



# Minutes

## ORDINARY MEETING OF COUNCIL

HELD IN THE COUNCIL CHAMBERS,  
953 SOUTH COAST HIGHWAY, DENMARK ON  
TUESDAY, 9 SEPTEMBER 2014.

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# Ordinary Council Meeting

9 September 2014

## DISCLAIMER

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

4.03pm – *The Shire President, Cr Thornton, declared the meeting open.*

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

Cr Ross Thornton (Shire President)  
Cr John Sampson (Deputy Shire President)  
Cr Kelli Gillies  
Cr Jan Lewis  
Cr Ian Osborne  
Cr Dawn Pedro  
Cr Belinda Rowland  
Cr Roger Seeney

**STAFF:**

Mr Dale Stewart (Chief Executive Officer)  
Mr Kim Dolzadelli (Director of Finance & Administration)  
Mrs Annette Harbron (Director of Planning & Sustainability)  
Mr Gregg Harwood (Director of Community & Regulatory Services)  
Mr Rob Whooley (Director of Infrastructure Services)  
Ms Claire Thompson (Executive Assistant)

**APOLOGIES:**

Cr David Morrell

**ON APPROVED LEAVE(S) OF ABSENCE:**

Nil

**ABSENT:**

Nil

**VISITORS:**

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

**DECLARATIONS OF INTEREST:**

Nil

**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 wall near the entrance to the Council Chambers or can be downloaded from our website at <http://www.denmark.wa.gov.au/council-meetings>.

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

*There were no questions or comments from members of the public.*

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

Nil

**4.4 PRESENTATIONS, DEPUTATIONS & PETITIONS**

Nil

**5. APPLICATIONS FOR FUTURE LEAVE OF ABSENCE**

A Council may, by resolution, grant leave of absence, to a member, for future meetings.

<b>COUNCIL RESOLUTION</b>	<b>ITEM 5</b>
MOVED: CR GILLIES	SECONDED: CR SEENEY
That Council grant Leave of Absence to;	
1. Cr Pedro for the meeting to be held on 30 September 2014; and	
2. Cr Lewis for the meeting to be held on 23 December 2014.	
CARRIED UNANIMOUSLY: 8/0	Res: 010914

**6. CONFIRMATION OF MINUTES**

**6.1 ORDINARY COUNCIL MEETING**

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 6.1</b>
MOVED: CR SAMPSON	SECONDED: CR PEDRO
That the minutes of the Ordinary Meeting of Council held on the 19 August 2014 be confirmed as a true and correct record of the proceedings.	
CARRIED UNANIMOUSLY: 8/0	Res: 020914

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

Nil

**8. REPORTS OF OFFICERS**

**8.1 Director of Planning & Sustainability**

**8.1.1 PROPOSED HOLIDAY HOME (LARGE) – NO. 20 (LOT 24) LIGHTS ROAD, OCEAN BEACH**

<b>File Ref:</b>	A515 (2014/124)
<b>Applicant / Proponent:</b>	P & K Klymiuk
<b>Subject Land / Locality:</b>	No.20 (Lot 24) Lights Road, Ocean Beach
<b>Disclosure of Officer Interest:</b>	The author of the report discloses an Impartiality Interest as she lives nearby to the subject site
<b>Date:</b>	26 August 2014
<b>Author:</b>	Marieke de Vries, Senior Town Planner
<b>Authorising Officer:</b>	Annette Harbron, Director of Planning & Sustainability
<b>Attachments:</b>	8.1.1a – Planning Application Documentation 8.1.1b – Schedule of Submissions 8.1.1c – Proponent’s Response to Submission 8.1.1d – Map of Area Highlighting Location of Nearby Approved Holiday Homes

**Summary:**

The proponent is seeking Planning Approval for a Holiday Home (Large) at No.20 (Lot 24) Lights Road, Ocean Beach.

Having regard to the issues raised from the submissions received and the objectives and provisions of Town Planning Scheme Policy No. 19.4: Holiday Homes (Policy 19.4), it is recommended that Planning Approval be granted subject to appropriate conditions.

**Background:**

Current Application

An application for Planning Approval was lodged with Planning Services in July 2014 seeking Planning Approval to use an existing dwelling as a Holiday Home (Large – max 8 guests) – refer Attachment 8.1.1 a.

Policy 19.4

Policy 19.4 was adopted by Council at its meeting of 6 November 2012. Policy 19.4 provides details on preferred locations for the establishment/operation of holiday homes, minimum development standards that dwellings need to comply with and management responsibilities to ensure that holiday homes are managed appropriately whilst ensuring the local character and amenity of the area is not compromised.

