for signage to be installed where vegetation in the coastal and/or foreshore environments has been cleared by adjoining landowners, and it is considered appropriate that the Shire of Denmark introduce such measures as well, thus it is recommended that Policy P100506: Wilson Inlet Foreshore is amended to incorporate such measures.

#### Background:

At the Ordinary Meeting of Council held on 25 September 2012, when considering the annual review of Council's Policy Manual Council specifically resolved the following (Res No: 200912):

2. *Request the Chief Executive Officer to prepare an amendment (addition) to Policy P100506 (Wilson Inlet Foreshore) with respect to the installation of signs, by Council, in any areas where unauthorised clearing of vegetation has taken place adjacent to Wilson Inlet, for Council's consideration.*

As background to the resolution, the following reference was included within the Council report:

*With respect to the above Policy the CEO notes that Cr Syme, during a recent briefing session, raised the question whether Council should be developing a policy that provides an overt and substantial disincentive to landowners who clear remnant vegetation at the foreshore frontage of their property. The example given by Cr Syme was that a Council over in the eastern states erected a large billboard in place of vegetation that was illegally removed by a landowner. The effect of the billboard was twofold, firstly to reinstate the barrier of the view that was created by the removal of the vegetation and secondly to place appropriate words on the billboard advising that the sign was erected by the Council to penalize the landowner and to serve as a warning to others.*

#### Comment:

Following Council's resolution, Sustainability Services have undertaken a review of other local government policies and/or local laws pertaining to the placement of signage within areas that have been illegally cleared of vegetation to penalise property owners that have cleared the vegetation.

From this review it is evident that a number of local authorities (e.g. City of Busselton, Town of Mosman Park, City of Fremantle and Cairns Regional Council) have erected

signage where vegetation in a coastal/foreshore environment has been cleared by the adjoining landowner.

It is therefore considered appropriate that the Shire of Denmark introduce such measures as well, thus Sustainability Services have recommended that current Policy P100506 is amended as per the Officer Recommendation.

### **Consultation:**

#### External Consultation

- Environment Policy Branch of WALGA
- Other local government authorities (via website reviews)

#### Internal Consultation

- Planning & Sustainability Services
- Community & Regulatory Services

### **Statutory Obligations**

Nil

### **Policy Implications:**

The current Policy 100506: Wilson Inlet Foreshore Reserves reads as follows;

*“Council views any damage to any Council property or reserve vested in it, including unauthorised removal of vegetation, as an offence and will initiate action under the Shire of Denmark Local Laws and other relevant legislation and encourage other relevant authorities to take action with respect to their land or jurisdiction if Council becomes aware of it.”*

It is proposed to amend the Policy such that it reads as follows;

*“Council views any damage, including unauthorised removal of vegetation, to any Council property it owns or has management responsibility for, as an offence and will initiate action under the Shire of Denmark Local Laws and other relevant legislation and encourage other relevant authorities to take action with respect to their land or jurisdiction if Council becomes aware of it.*

*When and where appropriate, Council will on a case by case basis consider the erection of signage, on Shire managed lands along the Wilson Inlet foreshore that;*

1. *Notifies the users of the area that illegal clearing of vegetation has occurred and to serve as a warning to others; and*
2. *Seeks to reinstate the barrier of the view that was created by the removal of the vegetation until such time as the vegetation has substantially been re-established.”*

### **Budget / Financial Implications:**

There are no known financial implications upon the Council's current Budget or Plan for the Future relating to the report or the officer recommendation.

There will be costs associated with the purchase, installation and ongoing maintenance of signage erected as a result of the Policy if adopted. Hopefully this would be compensated by any fines or penalties that would be imposed.

### **Strategic Implications:**

There are no known significant strategic implications relating to the report or the officer recommendation.

### **Sustainability Implications:**

#### ➤ **Environmental:**

Adoption of the modified Policy effectively defines the mechanisms and responsibilities for implementation from an overall Shire perspective in relation to the protection of

environmental and heritage values associated with Wilson Inlet and its terrestrial surrounds.

➤ **Economic:**

There are no known significant economic considerations relating to the report or officer recommendation.

➤ **Social:**

The social considerations relating to this report are that individuals that undertake illegal clearing of vegetation within Wilson Inlet Reserves will be publicly recognised as will their properties via signage.

**Voting Requirements:**

Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	ITEM 8.1.2
MOVED: CR SYME	SECONDED: CR ROWLAND
That Council amend Policy P100506 – Wilson Inlet Foreshore Policy such that it reads as follows;	
<p><i>“Council views any damage, including unauthorised removal of vegetation, to any Council property it owns or has management responsibility for, as an offence and will initiate action under the Shire of Denmark Local Laws and other relevant legislation and encourage other relevant authorities to take action with respect to their land or jurisdiction if Council becomes aware of it.</i></p> <p><i>When and where appropriate, Council will on a case by case basis consider the erection of signage, on Shire managed lands along the Wilson Inlet Foreshore that;</i></p> <ol style="list-style-type: none"> <li><i>1. Notified the users of the area that illegal clearing of vegetation has occurred and to serve as a warning to others; and</i></li> <li><i>2. seek to reinstate the barrier of the view that was created by the removal of the vegetation until such time as the vegetation has substantially been re-established.”</i></li> </ol>	
CARRIED: 9/1	Res: 191212

*Cr Hinds requested that all Councillors’ votes on the above resolution be recorded.*

**FOR:** Cr Lewis, Cr Gillies, Cr Sampson, Cr Seeney, Cr Thornton, Cr Morrell, Cr Rowland, Cr Syme & Cr Osborne.

**AGAINST:** Cr Hinds

Prior to consideration of Item 8.1.2 the Chief Executive Officer, through the Presiding Person, brought to the attention of the meeting the following disclosure(s) of interest:

Cr Morrell is the co-owner of a Medical Centre in town and as a consequence there may be a perception that his impartiality on this matter may be affected. Cr Morrell declares that he will consider this matter on its merits and vote accordingly.

Cr Morrell declares a financial interest on the basis that he is the co-owner of a Medical Centre in town. 8.35pm - Cr Morrell left the room and did not participate in discussion or vote on the matter.

Cr Sampson is social friends with Dr Hector Faulkner and as a consequence there may be a perception that his impartiality on this matter may be affected. Cr Sampson declares that he will consider this matter on its merits and vote accordingly.

<b>8.1.2 PROPOSED CHANGE OF USE: SHOP/OFFICE TO MEDICAL CENTRE – NO. 3 (STRATA LOT 2/LOT 218) MT SHADFORTH ROAD, DENMARK</b>
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<b>File Ref:</b>	A5434 (2012/206)
<b>Applicant / Proponent:</b>	Karrip Pty Ltd ATF DMC Property Trust
<b>Subject Land / Locality:</b>	No. 3 (Strata Lot 2/Lot 218) Mt Shadforth Road, Denmark
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	5 December 2012
<b>Author:</b>	Annette Harbron, Director of Planning & Sustainability
<b>Authorising Officer:</b>	Annette Harbron, Director of Planning & Sustainability
<b>Attachments:</b>	8.1.2 – Planning Application Documentation

**Summary:**

Karrip Pty Ltd are seeking Planning Approval for a Change of Use from 'Shop/Office' to 'Medical Centre' at No. 3 (Strata Lot 2/Lot 218) Mt Shadforth Road, Denmark to provide for a radiology practice to operate from the unit. The applicants have requested Council's consideration of varying the car parking requirements associated with this proposal from four (4) car parking bays to three (3) car parking bays having regard to the nature of the operations of the radiologist and the relationship with the Medical Centre located within the same complex.

Having regard to the nature of the operations, from a Planning Services perspective it is considered appropriate to vary the car parking requirements for the proposal, thus it is recommended that Planning Approval be granted with conditions.