As per the provisions of Policy 19.4, the subject site is located within ‘Area 2 – Rural’ – which is one of the preferred locations for holiday homes to establish. Whilst not a rural block, the density of the area is similar to that on the eastern side of Ocean Beach Road (Area 1 – Wilson Inlet Environs) which is also a preferred location, noting that the area not preferred is the higher density inner townsite.

At the Ordinary Meeting of Council held on 19 August 2014, supplementary to Council’s resolution to refuse Planning Approval for a Holiday Home (Standard) at No. 32 (Lot 128) Gilbert Avenue, Weedon Hill (Res No: 040814), Council resolved the following (Res No: 050814):

*That Staff be requested to conduct;*

1. *A noise audit of the Weedon Hill area during the next summer holiday period; and*
2. *Subject to Part 1, a general review of Town Planning Policy No. 19.4 – Home Holidays including consideration of possible removal of Weedon Hill from preferred Area 1.*

**Consultation:**External Consultation:

- The application was referred to thirteen (13) adjoining landowners inviting comment on the proposal.
- The applicant

Internal Consultation:

- Development Co-ordination Unit

**Statutory Obligations:**

Town Planning Scheme No. 3 (TPS No. 3) specifies the pertinent planning provisions for the proposed use.

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:**

Policy 19.4 – Holiday Homes provides details on preferred locations for the establishment/operation of holiday homes, minimum development standards that dwellings need to comply with and management responsibilities to ensure that holiday homes are managed appropriately whilst ensuring the local character and amenity of the area is not compromised.

Clause 8.2.4 of TPS No. 3 states:

*A Town Planning Scheme Policy shall not bind the Council in respect of any application for planning consent but the Council shall take into account the provisions of the policy and the objectives which the policy was designed to achieve before making its decision.*

**Budget / Financial Implications:**

There are no known financial implications upon the Council's current Budget or Long Term Financial Plan.

**Strategic Implications:**

The report and officer recommendation is consistent with Council's adopted Mission and Vision and assists to achieve the following specific adopted Strategic Objectives and Goals.

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

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

**Sustainability Implications:****➤ Governance:**

There are no known significant governance considerations relating to the report or officer recommendation, however it is noted that Planning Consent and registration of the premises as a Holiday Home with Health Services is a statutory requirement for Holiday Homes.

**➤ Environmental:**

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

➤ **Economic:**

Holiday Homes, when managed to a high standard make a positive contribution to Denmark's tourism industry.

➤ **Social:**

Two of the key objectives of Policy 19.4 are to:

- Ensure that the predominant residential nature and character of neighbourhoods are retained; and
- Minimise negative impacts of holiday homes on the amenity of adjoining residents.

To this regard it is considered that with the proper management of holiday homes negative impacts can be minimised. Attest to this is a holiday home in Knowles Court that when advertised received twelve (12) objections. This holiday home was granted approval to operate by the Shire of Denmark in July 2013 and has operated without complaint since.

**Comment/Conclusion:**

In accordance with Town Planning Scheme No. 3 (TPS No. 3), the subject site (lot size of 1012m<sup>2</sup>) is zoned "Residential (R 10)". As per Table 1 – Zoning Table of TPS No.3, the use class of 'Holiday Home (Standard) is an 'SA' use in a Residential 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.

Public advertising of the proposal was undertaken in accordance with Clause 6.4 of TPS No. 3 (refer 'Consultation' section of the report), with five (5) submissions received (1 support and 4 objections). Attached at Attachment 8.1.1b is the Schedule of Submissions – with the submissions received being entered into the schedule as verbatim. Column 4 of the Schedule of Submissions represents Planning Services comments/response to the submission. The proponent has also provided a response to the submissions received – refer Attachment 8.1.1c.

As was the case with the recently refused application in Weedon Hill, concerns raised by submitters were for the most part in relation to the potential for holiday homes to detract from neighbourhood amenity, particularly as a result of a high concentration of holiday homes in one area.

In this regard it is noted that there are currently 5 approved and operational holiday homes in the nearby vicinity (being the residential portion of Lights Road, Iluka Avenue, Forest Road, Hallowell Drive, Heavitree Road, Alundorra Way and Yarimbah Road), equating to approximately 7% of the properties in this catchment. One holiday home is currently approved on the residential zoned portion of Lights Road, and 3 on Iluka Avenue - refer Attachment 8.1.1d for a map showing the location of the approved holiday homes in the nearby vicinity. From a Planning Services perspective, it is not considered that based on these numbers that there is an excessive number of holiday homes in this neighbourhood.

The argument that holiday homes detract from the neighbourhood is one that comes up often with concerns in this instance raised in relation to the ability of the lot to accommodate guest parking (refer response in the Schedule of Submissions) and the potential for antisocial behaviour, noise and increased traffic. Individual responses to these concerns are addressed in the Schedule of Submissions (refer Attachment 8.1.1b), however in general terms, as much of the concerns are speculative in nature and can be addressed should issues arise it is not considered that speculation is a valid reason for rejection of a new application. In this regard, it is noted that should issues arise during operation of the holiday home, the details of the Property Manager are provided to the surrounding neighbours such that in the first instance the Property

Manager can be contacted to address such issues. There is also the ability to contact the local Police depending on the seriousness/severity of the issue at the time and also the Shire's Health Services staff. In circumstances where valid complaints regarding a holiday home are received, the Shire has the right to not renew the approvals to operate.

Having regard to the issues raised from the submissions and assessment of the proposal having regard to the objectives and provisions of Policy 19.4, it is recommended that Planning Approval be granted subject to appropriate conditions being imposed. As Planning Approval is only granted initially for 12 months from the date of registration of the premises as a holiday home, in circumstances where valid complaints regarding the holiday home operations are received, the Shire has the right to not renew the approvals to operate.

**Voting Requirements:**

Simple majority.

**COUNCIL RESOLUTION & OFFICER RECOMMENDATION** ITEM 8.1.1  
 MOVED: CR OSBORNE SECONDED: CR ROWLAND

That Council with respect to the planning application for the Proposed Holiday Home (Large) at No.20 (Lot 24) Lights Road, Ocean Beach:

1. Notes the submissions received.
2. Grants Planning Approval subject to the following:
 

Conditions

  - a) The Holiday Home shall be in accordance with the attached stamped approved details/plans dated 14 July 2014.
  - b) This approval is valid for a temporary period of 1 year only and shall be subject to a new application in 12 months from the date of registration with the Shire of Denmark (refer Condition c), after which it may be renewed for a three year period (refer Advice Note i).
  - c) Prior to the commencement of activities, the premises must be registered with the Shire of Denmark (Health Services) as a holiday home, with fees payable as per Councils operative Fees and Charges Schedule at the initial 'premises' application stage and annually thereafter (refer Advice Note ii).
  - d) A maximum of eight (8) persons exclusive of the owner/operator may be accommodated at any one time within the holiday home.
  - e) The holiday home can only be rented for a maximum period of 3 months to any one person in any one twelve (12) month period.
  - f) Owner/operators must provide and maintain a register of all people who utilise the holiday home during the year to Council's satisfaction. A receipt book must be kept.
  - g) Prior to the commencement of activities, the applicant shall provide a copy of an approved Property Management Plan to adjoining land owners/occupiers (see Advice Note iii for extent of properties that notices are to be provided to). Copies of such correspondence shall be provided to the Shire of Denmark for its records.
  - h) Prior to the commencement of activities, hardwired smoke alarms to be provided in the bedrooms and emergency lighting to exit the building to the satisfaction of the Shire of Denmark (Building Services) - refer Advice Note iv.
  - i) Provision of three (3) car parking bays associated with the development, with the car parking bays, manoeuvring and circulation areas to be suitably constructed, sealed (concrete, asphalt or brick pavers), drained and thereafter maintained.



- j) The following information shall be provided to all tenants at the commencement of an agreement to occupy the premises:
  - Annual Registration Certificate;
  - Caretaker/manager or management company and its contact details;
  - Emergency contact details;
  - Code of Conduct; and
  - Fire and Emergency Plan.
- k) The provision of the following fire safety measures to the satisfaction of the Shire's Community Emergency Services Manager:
  - A fire blanket in the kitchen area;
  - Fire extinguishers;
  - Maintenance of a Building Protection Zone around the dwelling;
  - Implementation and display of the Fire and Emergency Plan;
- l) Signage shall be limited to a 0.2m<sup>2</sup> nameplate on the property.