**Background:**

Current Application

An application for Planning Approval was lodged with Planning Services in November 2012 for a Change of Use from 'Shop/Office' to 'Medical Centre' at No. 3 (Strata Lot 2/Lot 218) Mt Shadforth Road, Denmark (being one of the downstairs units of 'Shaddie Plaza'). Accompanying the planning application is a letter from Denmark Medical Centre seeking Council's discretionary approval to vary the car parking requirements associated with this application - refer Attachment 8.1.2.

History of Planning Applications – No.3 (Lot 218) Mt Shadforth Road, Denmark

Planning Approval 120/2006 was granted on 18 July 2006 for a Commercial (Shop/Office) Development on the subject site. This development was subsequently built and was occupied by shops and offices until recently.

Planning Application 2011/211 for a Change of Use: 'Shop/Office' to 'Medical Centre' for No. 3 (Strata Lots 3-6/Lot 218) Mt Shadforth Road, Denmark was considered by Council at the Ordinary Meeting held on 17 January 2012 wherein Council resolved the following (Res: 080112):

*That with respect to the planning application for Proposed Change of Use: Shop/Office to Medical Centre for No. 3 (Strata Lots 3-6/Lot218) Mt Shadforth Road, Denmark, Council resolve to:*

1. Refuse Planning Approval for the following reasons:

- a) As per Clause 5.21 of Town Planning Scheme No. 3, thirty (30) car parking bays are required to be provided on-site, thus approval to this proposal will result in a shortfall of fifteen (15) car parking bays; and
  - b) Council is not prepared to accept cash-in-lieu as an arrangement to address the car parking shortfall in this instance having regard to the nature of medical centre operations and the limited potential to provide car parking in the public domain that will provide some benefit to the medical centre clientele.
2. Advise the applicants that Council is prepared to consider off-site parking arrangements to accommodate the car parking shortfall generated by this development proposal subject to the following:
- a) A new Application for Planning Approval for the Proposed Medical Centre will need to be lodged with Planning Services and depending on the site that has been sourced to accommodate the car parking shortfall, an Application for Planning Approval may also have to be lodged for that site as well if 'car park' is the only land use proposed on-site (noting that this proposal would then be deemed a "Use Not Listed" and would be subject to public advertising processes prior to formal consideration by Council in accordance with the requirements of Town Planning Scheme No. 3);
  - b) If the land sourced is owned by a different landowner(s), reciprocal rights of parking arrangements will need to be entered into with the adjoining landowner(s) and the following criteria and/or conditions are relevant:
    - i. The property where the car parking is proposed needs to at least satisfy their own car parking requirements;
    - ii. The car parking area on the adjoining property is to be suitably constructed (asphalt, concrete or brick pavers), drained, kerbed, marked (including disabled bays if required) and thereafter maintained;
    - iii. A Deed of Agreement being entered into between all relevant landowners and registered on the relevant Certificate of Titles as an encumbrance to ensure permanent access to the car parking area, with all preparation and execution costs being met by the applicant/landowner.
  - c) If land sourced is proposed to be purchased by the landowner(s), such land needs to be either amalgamated with Lot 218 or appropriate legal arrangements put into place to ensure permanent access to the car parking area regardless of the ownership arrangements over the relevant sites.
3. Advise the applicants that it is strongly recommended they undertake regular discussions with the Shire's Director of Planning and Sustainability prior to progressing any formal discussions with adjoining landowner(s) to ensure the appropriateness of the site and to identify upfront the relevant criteria that will apply to such site.

In line with Council's resolution, a Planning Refusal notice was issued.

Planning Application 2012/43 for a Change of Use: 'Shop/Office' to 'Medical Centre' for No. 3 (Strata Lots 3-6/Lot 218) Mt Shadforth Road, Denmark was considered by Council at the Ordinary Meeting held on 10 April 2012 wherein Council resolved the following (Res: 030412):

*That with respect to the planning application for Proposed Change of Use: Shop/Office to Medical Centre for No. 3 (Strata Lots 3-6/Lot 218) Mt Shadforth Road, Denmark, Council resolve to grant Planning Approval subject to the following:*

Conditions

1. Development shall be carried out in accordance with the stamped approved plans.
2. Prior to the commencement of the use, the fifteen (15) bay car parking area is to be suitably marked (including the disabled bay) as per the original approved car parking plan for the development.
3. All car parking areas and access ways shall be maintained for their stated purpose at all times and shall not be used for display or general storage purposes.
4. Prior to the issuance of a building licence associated with the proposed medical centre operations, a cash-in-lieu contribution for the shortfall of fifteen (15) car parking

bays on-site is to be paid to the Shire of Denmark, with such payment to be calculated as per Council's operative Schedule of Fees & Charges applicable at the time of payment (refer Advice Notes 1 and 2).

- All signs proposed to be erected on-site require the separate approval of the Shire of Denmark (Planning Approval and/or Building Licence) prior to erection of such.

Advice Notes

- In accordance with Council's 2011-2012 Fees & Charges Schedule, cash-in-lieu of car parking is calculated as per the following:

$$\text{Shortfall} \times [(\text{Bay Size} \times \text{Land Value per m}^2) + \text{Construction Cost}]$$

Definition of formula terms:

"Bay Size" = 27m<sup>2</sup>

"Construction Cost" = \$2,075 per bay

"Land Value per m<sup>2</sup>" = as determined by a licensed valuer, and agreed to by the Shire of Denmark

"Shortfall" = difference between the number of car parking bays required to be provided on-site as per TPS 3 and the number of car parking bays to actually be provided

- Notwithstanding Condition 4, should the applicant/landowner be able to secure a reciprocal parking arrangement agreement with an adjoining landowner that satisfies the relevant criteria for such parking arrangements and such funds have not been expended, Council authorises the Chief Executive Officer to accept such arrangement in lieu of cash-in-lieu subject to the appropriate conditions being imposed on the applicant/landowner to guarantee the land is held in perpetuity for such purpose.
- Concrete rubbish bin collection pads have been provided for this development on the eastern side of the car park entrance adjoining the Right of Way - refer notation on the approved car parking plan for the development.
- The applicant/landowner is advised that at this point in time the Shire of Denmark has no immediate plans to upgrade the Right of Way that extends from South Coast Highway to Millar Street.
- The Shire of Denmark strongly recommends that the business occupiers of the development on-site encourage staff to park off-site such that the on-site parking is primarily made available for customer/client usage.

**Comment:**

In accordance with Town Planning Scheme No. 3 (TPS No.3), a 'Medical Centre' is an "AA" use in the 'Commercial' zone – that is a use that the Council may, at its discretion, permit the use in the zone.

Given that the built form of the development proposal is existing on-site, the main issue that requires consideration with this planning application is compliance with the car parking requirements of TPS No. 3. In this regard, the car parking requirements for the overall development (existing, approved & proposed) on-site are:

Land Use	Scheme Provision	Required No. Of Bays
Medical Centre – Strata Lots 3-6 (being the upstairs portion of the building)	First consultant 4 bays; Additional consultants 4 bays	24 bays (based on 5 x consulting rooms for the Denmark Medical Centre operations and 1 x consulting room with the pathology operations)
Shop/Office – Strata Lot 1 (being one of the downstairs units)	1 bay per 40m <sup>2</sup> gross leasable area	3 bays (based on total floorspace of 120 m <sup>2</sup> )
Medical Centre – Strata Lot 2 (being one of the downstairs units)	First consultant 4 bays; Additional consultants 4 bays	4 bays (based on 1 x consulting room with the radiology operations)
		<b>TOTAL – 31 bays</b>

There currently are fifteen (15) car parking bays located on-site and as per Condition 4 of Planning Approval 2012/43 the applicants have recently paid a cash-in-lieu



contribution for the shortfall of fifteen (15) car parking bays on-site to the Shire of Denmark. Therefore this development proposal will result in a shortfall of one (1) car parking bay – noting that there is no ability for the car parking to be provided on-site thus there are two options available to Council in this regard:

1. As per Clause 6.2 of TPS No. 3, modify the car parking requirements for the development on-site; or
2. As per Clause 5.23 of TPS No. 3, require a cash payment in lieu of provision of on-site car parking for the shortfall of one (1) car parking bay.