Advice Notes

- i. Should the Shire receive valid complaints or the above conditions of approval are not adhered to, Council may consider refusing to grant a new and/or longer approval.
  - ii. Please contact the Shire's Principal Environmental Health Officer on 9848 0300 regarding the requirements for registration of the premises as a 'Holiday Home', noting approval will not be forthcoming until all relevant conditions of this Planning Approval have been complied with.
  - iii. The 'Property Management Plan' shall be provided to the following properties:
    - No.14 (Lot 21) Lights Road, Ocean Beach
    - No.16 (Lot 22) Lights Road, Ocean Beach
    - No.18 (Lot 23) Lights Road, Ocean Beach
    - No.22 (Lot 25) Lights Road, Ocean Beach
    - No.24 (Lot 26) Lights Road, Ocean Beach
    - No.26 (Lot 27) Lights Road, Ocean Beach
    - No.7 (Lot 36) Iluka Avenue, Ocean Beach
    - No.9 (Lot 35) Iluka Avenue, Ocean Beach
    - No.11 (Lot 34) Iluka Avenue, Ocean Beach
    - No.13 (Lot 33) Iluka Avenue, Ocean Beach
    - No.15 (Lot 32) Iluka Avenue, Ocean Beach
    - No.17 (Lot 31) Iluka Avenue, Ocean Beach
  - iv. In relation to Condition h, there is a need to provide emergency lighting on exit paths and hardwired smoke alarms are required in all bedrooms.
  - v. The applicant is advised that all activities on-site are to comply with the Environmental Protection (Noise) Regulations 1997.
3. Advise the submitters of Council's decision.

CARRIED: 6/2

Res: 030914

<b>8.1.2 DRAFT SPRINGDALE BEACH ESTATE FORESHORE MANAGEMENT PLAN</b>
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<b>File Ref:</b>	WAPC 146458
<b>Applicant / Proponent:</b>	Opus International Consultants (PCA) Pty Ltd on behalf of LWP Denmark Pty Ltd
<b>Subject Land / Locality:</b>	Wilson Inlet Foreshore Reserve Adjoining Springdale Beach Estate
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	29 August 2014
<b>Author:</b>	Donna Sampey, Sustainability Officer
<b>Authorising Officer:</b>	Annette Harbron, Director of Planning & Sustainability
<b>Attachments:</b>	8.1.2 – Foreshore Management Plan: Springdale Beach Estate Denmark

**Summary:**

Opus International Consultants (PCA) Pty Ltd, on behalf of LWP Denmark Pty Ltd, have submitted the Draft Springdale Beach Estate Foreshore Management Plan (SBEFMP) for approval – noting that such plan is a requirement of Subdivision Approval 146458 (being the creation of 15 residential lots and the tourist lot in the southern portion of Springdale Beach Estate).

Given the recreational focus of Springdale Beach and surrounding foreshore reserve, and subsequent implications for its use by adjoining residents and the community, it is recommended that the draft SBEFMP be advertised for public comment and then referred back to Council for final adoption.

**Background:**

In December 2012, the Western Australian Planning Commission (WAPC) granted subdivision approval for portion of Lot 9000 South Coast Highway, Hay.

The conditions of the WAPC approval relevant to this report are as follows:

- Condition 16: A foreshore reserve in accordance with the approved Subdivision Guide Plan for the site, as established by survey, being shown on the diagram or plan of survey (deposited plan) as a reserve for recreation and foreshore management and vested in the Crown under S152 of the Planning and Development Act 2005. Such land to be ceded free of cost and without any payment of compensation by the Crown. (Local Government)
- Condition 17: Prior to commencement of site works, preparation of a foreshore management plan for the foreshore are identified under Condition 16 of this approval, consistent with the Wilson Inlet Foreshore Reserves Management Plan 2008, to Council specifications and in consultation with the Department of Water. (Local Government)
- Condition 18: Implementation of the foreshore management plan required by Condition 17 of this approval, to the specifications of the Local Government in consultation with the Department of Water. (Local Government)

**Consultation:**

The draft SBEFMP has been prepared after extensive consultation with Shire Officers and Department of Water.

Given the draft SBEFMP provides recommendations relating to community recreation and amenity, it is recommended that the document be the subject of public advertising for a minimum period of 28 days. In this regard the following advertising is proposed:

- Advertising notice to be published in the Denmark Bulletin inviting public comment.
- Advertising notice, and the associated plan, inviting public comment on the proposal being displayed at the Shire Administration Office, the Shire Library and the Shire's website for the duration of the public advertising period.

- Referral of the proposal to Department of Water, Department of Planning, Department of Lands, Department of Aboriginal Affairs and Denmark Historical Society inviting comments.

**Statutory Obligations:**

The requirement for the SBEFMP arises from Subdivision Approval 146458.