As per Clause 6.2 of TPS No. 3 Council does have the discretion to modify any development standards and approve applications accordingly however in exercising such discretion Council may only exercise this discretion where it is satisfied that:

- a) Approval of the proposed development would be consistent with the orderly and proper planning of the locality and the preservation of the amenity of the locality;
- b) The non-compliance will not have any adverse effect upon the occupiers or users of the development or the inhabitants of the locality or upon the likely future development of the locality; and
- c) The spirit and purpose of the requirement or standard will not be unreasonably departed from thereby.

In this regard the applicant has advised that the nature of the radiology operations will that:

- There will only be 1 radiographer on-site who will deal with both the technical and administrative duties, noting that anticipated patient volumes will not permit any greater staff component; and
- A significant portion of the patients visiting the radiology unit would visit the Denmark Medical Centre on the same site first, thus comprising one visit only.

From a Planning Services perspective it is considered there will be some synergy between clientele of the Denmark Medical Centre and the radiology unit, thus not necessarily compounding car parking requirements for the development. In this instance the applicant is only seeking Council approval to vary the car parking bay requirements for the proposal from four (4) car parking bays to three (3) car parking bays and having regard to the nature of the operations it is considered that this variation is appropriate.

In the event that Council is not prepared to vary the car parking requirements as it is considered that there will be an impact upon the users of the development and/or the locality, there is the ability to require the applicants to pay cash-in-lieu for the shortfall of one (1) car parking bay as per Clause 5.23 of TPS No. 3.

**Consultation:**

External Consultation

- Karrip Pty Ltd

Internal Consultation

- Planning Services
- Chief Executive Officer

**Statutory Obligations:**

Town Planning Scheme No. 3 specifies the pertinent development requirements for the site.

**Policy Implications:**

Town Planning Scheme Policy No. 31: Commercial Strategy has the following objectives relevant to this proposal:

- Encourage the redevelopment and infill development of the existing commercial area.

- Support the principle of new uses for old buildings and the revitalisation of the town centre.
- Continue to provide appropriate levels of accessibility and car parking, and allow for time shared and reciprocal use of car parking areas.

Section 7 of Town Planning Scheme Policy No. 31: Commercial Strategy states:

*Cash in lieu of parking bays may be considered where developments have a shortfall of parking. Council may accept money for this shortfall, to provide bays in a nearby existing or proposed public parking facility. Cash-in-lieu should not be seen to be replacing the developer's responsibility to provide on-site parking. The provisions of an adequate supply of parking is the intent and as such the following considerations are important:*

- *Contributions shall be permitted only in localities where Council is proposing to provide a public car park in the near future or where a public car park already exists;*
- *Contributions may comprise all or part of the on-site parking requirements for a development;*
- *Contributions received for proposed facilities shall be held in a Council Trust Fund for the purpose of acquisition of land for parking in appropriate areas; or accepted by Council as a contribution towards the cost of providing existing public parking facilities in the area.*

#### **Budget / Financial Implications:**

In the event that Council is not prepared to vary the car parking requirements, as per Clause 5.23 of TPS No. 3 the shortfall of one (1) car parking bay should be addressed via a cash-in-lieu payment. As per Council's 2012-2013 Fees & Charges Schedule, cash in lieu of car parking is to be calculated as per the following:

$$\text{Shortfall} \times [(\text{Bay Size} \times \text{Land Value per m}^2) + \text{Construction Cost}]$$

*Definition of formula terms:*

*"Bay Size" = 27m<sup>2</sup>*

*"Construction Cost" = \$2,100 per bay*

*"Land Value per m<sup>2</sup>" = as determined by a licensed valuer, and agreed to by the Shire of Denmark*

*"Shortfall" = difference between the number of car parking bays required to be provided on-site as per TPS 3 and the number of car parking bays to actually be provided*

As at December 2012, the Shire has \$205,803.17 held as 'Restricted Cash' as cash-in-lieu payments for other commercial developments in the CBD area. As per TPS No. 3 the money is required to be specifically spent on provision of public parking facilities anywhere within the commercial centre of the town or in close proximity of the site in which the cash-in-lieu arrangement was made.

#### **Strategic Implications:**

The Shire of Denmark's adopted Local Planning Strategy (2011) contains the following objective for 'Future Retail':

*To ensure that the Denmark town centre continues to be the focus for all forms of commercial activity that support a vibrant town centre and to ensure that future development enhances its village character.*

#### **Sustainability Implications:**

##### ➤ **Environmental:**

There are no known significant environmental considerations relating to this report or officer recommendation.

➤ **Economic:**

Refer to comments provided in 'Budget/Financial Implications'.

➤ **Social:**

Provision of adequate medical services in the Shire is necessary, noting that there currently are no radiologist services available.

**Voting Requirements:**

Simple majority.

8.43pm – *The Director of Community & Regulatory Services left the room.*

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	ITEM 8.1.2
MOVED: CR SAMPSON	SECONDED: CR SEENEY

That with respect to the planning application for Proposed Change of Use: Shop/Office to Medical Centre for No. 3 (Strata Lot 2/Lot 218) Mt Shadforth Road, Denmark, Council resolve to:

1. As per clause 6.2 of Town Planning Scheme No. 3, modify the car parking requirements for this development from four to three; and
2. Grant Planning Approval subject to the following;

Conditions

1. Development shall be carried out in accordance with the stamped approved plans.
2. All car parking areas and access ways shall be maintained for their stated purpose at all times and shall not be used for display or general storage purposes.
3. All signs proposed to be erected on-site require the separate approval of the Shire of Denmark (Planning Approval and/or Building Permit) prior to erection of such.

Advice Notes

1. Concrete rubbish bin collection pads have been provided for this development on the eastern side of the car park entrance adjoining the Right of Way.
2. The applicant/landowner is advised that at this point in time the Shire of Denmark has no immediate plans to upgrade the Right of Way that extends from South Coast Highway to Millar Street.
3. The Shire of Denmark strongly recommends that the business occupiers of the development on-site encourage staff to park off-site such that the on-site parking is primarily made available for customer/client usage.

CARRIED: 9/0

Res: 201212

8.45pm – *The Director of Community & Regulatory Services returned to the room.*

8.46pm – *Cr Morrell returned to the room.*

<b>8.1.3 PROPOSED KENNEL ESTABLISHMENT – NO. 86 (LOT 6000) KERNUTTS ROAD, HAY</b>
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<b>File Ref:</b>	A463 (2012/148)
<b>Applicant / Proponent:</b>	Maxwell Designs on behalf of K Forrest
<b>Subject Land / Locality:</b>	No. 86 (Lot 6000) Kernutts Road, Hay
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	3 December 2012
<b>Author:</b>	Annette Harbron, Director of Planning & Sustainability
<b>Authorising Officer:</b>	Annette Harbron, Director of Planning & Sustainability
<b>Attachments:</b>	8.1.3 a) – Planning Application Documentation 8.1.3 b) – Schedule of Submissions

**Summary:**

The proponent is seeking Planning Approval to operate a Kennel Establishment for the boarding of cats and dogs at No. 86 (Lot 6000) Kernutts Road, Hay.

Having regard to the submissions received from the public advertising period, the relevant provisions of Town Planning Scheme No. 3 (TPS No. 3), the Shire of Denmark's Dogs Local Law 2001 (as amended), the Shire of Denmark's Health Local Laws 1998 (as amended) and Town Planning Scheme Policy No. 32: Signs, it is recommended that:

- a) Planning Approval be granted subject to appropriate conditions; and
- b) A Licence for an Approved Kennel Establishment be granted subject to appropriate conditions.

**Background:**Current Application

An application for Planning Approval was lodged with Planning Services in September 2012 seeking Planning Approval to use the existing outbuildings on-site as a Kennel Establishment to board cats and dogs - refer Attachment 8.1.3 a).