**Policy Implications:**

Council policy P100509 Wilson Inlet Foreshore Reserves Management Plan 2008, states: "Council received and adopted the *Wilson Inlet Foreshore Reserves Management Plan 2008* as amended, with a view for the Shire to work towards implementing the recommendations stipulated within the Plan".

In accordance with the Wilson Inlet Foreshore Reserves Management Plan 2008, the following recommendations and actions are relevant to the Springdale Beach Recreation Node:

*Recommendations:*

- 2.5l) *It is recommended that WIMAG's (Wilson Inlet Management Advisory Group) advice regarding Springdale Beach be considered in the assessment of development proposals.*
- 2.5m) *It is recommended that development at the Springdale Beach Recreation Node provide low-impact recreational facilities.*
- 2.5n) *It is recommended that the Shire and relevant management bodies restrict any development or major disturbance at Springdale Beach to avoid impact on heritage sites.*

*Actions:*

- *Consider WIMAG's advice regarding Springdale Beach in the assessment of development proposals.*
- *Ensure that development proposals do not adversely impact on heritage sites.*
- *Consider the following low-impact recreational facilities for development at the Springdale Beach Recreational Node:*
  - *Restoring the historic jetty, in keeping with its heritage aesthetic, as a fishing platform*
  - *Establishing wheelchair-accessible walk trails up to the adjacent subdivision*
  - *Redeveloping the shelter and the surrounding area (with minimal clearing) to provide seats and picnic facilities and pedestrian access to the fishing platform*
- *Erect barriers and signs to ensure that there is no public vehicle access from the subdivisions adjoining Springdale Beach.*
- *Ensure that no boats or dinghies are left on Springdale Beach.*

Due regard has been given to the above recommendations and actions in the draft SBEFMP.

**Budget / Financial Implications:**

In accordance with WAPC Condition 18, LWP are responsible for implementing the majority of recommendations associated with the SBEFMP.

Post-clearance of subdivision conditions and completion of the 24-month developer maintenance period, the Shire will be responsible for maintenance and up-keep – which is expected to be incorporated into normal Shire-operations.

The only significant project item that has been referenced as responsibility of the Shire of Denmark in the draft SBEFMP is "consideration of re-instatement of a fishing platform or jetty at Springdale Beach". In this regard, implementation of this action item would be reliant on appropriate funding sources being identified, environmental and cultural heritage impact assessments being undertaken as required and the relevant statutory approvals being obtained.

**Strategic Implications:**

The report and officer recommendation is consistent with Council's adopted Mission and Vision and assists achieve the following specific adopted Strategic Objectives and Goals.

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

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

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

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

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

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

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

**Sustainability Implications:****➤ Governance:**

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

**➤ Environmental:**

Implementation of recommendations within the SBEFMP such as weed control, revegetation activities and erosion control will increase the environmental values of the Springdale Beach foreshore area.

Implementation of recommendations within the SBEFMP will accommodate the needs of the current and future residents of the Springdale Beach Estate and Denmark community, whilst maximise recreational opportunities and protecting and enhancing the natural environment.

**➤ Economic:**

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

**➤ Social:**

Springdale Beach has been utilised as a low-impact recreation node from early in Denmark's European history. Development of the adjacent Springdale Beach Estate will

see increasing usage of the area, thus it is appropriate that the area is appropriately managed. The SBEFMP seeks to sustainably manage this use, promote ease of access to the beach and Heritage Rail Trail from Springdale Beach Estate and promote inherent heritage and recreational values.

The Springdale Beach foreshore area contains three sites which are listed in the Shire of Denmark’s Municipal Heritage Inventory (2011):

- 1927 Rail Line (Torbay-Denmark portion of the Denmark-Nornalup Heritage Rail Trail);
- Springdale Beach Ochre Source and stone arrangement; and
- Reso Seats (seating on the beach).

**Comment/Conclusion:**

The objectives of the draft SBEFMP are:

- Consistency with the *Wilson Inlet Foreshore Reserves Management Plan 2008*;
- Protect ecological aspects;
- Protect areas of cultural significance;
- Provide management guidelines for recreation areas compatible with sustainable use of the foreshore; and,
- Assess and manage the relationship and impacts on the foreshore from the adjoining Springdale Beach Estate and Tourist Zone.

The key actions/recommendations from the draft SBEFMP include:

- Minimising development and having appropriate strategies and management actions in place to mitigate the risk of exposure of Acid Sulfate Soils;
- Removal of pine trees and on-going control of weeds;
- Revegetation in areas of weed control and on access tracks to be closed;
- Consideration of dieback management during all works;
- Minimising the risk of impacting aboriginal heritage values during works;
- Installation of new interpretive signage and upgrade of existing signage;
- New six to eight bay car park at the end of Beaufortia Gardens;
- New shared-use path along Beaufortia Gardens to the foreshore;
- Upgrade informative signage eg. “dogs on leads”;
- Upgrade of existing paths to Springdale Beach;
- Closure of some paths to Springdale Beach;
- Refurbishment of historical Heritage Rail Trail shelter, access and associated infrastructure;
- Consider re-establishing the historical jetty;
- Amend/update tenure of subject land to reflect foreshore reserve; and,
- Maintain the Heritage Rail Trail as a strategic fire access track.

Given the recreational focus of Springdale Beach and surrounding foreshore reserve, and subsequent implications for its use by adjoining residents and the community, it is recommended that the draft SBEFMP be advertised for public comment and then referred back to Council for final adoption.

**Voting Requirements:**

Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 8.1.2</b>
MOVED: CR PEDRO	SECONDED: CR SEENEY
That with respect to the Draft Springdale Beach Estate Foreshore Management Plan, Council endorse it for public advertising purposes for a minimum period of 28 days.	
CARRIED UNANIMOUSLY: 8/0	Res: 040914

**8.2 Director of Community & Regulatory Services**

Nil

**8.3 Director of Infrastructure Services**

Nil

**8.4 Director of Finance & Administration****8.4.1 MATERIAL VARIANCES REPORTING**

<b>File Ref:</b>	FIN.12
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Denmark
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	1 September 2014
<b>Author:</b>	Kim Dolzadelli, Director of Finance And Administration
<b>Authorising Officer:</b>	Dale Stewart, Chief Executive Officer
<b>Attachments:</b>	Nil

**Summary:**

Council is being asked to consider amending its current Policy P040222 - Material Variances in Budget and Actual Expenditure.

**Background:**

Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the Australian Account Standards (AAS), to be used in statements of financial activity for reporting material variances.

At its meeting held 19 August 2014 Councillors questioned why certain individual General Ledger/Job Accounts were not being report as "Material Variances" within the Monthly Statement of Financial Activity. It was explained that indeed Council Policy P040222 required this variance reporting to be done at a program level and that if the program level fell within the adopted variance limits then individual variances within the programs were not required to be reported.

The Director of Finance and Administration further noted that the statements of financial activity attached to the 19 August 2014 Council Agenda also stated:

*"The following Capital Expenditure Items do not fit within the reporting requirements of Policy P040222, as shown above, however are reported for the benefit of the reader to ensure that any individual Item of expenditure with a variance of over 10%, minimum of \$5,000, is highlighted."*

**Consultation:**

Discussion with Councillors occurred at the Council meeting held 19 August 2014.

**Statutory Obligations:**

The Local Government (Financial Management) Regulations 1996 states;

34. *Financial activity statement required each month (Act s. 6.4)*

(1A) *In this regulation —*

**committed assets** *means revenue unspent but set aside under the annual budget for a specific purpose.*

(1) *A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail —*

- a) *annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c); and*
  - b) *budget estimates to the end of the month to which the statement relates; and*
  - c) *actual amounts of expenditure, revenue and income to the end of the month to which the statement relates; and*
  - d) *material variances between the comparable amounts referred to in paragraphs (b) and (c); and*
  - e) *the net current assets at the end of the month to which the statement relates.*
- (2) *Each statement of financial activity is to be accompanied by documents containing —*
- a) *an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets; and*
  - b) *an explanation of each of the material variances referred to in subregulation (1)(d); and*
  - c) *such other supporting information as is considered relevant by the local government.*
- (3) *The information in a statement of financial activity may be shown —*
- a) *according to nature and type classification; or*
  - b) *by program; or*
  - c) *by business unit.*
- (4) *A statement of financial activity, and the accompanying documents referred to in subregulation (2), are to be —*
- a) *presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and*
  - b) *recorded in the minutes of the meeting at which it is presented.*
- (5) *Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.*

**Policy Implications:**

Policy P040222 - Material Variances in Budget and Actual Expenditures reads as follows;

*“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.”

The Officer recommends that Policy P040222 be amended to read as follows;

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

*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.*

*As a second tier reporting approach Council also adopts a variance of 10% or greater of the annual budget estimates to the end of the month to which the report refers for each General Ledger/Job Account in the budget, as a level that requires an explanation, with a minimum dollar variance of \$10,000.*

*Noting that as Council adopts an annualised Budget, the Director of Finance & Administration may vary the month end Budget estimates from time to time to take into consideration the vagaries and variances with respect to project timing and scheduling to allow for a more realistic and relevant comparisons to be made, subject to the total of the Council adopted Budget not being altered."*

**Budget / Financial Implications:**

The recommended amended Policy will allow for increased scrutiny of Budget line items and expenditure.