**Comment:**

In accordance with TPS No. 3 the subject site is zoned "Rural" and as per Table 1 – Zoning Table of TPS No. 3 the use class of 'Kennel Establishment' is an "SA" use in the "Rural" zone – that is Council may, at its discretion, permit the use in the zone after giving public notice of the application in accordance with Clause 6.4 of the TPS No. 3. In addition to the TPS No. 3 advertising requirements, Clause 4.3 of the Shire of Denmark's Dogs Local Laws 2001 requires advertising of the proposal also.

Public advertising of the proposal was undertaken in accordance with Clause 6.4 of TPS No.3 (refer 'Consultation' section of the report), with two (2) submissions received – refer Attachment 8.1.3 b).

The proposal has been assessed having regard to the relevant provisions of TPS No. 3, the Shire of Denmark's Dogs Local Law 2001 (as amended), the Shire of Denmark's Health Local Laws 1998 (as amended) and Town Planning Scheme Policy No. 32: Signs and the proposal is compliant with, or can be conditioned to comply with, the relevant requirements.

It should be noted that this matter is being referred to Council for determination for as per Delegation D050202: Local Law – Dogs, the Chief Executive Officer is delegated authority to perform all of the powers/duties of the local government contained within the Local Law relating to Dogs with the exception of the following specific powers/duties:

1. The setting of any fees or charges.
2. The determination of any application for the issue of a licence for an approved kennel establishment as provided for in clauses 4.1 to 4.8.

3. The cancellation of a licence as provided for in clauses 4.13 (2) and (c).

**Consultation:**External Consultation:

The proposal was advertised for public comment in accordance with Clause 6.4 of TPS No.3 and Clause 4.3 of the Shire of Denmark's Dogs Local Law 2001 from 18 October 2012 to 9 November 2012 (period of 22 days) as follows:

1. An advertisement was placed in the Denmark Bulletin on the 18 October 2012 inviting public comment; and
2. The application was referred to all adjoining landowners within a 500 metre radius of the kennel establishment buildings inviting comment.

Internal Consultation:

- Development Co-ordination Unit
- Director of Community & Regulatory Services

**Statutory Obligations:**

Town Planning Scheme No. 3 (TPS No. 3) specifies the pertinent development requirements for the site, along with the relevant provisions of the Shire of Denmark's Dogs Local Law 2001 (as amended) and the Shire of Denmark's Health Local Laws 1998 (as amended).

Should Council refuse this Planning Application, as per the provisions of the *Planning and Development Act 2005* the applicant can apply to the State Administrative Tribunal for a Right of Review.

**Policy Implications:**

As per Delegation D050202: Local Law – Dogs, the Chief Executive Officer does not have delegated authority to determine an application for the issue of a licence for an approved kennel establishment.

**Budget / Financial Implications:**

There are no known financial implications upon the Councils current Budget or Plan for the Future.

If a licence is issued for an approved kennel establishment, an annual fee is required to be paid as per Council's operative Fees & Charges Schedule – noting the fee in the 2012/13 Fees & Charges Schedule is \$100.00 (GST exempt).

**Strategic Implications:**

There are no known significant strategic implications relating to the report or the officer recommendation.

**Sustainability Implications:****➤ Environmental:**

The kennel establishment is able to be managed from an environmental perspective via the imposition of conditions on the Planning Approval and/or Licence for an Approved Kennel Establishment.

**➤ Economic:**

There are no known significant economic considerations relating to the report or officer recommendation.

**➤ Social:**

There is currently only one (1) registered kennel establishment in the Shire of Denmark which only provides for boarding of dogs. This proposal is to accommodate the boarding of cats and dogs at the same premises, thus will be of benefit to pet owners that may wish to utilise this service.

**Voting Requirements:**

Simple majority.

**COUNCIL RESOLUTION & OFFICER RECOMMENDATION**

ITEM 8.1.3

MOVED: CR SEENEY

SECONDED: CR GILLIES

That Council with respect to the development application for the Proposed Kennel Establishment at No. 86 (Lot 6000) Kernutts Road, Hay:

1. Note the submissions received.
2. Grant Planning Approval subject to the following:

Conditions

- a) Development to be in accordance with the attached stamped approved plans dated 21 September 2012.
- b) Vehicle crossover onto Kernutts Road is to be constructed to the specification and satisfaction of the Shire of Denmark (Infrastructure Services).
- c) Provision of a minimum of two (2) on-site car parking bays, with the car parking bays and associated driveways/accessways being constructed and maintained to a minimum all-weather standard (e.g. gravel, crushed rock) to facilitate access to the development by 2 wheel drive vehicles.
- d) The approved development shall be connected to an approved effluent disposal system to the satisfaction of the Shire of Denmark (Environmental Health Services) – refer Advice Note iv.
- e) The existing rain water tank on-site in the vicinity of the kennels shall provide an adequate permanent water supply of not less than 10,000 litres for fire fighting purposes, accessible by a Department of Fire & Emergency Services (DFES) approved coupling for emergency purposes only.
- f) The one (1) approved sign shall be kept clean and maintained free of dilapidation at all times to the satisfaction of the Shire of Denmark (Planning Services).

Advice Notes:

- i. Prior to any works commencing on-site, a Change of Classification application (from Class 10A to Class 8) is required to be lodged for approval by the Shire of Denmark (Building Services).
  - ii. Please note that this Planning Approval is not a Licence for an Approved Kennel Establishment – noting such licence is required to be issued prior to the development commencing as per the Shire of Denmark's Dogs Local Law 2001 (as amended).
  - iii. The applicant is advised that noise generation is controlled by the Department of Environment and Conservation using the Environmental Protection (Noise) Regulations 1997 and you should ensure that all activities comply with these controls.
  - iv. All kennel floor washings must pass through a spoon drain and piped to an approved effluent disposal system.
3. Grant a Licence for an Approved Kennel Establishment to Ms K Forrest subject to the following conditions:
    - a) Development to be in accordance with the attached stamped approved plans dated 21 September 2012 and accompanying proposal documentation.
    - b) A maximum of sixteen (16) cats and twelve (12) dogs being accommodated on-site at any one time.
    - c) The upper surface of the kennel floor(s) must be:
      - i. At least 100mm above the surface of the surrounding ground;
      - ii. Smooth so as to facilitate cleaning;
      - iii. Rigid;
      - iv. Durable;
      - v. Slip resistant;
      - vi. Resistant to corrosion;
      - vii. Non-toxic;
      - viii. Impervious;
      - ix. Free from cracks, crevices and other defects; and

- x. Finished to a surface having a fall of not less than 1 in 100 to a spoon drain which in turn must lead to a suitably sized diameter sewerage pipe which must be properly laid, ventilated and trapped in accordance with the health requirements of the Shire of Denmark.
  - d) All kennel floor washings must pass through the drain referenced in Condition c) x. and must be piped to an approved effluent disposal system to the satisfaction of the Shire of Denmark.
  - e) The Kennel floor must have a durable upstand rising 75mm above the floor level from the junction of the floor and external and internal walls, or internal walls must be so constructed as to have a minimum clearance of 50mm from the underside of the bottom plate to the floor.
  - f) All external surfaces of each kennel must be kept in good condition.
  - g) All kennels and yards and drinking vessels must be maintained in a clean condition and must be cleaned and disinfected when so ordered by an authorised person.
  - h) All refuse, faeces and food waste must be disposed of daily into the approved effluent disposal system.
  - i) Noise, odours, fleas, flies and other vectors of disease must be effectively controlled.
  - j) Suitable water must be available at the kennel via a properly supported standpipe and tap.
  - k) The licensee, or the person nominated in the application for licence, must continue to reside at the premises when animals are being housed at the kennel establishment.
  - l) Compliance with all conditions of Planning Consent 2012/148.
  - m) This licence is valid for twelve (12) months from the date of issue, with the licensee required to apply for a licence renewal in accordance with the Shire of Denmark's Dogs Local Laws 2001 (as amended).
  - n) Should the licensee wish to transfer the licence to another person to operate the kennel establishment, an application for the transfer of such licence is required to be lodged with the Shire of Denmark for due consideration as per the Shire of Denmark's Dogs Local Laws 2001 (as amended).
  - o) Should a breach of the conditions of Planning Approval 2012/148, this Licence for an Approved Kennel Establishment, the Dog Act 1976 (as amended), the Dog Regulations 1976, the Dog (Restricted Breeds) Regulations (No. 2) 2002 and/or the Shire of Denmark's Dogs Local Laws 2001 (as amended) occur, the Shire of Denmark may cancel this licence at any time.
  - p) Should the Shire of Denmark consider the licensee is not a fit and proper person, as per the Shire of Denmark's Dogs Local Laws 2001 (as amended) this licence may be cancelled.
4. Advise the submitters of Councils decision.