**Strategic Implications:**

Due regard has been given to the Shire of Denmark's Strategic Community Plan "Denmark 2031", namely:

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

**Sustainability Implications:**

➤ **Governance:**

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

➤ **Environmental:**

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

➤ **Economic:**

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

➤ **Social:**

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

**Comment/Conclusion:**

The Local Government (Financial Management) Regulations 1996 only requires the reporting of material variances at either:

- (a) according to nature and type classification; or
- (b) by program; or
- (c) by business unit.

Whilst noting the above legislative requirement the officer notes that this is the minimum requirement and that a lower level of variance reporting would be consistent with open, transparent and accountable reporting to allow for closer scrutiny of major expenditure and revenue items throughout the year.



The officer is recommending a changes to Council’s current Policy P040222 including the increase of the minimum dollar variance amount of \$5,000 to \$10,000 and requirement to cater for this lower level of reporting.

The current Council Policy has been in place since 2008.

**Voting Requirements:**

Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	ITEM 8.4.1
MOVED: CR SAMPSON	SECONDED: CR PEDRO
<p>That with respect to “Material Variance” reporting, Council adopted the following draft amended Policy;</p>	
<p><i>For the purposes of Local Government (Financial Management) Regulation 34 regarding levels of variances for financial reporting, a variance of 10% or greater of the annual budget estimates to the end of the month to which the report refers for each program area in the budget, as a level that requires an explanation or report, with a minimum dollar variance of \$10,000.</i></p>	
<p><i>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.</i></p>	
<p><i>A second tier reporting approach shall be a variance of 10% or greater of the annual budget estimates to the end of the month to which the report refers for each General Ledger/Job Account in the budget, as a level that requires an explanation, with a minimum dollar variance of \$10,000.</i></p>	
<p><i>Noting that as Council adopts an annualised Budget, the Director of Finance &amp; Administration may vary the month end Budget estimates from time to time to take into consideration the vagaries and variances with respect to project timing and scheduling to allow for more realistic and relevant comparisons to be made, subject to the total of the Council adopted Budget not being altered.</i></p>	
CARRIED UNANIMOUSLY: 8/0	Res: 050914

*The Director of Finance & Administration provided Council with a brief summary of the status of the current budget including percentage of rate collection to date.*

8.5 Chief Executive Officer

**8.5.1 RISK MANAGEMENT GOVERNANCE FRAMEWORK**

File Ref:	FIN.18A
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	1 September 2014
Author:	Dale Stewart, Chief Executive Officer
Authorising Officer:	Dale Stewart, Chief Executive Officer
Attachments:	8.5.1 - Risk Management Framework

**Summary:**

A draft Policy entitled 'Risk Management' is submitted for consideration by Council, together with the Council's inaugural Risk Management Government Framework, which embeds procedures for implementing the Policy within the organisation by Management and employees.