CARRIED: 10/0

Res: 211212

## 8.2 Director of Community & Regulatory Services

Item 8.2.1 was brought forward on the Agenda. Refer to page 19.

## 8.3 Director of Infrastructure Services

Nil

**8.4 Director of Finance & Administration**

**8.4.1 FINANCIAL STATEMENT FOR THE MONTH ENDING 30 NOVEMBER 2012**

<b>File Ref:</b>	FIN.1
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Denmark
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	6 December 2012
<b>Author:</b>	Garry Bird, Director of Finance and Administration
<b>Authorising Officer:</b>	Garry Bird, Director of Finance And Administration
<b>Attachments:</b>	8.4.1 - Monthly Financial Report

**Summary:**

It is a requirement of the Local Government Act 1995 that monthly and quarterly financial statements are presented to Council, in order to allow for proper control of the Shire’s finances. In addition, Council is required to review the Municipal Budget on a six monthly basis to ensure that income and expenditure is in keeping with budget forecasts. It should be noted that the budget is monitored on a monthly basis in addition to the requirement for a six monthly review.

The attached financial statements and supporting information are presented for the consideration of Elected Members. Council staff welcome enquiries in regard to the information contained within these reports.

**Background:**

In order to prepare the attached financial statements, the following reconciliations and financial procedures have been completed and verified;

- Reconciliation of all bank accounts.
- Reconciliation of the Rates Book, including outstanding debtors and the raising of interim rates.
- Reconciliation of all assets and liabilities, including payroll, taxation and postal services.
- Reconciliation of the Sundry Debtors and Creditors Ledger.
- Reconciliation of the Stock Ledger.
- Completion of all Works Costing transactions, including allocation of costs from the Ledger to the various works chart of accounts.

**Comment:**

Shire Trust Funds have been invested for 90 days with the National Bank, maturing 25 January 2013 at the quoted rate of 4.45%.

Reserve Funds have been invested for 90 days with the National Bank, maturing 25 January 2013 at the quoted rate of 4.45%

Surplus Municipal Funds of \$1,500,000 have been placed invested for 90 days with the National Bank, maturing 3 December 2012 at the quoted rate of 4.56%. A separate investment of \$1,000,000 has been placed with the National Bank, maturing 31 January 2013 at the quoted rate of 4.45%.

**Key Financial Indicators at a Glance**

The following comments and/or statements provide a brief summary of major financial/budget indicators and are included to assist in the interpretation and understanding of the attached Financial Statement.



- Taking into consideration the adopted Municipal Budget and subsequent amendments identified, the estimated 30 June 2012 end of year position is estimated to be \$0, as per budget projections (Note 5).
- Operating revenue is slightly higher and operating expenditure slightly less than that predicted for 30 November 2012 (Statement of Financial Activity).
- The 2012/13 Capital Works Program is 5.68% complete as at 30 November 2012 (Note 10).
- Rates Collection percentage of 78.49% is in keeping with historical collection rates (Note 6).
- The transfer of \$80,000 from the Land and Buildings Reserve to a new Aquatic Facility Development Reserve has occurred, effective 3 October 2012.
- Other various transfers to and from Reserve Funds have not yet been made for 2012/13 and are generally undertaken in the second half of the financial year, depending on specific projects to which these transfers relate.
- Salaries and Wages expenditure is in keeping with budget estimates (not reported specifically in Financial Statement).

### **Budget Amendments and Variances (Note 5 and 5a)**

Nil

#### **Consultation:**

Nil

#### **Statutory Obligations:**

Local Government Act 1995 Section 5.25 (1)

Local Government (Financial Management) Regulations 1996

The attached statements are prepared in accordance with the requirements of the Local Government Act 1995.

#### **Policy Implications:**

Policy P040222 - Material Variances in Budget and Actual Expenditure, relates

*For the purposes of Local Government (Financial Management) Regulation 34 regarding levels of variances for financial reporting, Council adopt a variance of 10% or greater of the annual budget for each program area in the budget, as a level that requires an explanation or report, with a minimum dollar variance of \$5,000.*

*The material variance is calculated by comparing budget estimates to the end of month actual amounts of expenditure, revenue and income to the end of the month to which the financial statement relates.*

*This same figure is also to be used in the Annual Budget Review to be undertaken after the first six months of the financial year to assess how the budget has progressed and to estimate the end of the financial year position.*

#### **Budget / Financial Implications:**

There are no significant trends or issues to be reported.

#### **Strategic Implications:**

There are no known significant strategic implications relating to the report or the officer recommendation.

#### **Sustainability Implications:**

##### ➤ **Environmental:**

There are no known significant environmental considerations relating to the report or officer recommendation.

➤ **Economic:**

There are no known significant economic considerations relating to the report or officer recommendation.

➤ **Social:**

There are no known significant social considerations relating to the report or officer recommendation.

**Voting Requirements:**

Simple Majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 8.4.1</b>
<b>MOVED: CR GILLIES</b>	<b>SECONDED: CR ROWLAND</b>
That with respect to Financial Statements for the month ending 30 November 2012, Council;	
1. Receive the Financial Report, incorporating the Statement of Financial Activity and other supporting documentation.	
2. Endorse the Accounts for Payment as listed.	
<b>CARRIED: 10/0</b>	<b>Res: 221212</b>

*Prior to consideration of Item 8.4.2 the Chief Executive Officer, through the Presiding Person, brought to the attention of the meeting the following disclosure(s) of interest:*

*The Director of Community & Regulatory Services is a member of Denmark Arts Inc. and as a consequence there may be a perception that his impartiality on this matter may be affected. Mr Harwood declares that he will consider this matter on its merits and advise Council accordingly.*

8.50pm – The Director of Planning & Sustainability left the room and did not return.

#### **8.4.2 DENMARK ARTS INC - REQUEST FOR FINANCIAL ASSISTANCE**

<b>File Ref:</b>	A3117
<b>Applicant / Proponent:</b>	Denmark Arts Inc.
<b>Subject Land / Locality:</b>	Reserve 14376 Hollings Rd, Denmark (Berridge Park)
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	5 October 2012
<b>Author:</b>	Garry Bird, Director of Finance & Administration
<b>Authorising Officer:</b>	Garry Bird, Director of Finance & Administration
<b>Attachments:</b>	8.4.3 – Request from Denmark Arts Inc.

#### **Summary:**

Denmark Arts Inc have written to Council seeking consideration for the waiving of hire fees for Berridge Park, for the purposes of staging the Denmark Markets, on a permanent and ongoing basis.

The basis of the request is the significant boost to the local economy, particularly the retail and tourism sectors, that is experienced on the market days.

#### **Background:**

The Denmark Markets are staged four times per annum, from October to April and attracts a large crowd, comprising both local residents and visitors to the Shire.

Denmark Arts currently pay \$2,000.00 per annum in hire fees for Berridge Park, for the purposes of staging the markets. In addition, considerable Council resources are provided on an in-kind basis.

#### **Comment:**

As a general principle it is not recommended to provide ongoing in-kind hire of Council owned facilities for not for profit community organisations, due to the precedent it creates for other groups to seek similar consideration and erode Council's income base from such facilities.

That said the staging of the Denmark Markets is a significant community event, which provides both economic and social benefits to the Shire. The Markets are essentially a free community event (gold coin donation required) which is open to all ages and in addition to the market stalls, provides entertainment options for local residents.

#### **Consultation:**

Denmark Arts Inc  
Denmark Chamber of Commerce Inc

#### **Statutory Obligations:**

Local Government Act 1995

#### **Policy Implications:**

Council Delegation D040101 – Donations

**Budget / Financial Implications:**

The request from Denmark Arts would cost Council \$2,000 in lost income based on the hire cost of Berridge Park for the markets.

If Council was to approve the request from DCRC, it would be recommended that a budget amendment to Account 1410602 Donated Use of Council Facilities be undertaken, to reflect the loss of income from the hire of Berridge Park.

The 2012/13 Budget contains provision for an allocation of \$42,000 to Denmark Arts to support their various activities, including the staging of the markets. In addition, free rent of their premises on Strickland Street and at the Morgan Richards Community Centre (old Frail Aged Lodge) is provided.

**Strategic Implications:**

There are no known strategic implications arising from the Officers Report.

**Sustainability Implications:**

➤ **Environmental:**

There are no environmental implications arising from the Officer Recommendation.

➤ **Economic:**

There are self evident economic benefits to the local economy from the staging of the Denmark Markets, with local retailers reporting increased turnover on the markets days. In addition, many patrons of the markets are from outside of the Shire and visitors.

It is acknowledged by Denmark Arts that the market day activities generates a profit to the organisation.

➤ **Social:**

The Denmark Markets provide a popular social activity for local residents and visitors to the Shire.

**Voting Requirements:**

Simple majority

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 8.4.2</b>
MOVED: CR MORRELL	SECONDED: CR GILLIES
That with respect to the request from the Denmark Arts Inc for free hire of Berridge Park for the purpose of staging the Denmark Markets, Council advise the request is not supported due to the precedent created by such in-kind hire and the expectation from other local not for profit community based organisations to receive similar consideration.	
CARRIED: 10/0	Res: 231212

**8.5 Chief Executive Officer**  
Nil

## 9. COMMITTEE REPORTS & RECOMMENDATIONS

### 9.1 DISABILITY SERVICES ADVISORY COMMITTEE – AMENDMENT TO MEMBERSHIP

<b>File Ref:</b>	ORG.25
<b>Applicant / Proponent:</b>	Disability Services Advisory Committee
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	4 December 2012
<b>Author:</b>	Gregg Harwood, Director of Community & Regulatory Services
<b>Authorising Officer:</b>	Gregg Harwood, Director of Community & Regulatory Services
<b>Attachments:</b>	No

#### Summary:

The officer report discusses a request from the Disability Services Advisory Committee for representation on the Morgan Richards Community Centre Refurbishment Working Group to ensure that the refurbishment produces outcomes that, where practical and best, suit the needs of people with disabilities.

The report supports this request and recommends that Council create a position for a Disability Services Advisory Committee representative on the Morgan Richards Community Centre Refurbishment Working Group.

#### Background:

Current Membership of the Working Group comprises a total of 6 members and at its 18 October 2011 Special Meeting, Council appointed the following persons to fulfil these positions in Resolution No. 261011.

#### Membership

- 2 x Councillors (one of whom is to be elected Presiding Person)
- Cr Ross Thornton, Shire President
- Cr John Sampson, Deputy Shire President
- Chief Executive Officer
- 1 x Denmark Community Resource Centre Representative
- 1 x Denmark Arts Representative
- 1 x Denmark Over 50s Representative

The Working Group's terms of reference are as follows:

*"The Morgan Richards Community Centre Refurbishment Working Group's Terms of Reference were adopted by Council on 3 July 2012 (Resolution No. 060712).*

- *To source and appoint a suitably qualified Architect to advise the Working Group and to assist with the project, in a professional capacity; and*
- *To oversee the efficient and effective administration of the grant, and other relevant project funds for the construction and refurbishment of the Morgan Richards Community Centre (on Reserves 18587 & 45623) in accordance with the principles of the adopted Adaptive Reuse Study (dated April 2011).*

#### Sunset Clause

*The Working Group will cease to exist following completion of the refurbishment project, acquittal of the relevant grants and facilitation of a celebratory opening function."*

#### Comment:

At the Disability Services Advisory Committee held on the 21 November 2012 the committee members discussed the importance of ensuring that the refurbishment/redevelopment of the Morgan Richards Community Centre, where practical, fully caters for the needs of people with disabilities as they normally have lower income levels, are transportation poor and are one of the sections of the community that is most likely to be needing to access the services that the Centre will offer.

Many of the members of the Committee have their own experience in overcoming disability and would be able to make a practical contribution to the Working Group's role in overseeing the refurbishment/redevelopment Morgan Richards Centre and ensuring that the centre where practical fully caters for the needs of people with disabilities.

The Disability Services Advisory Committee moved the following motion requesting that Council create a position for a Disability Services Advisory Committee representative on the Morgan Richards Community Centre Refurbishment Working Group.

*"The Disability Services Committee request that they be granted a single representative on the Morgan Richards Centre Development Working Group."*

**Consultation:**

This request originated from discussions at the 21 November 2012 Disability Services Advisory Committee and has not yet been formally considered by the Morgan Richards Centre Development Refurbishment Working Group.

**Statutory Obligations:**

Section 23 of the Disability Discrimination Act (Federal) makes it unlawful to discriminate on the grounds of disability in providing access to or use of premises that the public can enter or use.

The Western Australian Disability Services Act 1993 requires Local and State Government authorities to develop and implement a Disability Access and Inclusion Plan (DAIP) that will further both the principles and the objectives of the Act.

Parliament's purpose in requiring the development DAIPs is to ensure that people with disabilities can access services provided by State and Local Government agencies and that these services facilitate increased independence, opportunities and inclusion for people with disabilities in the community.

The Building Code of Australia (BCA) together with the Australian Standard No. 1428.1 requires the architect overseeing the project, on behalf of Council, together with the Council's registered Building Surveyors to have regard to compliance with Disability Services and the renovations that are occurring at the Morgan Richards Community Centre, trigger absolute compliance with this legislation due to the major nature of the proposed work.

**Policy Implications:**

Council has a Disability Access and Inclusion Plan (DAIP) which has been subject to community consultation and incorporates the principles and the objectives of the Act.

The Morgan Richards Community Centre Refurbishment Working Group, Architect and Council's Building Surveyors will ensure compliance with Council's DAIP and relevant legislation however the nomination of a representative of the Disability Services Advisory Committee is welcomed.

The creation of a position for a Disability Services Advisory Committee representative on the Morgan Richards Community Centre Refurbishment Working Group would be consistent with the objectives of Council's DAIP, notwithstanding that the legislation requires compliance with the Building Codes of Australia and the relevant Australian Standard.

**Budget / Financial Implications:**

There are no known financial implications upon the Council's current Budget or Plan for the Future.

**Strategic Implications:**

The Shire of Denmark has the highest median age in WA of 47.1 years (*ABS 3 August 2011*) and it is generally predicted that with the aging baby boomer population that in the not too distant future that on average 25% of the population will have some form of disability and given Denmark's "aged" demographic this figure is likely to higher. A

Disability Services Advisory Committee representative on the Morgan Richards Community Centre Refurbishment Working Group would assist in providing information, advice and recommendations which will assist the Working Group in making informed decisions regarding that facility.

**Sustainability Implications:**

➤ **Environmental:**

There are no known significant environmental considerations relating to the report or officer recommendation.

➤ **Economic:**

There are no known significant economic considerations relating to the report or officer recommendation.

➤ **Social:**

The Disability Services Advisory Committee provides an integral connection between Council and the needs and desires of the disabled population of Denmark.

**Voting Requirements:**

Absolute majority.

COMMITTEE RECOMMENDATION

ITEM 10.1

*The Disability Services Committee request that they be granted a single representative on the Morgan Richards Centre Development Working Group.*

Reason for revised Officer Recommendation is to provide a completed administrative process that is clear to the committee members and the general public.

**COUNCIL RESOLUTION & OFFICER RECOMMENDATION**

ITEM 9.1

MOVED: CR HINDS

SECONDED: CR MORRELL

9.02pm – Cr Rowland left the room.

9.03pm – Cr Rowland returned to the room.

9.10pm – The Chief Executive Officer left the room.

9.12pm – The Chief Executive Officer returned to the room.

That with respect to the Disability Services Advisory Committee request that they be granted a single representative on the Morgan Richards Community Centre Refurbishment Working Group that the Morgan Richards Community Centre Refurbishment Working Group’s Membership be amended to read as follows:

*“Membership*

- *2 x Councillors (one of whom is to be elected Presiding Person)*
- *Cr Ross Thornton, Shire President*
- *Cr John Sampson, Deputy Shire President*
- *Chief Executive Officer*
- *1 x Denmark Community Resource Centre Representative*
- *1 x Denmark Arts Representative*
- *1 x Denmark Over 50s Representative*
- *1 x Disability Services Advisory Committee Representative.”*

LOST: 2/8

Res: 241212

*Notwithstanding the above resolution, the Shire President advised that in his role as Chair of the Morgan Richards Community Centre Refurbishment Working Group he would undertake to provide a copy of the final draft of the Architects plans for the Centre to the Disability Services Advisory Committee for comment.*

*Cr Hinds requested that all Councillors’ votes on the above resolution be recorded.*

**FOR:** Cr Hinds & Cr Morrell.

**AGAINST:** Cr Lewis, Cr Gillies, Cr Seeney, Cr Thornton, Cr Rowland, Cr Syme & Cr Osborne.

**10. MATTERS BEHIND CLOSED DOORS**

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 10.1</b>
MOVED: CR MORRELL	SECONDED: CR ROWLAND

9.14pm – Cr Sampson left the room.

That pursuant to Section 5.23 (2) (b) of the Local Government Act 1995 and Clause 3.7 of the Shire of Denmark Standing Orders Local Law, Council move behind closed doors for the consideration of Item 10.1 & Item 10.2 to allow the successful applicant's name to remain confidential to Council until the official announcement at the Council's Australia Day Function in January 2013.

CARRIED: 9/0 Res: 251212

9.16pm – Cr Hinds left the room & did not return.

9.16pm – Cr Sampson returned to the room.

<b>10.1</b>	<b>CITIZEN &amp; COMMUNITY GROUP OF THE YEAR AWARDS</b>
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<b>File Ref:</b>	PBR.1
<b>Applicant / Proponent:</b>	Various
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	7 December 2011
<b>Author:</b>	Claire Thompson, Executive Assistant
<b>Authorising Officer:</b>	Dale Stewart, Chief Executive Officer
<b>Attachments:</b>	10.1 a) – Honour Board (List of previous recipients) 10.1 b) – Nominations (Confidential)

**Summary:**

Council is asked to consider the Nominations received for the Shire of Denmark's annual Citizen & Community Group Awards, select winners for each category and include an Eligibility section under Council Policy P040113 (section A).

**Background:**

The Citizen & Community Group of the Year Awards are annual Council awards which are provided pursuant to Policy P040113 and are normally presented at the Shire of Denmark's Australia Day Function on the 26 January of each year.

**Comment:**

Council is requested to peruse the attached Nominations and determine a recipient for the award categories.

Nominations closed on the 30 November 2012. Copies of the 16 nominations received are attached and the names and categories of those are as follows;

**CITIZEN OF THE YEAR AWARD**

- Ronald Powley
- Donald Clarke
- Tania Emery
- Christine Venkatachalam
- Gwen Anning
- Ollie Wakka
- Gary Stanway
- Joyleen Knight
- Monica Boyes



- Wayne Austin (3 separate nominations)

#### YOUNG CITIZEN OF THE YEAR

- Kit Davies

#### COMMUNITY GROUP OR EVENT OF THE YEAR

- Denmark Little Athletics Centre Inc.
- Denmark Education & Innovation Centre
- Denmark Primary School P & C

A table of previous recipients is attached.

#### **Consultation:**

Marketing & promotion for these awards commenced on 13 September 2012 and included the following;

- Letters to every known local Community Group;
- Council's website;
- Council's Notice Board;
- Denmark Recreation Centre;
- Denmark Library;
- Denmark Youth Centre;
- Denmark Bulletin – September 2012 & October 2012; and
- Emails to Councillors & Staff.

In addition to the following marketing & promotion was undertaken in an effort to obtain some nominations for Young Citizen of the Year;

- Letter to the Denmark High School Principal;
- Letter to the Denmark Primary School Principal;
- Letter to the Denmark Ag College Principal;
- Memo to the Manager of Recreation Services;
- Memo to the Librarian of the Denmark Library.

#### **Statutory Obligations:**

There are no statutory obligations.

#### **Policy Implications:**

Council Policies P040113 – CITIZEN & SPORTSPERSONS OF THE YEAR relates and reads as follows;

##### A. Premier's Australia Day Active Citizenship Awards

The Citizenship Awards be advertised in September, inviting community groups and private citizens to submit nominations for awards in the following categories:

- a person of 25 years or older;
- a person under 25 years;
- a community group or event.

Nominations to close the last week in November.

A person may only be nominated for one category on a Nomination Form. A person may be nominated more than once on separate Nomination Forms.

Winners to be chosen at a meeting of the Council, and the results kept strictly confidential until presentation.

Presentation to be at a local function celebrating Australia Day (January 26<sup>th</sup>).

*Note: Part B of the Policy refers to the Sportspersons of the Year and therefore has not be repeated here.*

It was noted that the Citizen of the Year Policy wording did not stipulate any eligibility criteria, to clarify whether or not the person being nominated was required to be a resident of Denmark or not. For this reason, it is recommended that the following words be included in Council's Policy.

***“Eligibility***

- ***For person(s) of 25 years or older and person(s) under 25 years, the nomination:***
  - *must be made of person(s) who ordinarily reside in the Shire of Denmark; and*
  - *must demonstrate that person(s) citizenship activities which occur within the Shire of Denmark however, external additional citizenship activities may be taken into consideration during the selection process.*
  
- ***For a Community Group or Event, the nomination can only be made for a Group or Event which is based, operated and held within the Shire of Denmark however, additional activities or events operated or based outside of the Shire may be taken into consideration during the selection process .”***

**Budget / Financial Implications:**

Council has included provision in the 2012/13 Budget for these Awards which will fund certificates, plaques for each winner and updating of the Honour Board.

**Strategic Implications:**

There are no known significant strategic implications relating to the report or the officer recommendation.

**Sustainability Implications:**

➤ **Environmental:**

There are no known significant environmental considerations relating to the report or officer recommendation.

➤ **Economic:**

There are no known significant economic considerations relating to the report or officer recommendation.

➤ **Social:**

These Awards provide a way for Council & the Community to recognise and acknowledge local individuals and community groups (or events) who have contributed positively to the Denmark Community.

**Voting Requirements:**

Simple majority.

**COUNCIL RESOLUTION & OFFICER RECOMMENDATION**

ITEM 10.1

MOVED: CR SYME

SECONDED: CR GILLIES

With respect to the Shire of Denmark Citizen & Sports Awards;

1. The following recipients be awarded in the respective categories and those names remain confidential to Councillors, Seniors Officers and the Executive Assistant and remain embargoed until the Awards Ceremony on 26 January 2013;
  - a) 2013 Citizen of the Year to Christine Venkatachalam;
  - b) 2013 Young Citizen of the Year to Kit Davies; and
  - c) 2013 Community or Event of the Year to Denmark Little Athletics Centre Inc.
2. Include the following Eligibility wording within Council's Policy P040113 under section A Citizen of the Year Awards.

***“Eligibility***

- ***For person(s) of 25 years or older and person(s) under 25 years, the nomination:***
  - *must be made of person(s) who ordinarily reside in the Shire of Denmark; and*
  - *must demonstrate that person(s) citizenship activities which occur within the Shire of Denmark however, external additional citizenship activities may be taken into consideration during the selection process.*
- ***For a Community Group or Event, the nomination can only be made for a Group or Event which is based, operated and held within the Shire of Denmark however, additional activities or events operated or based outside of the Shire may be taken into consideration during the selection process .”***

CARRIED: 9/0

Res: 261212

<b>10.2 SPORTSPERSON OF THE YEAR AWARDS 2012</b>
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<b>File Ref:</b>	PBR.1
<b>Applicant / Proponent:</b>	Various
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	T December 2012
<b>Author:</b>	Damian Schwarzbach, Manager of Recreation Services
<b>Authorising Officer:</b>	Dale Stewart, Chief Executive Officer
<b>Attachments:</b>	10.2 a) – Honour Board (List of previous recipients) 10.2 b) – Nominations (Confidential)

**Summary:**

Council is asked to consider the Nominations received for the Shire of Denmark's annual Sportsperson of the Year Awards for 2012 and select winners for each category.

The report also asks Council to consider an addition to Policy P040113, re: *Eligibility – Nominations for a person who resides out of the Shire but participates in sport in the Shire of Denmark will be accepted however the nominee will only be judged on their achievements within the Shire of Denmark.*

**Background:**

The Sportsperson of the Year Awards are annual Council awards which are provided pursuant to Policy P040113 and are presented at the Shire of Denmark's Australia Day Function on the 26 January of each year.

**Comment:**

Council is requested to peruse the attached Nominations and determine a recipient for the award categories.

The Manager of Recreation Services will be in attendance to provide comment and/or answer any questions in relation to the Nominations.

Nominations closed on the 30 November 2012. Copies of the 21 nominations received are attached and the names and categories of those are as follows;

**SENIOR SPORTSPERSON OF THE YEAR AWARD**

- Maureen Cowdell
- Alec Haskins
- Annika Renkema
- Kim Kelly
- Kea Mumford
- Hazel Russel

**JUNIOR SPORTSPERSON OF THE YEAR (Under 18 years of age)**

- Keb Evans
- Noah Amess
- Kadan King-Davies
- Isabella Baum
- Tully Lane
- Daniella Atkinson
- Kyle Chamberlain
- Lois Kowald
- Kyle Wimpenny

**SERVICE TO SPORT AWARD**

- Alan Davis

- Maureen Cowdell
- Murray Brooker
- Martin Buczak
- Andrew Finigan
- Patrick Gillespie

A table of previous recipients is attached.

#### AMENDMENT TO POLICY REGARDING ELIGIBILITY

During the advertising process this year Council was asked whether a nomination could be made for a person who plays sport in Denmark but does not reside in the Shire. Currently there is no guidance on this within Council's existing Policy.

It is recommended that the Policy be amended to include reference to the acceptance of nomination(s) for a person(s) who reside out of the Shire but participates in sport in the Shire of Denmark, to provide clarification however, the Author believes that the nominee will only be judged on his/hers achievements within the Shire of Denmark.

For example, if the nominee plays basketball in Denmark but lives in Albany and represented the State team, that person would only be judged on their Denmark competition achievements (not the State Team). This provides due recognition for their achievements within the Shire. On the flip side, if a resident of Denmark is nominated his or her achievements outside of the Shire will be recognised in addition to their achievements / contributions in Denmark.

The eligibility not only applies to their sporting achievements, but potentially to the "Service to Sport" category where the author is aware of people residing outside of the Shire who contribute significantly to local "Denmark" sport in a manner that ensures its survival and provides the opportunity for our community members to participate.

The addition to the policy also allows Shire of Denmark residents who are nominated, an opportunity to win the award as their Regional, State, National achievements will be included.

#### **Consultation:**

Marketing & promotion for these awards commenced on 13 September 2012 and included the following;

- Letters to every known local Community Group;
- Council's website;
- Council's Notice Board;
- Denmark Recreation Centre;
- Denmark Library;
- Denmark Youth Centre;
- Denmark Bulletin – September 2012 & October 2012; and
- Emails to Councillors & Staff.

#### **Statutory Obligations:**

There are no statutory obligations.

#### **Policy Implications:**

Council Policies P040113 – CITIZEN & SPORTSPERSONS OF THE YEAR relates and reads as follows;

#### **B. Sportspersons of the Year**

The Sportspersons of the Year Awards are to be advertised commencing in September, inviting sporting organisations, community groups & organisations, schools and

individuals to submit nominations for awards for the year ending 30 September, in the following categories;

- Junior Sportsperson of the Year (under 18 years of age)
- Senior Sportsperson of the Year
- Service to Sport Award

Nominations to close the last week in November.

A person may only be nominated for one category on a Nomination Form. A person may be nominated more than once on separate Nomination Forms.

Winners are to be chosen at a meeting of the Council and be kept strictly confidential until the presentation.

Winners are to receive a suitable gift at a value determined annually by Council during the budget process (GL1160752) and a grant of \$100.00 will be awarded for the winner's club or a local club nominated by the winner (should the winner not be a member of a club).

Presentation of the Awards to be at a function held no later than February. Sporting organisations are to be given the opportunity to facilitate the function with the assistance of Council or in the absence of interest from sporting organisations to do so, Council will organise the function which will include a small attendance fee to cover costs.

*Note: Part A of the Policy refers to the Citizen of the Year and therefore has not been repeated here.*

**Budget / Financial Implications:**

Council has included provision in the 2012/13 Budget for these Awards which will fund certificates, plaques for each winner and updating of the Honour Board.

**Strategic Implications:**

There are no known significant strategic implications relating to the report or the officer recommendation.

**Sustainability Implications:**

➤ **Environmental:**

There are no known significant environmental considerations relating to the report or officer recommendation.

➤ **Economic:**

There are no known significant economic considerations relating to the report or officer recommendation.

➤ **Social:**

These Awards provide a way for Council & the Community to recognise and acknowledge local individuals and community groups (or events) who have contributed positively to the Denmark Community.

**Voting Requirements:**

Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 10.2</b>
MOVED: CR SEENEY	SECONDED: CR MORRELL
With respect to the Shire of Denmark Citizen & Sports Awards;	
1. The following recipients be awarded in the respective categories and those names remain confidential to Councillors, Senior Officers and the Executive Assistant and embargoed until the Awards Ceremony on 26 January 2013;	
a) 2012 Senior Sportsperson of the Year to Kia Mumford;	
b) 2012 Junior Sportsperson of the Year to Daniella Atkinson; and	
c) 2012 Service to Sport Award to Andrew Finigan.	
2. Council add Eligibility criteria to Council Policy P040113 to read: <i>“Eligibility – Nominations for a person who resides out of the Shire but participates in sport in the Shire of Denmark will be accepted however the nominee will only be judged on their achievements within the Shire of Denmark.”</i>	
CARRIED: 9/0	Res: 271212

**11. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING**  
 Nil

**12. CLOSURE OF MEETING**

*9.37pm – There being no further business to discuss the Shire President, Cr Thornton, declared the meeting closed and wished everyone a merry Christmas.*

The Chief Executive Officer recommends the endorsement of these minutes at the next meeting.

Signed: \_\_\_\_\_  
*Dale Stewart – Chief Executive Officer*

Date: \_\_\_\_\_

These minutes were confirmed at the meeting of the \_\_\_\_\_

Signed: \_\_\_\_\_  
*(Presiding Person at the meeting at which the minutes were confirmed.)*