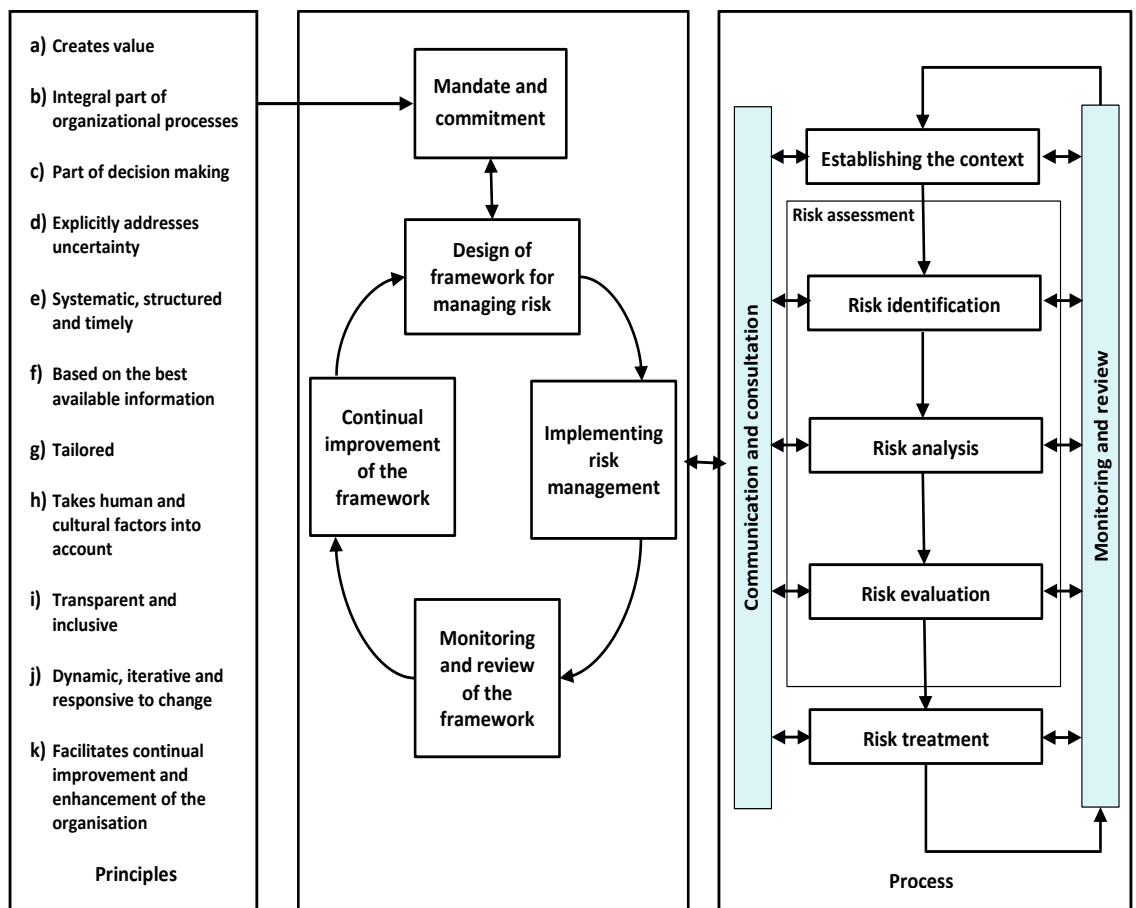


Figure 1: Risk Management Process (Source: AS/NZS 31000:2009)

**Background:**

Whilst Risk Management in Local Government is now required by law (since 2013), the principles of managing risk are not new.

**Consultation:**

As the Policy is 'inward' and operationally focused, no external community consultation is proposed nor is it required at law.

The Chief Executive Officer will need to ensure that employees are engaged with the Policy's implementation. The Policy and Framework is based on best practice guidance

supplied by Council's Insurance Broker, Local Government Insurance Services (LGIS) as part of a Regional Workshop convened in Denmark over the 25 and 26 August 2014.

The Workshop was attended by five (5) Great Southern local governments who are seeking to adopt similar processes and have worked together as part of a broader regional collaboration approach.

**Statutory Obligations:**

A new Regulation (number 17) was inserted into the Local Government (Audit) Regulations 1996 on 8 February 2013, which requires the Chief Executive Officer to undertake certain additional 'new tasks' required by that legislation.

In accordance with this regulation, the first review must be undertaken by no later than December 2014 (two calendar years).

Local Government (Audit) Regulations 1996 states;

**"17. CEO to review certain systems and procedures**

(1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —*

- (a) risk management; and*
- (b) internal control; and*
- (c) legislative compliance.*

(2) *The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.*

(3) *The CEO is to report to the audit committee the results of that review."*

In accordance with this review the Chief Executive Officer recommends the following Policy and attached Framework, which will guide staff in preparing the review to the Audit committee in coming months.

**Policy Implications:**

The proposed Policy and Framework is based on Australia/New Zealand Standard ISO 31000:2009 Risk Management.

The Policy proposed is as follows and is repeated in the Risk Management Framework pursuant to Attachment 8.5.1.

***"Risk Management Policy***

***Purpose***

*The Shire of Denmark's ("the Shire") Risk Management Policy documents the commitment and objectives regarding managing uncertainty that may impact the Shire's strategies, goals or objectives.*

***Policy***

*It is the Shire's Policy to achieve best practice (aligned with AS/NZS ISO 31000:2009 Risk management), in the management of all risks that may affect the Shire, its customers, people, assets, functions, objectives, operations or members of the public.*

*Risk Management will form part of the Strategic, Operational, Project and Line Management responsibilities and where possible, be incorporated within the Shire's Integrated Planning Framework.*

*The Shire's Management Team will determine and communicate the Risk Management Policy, Objectives and Procedures, as well as direct and monitor implementation, practice and performance.*

*Every employee within the Shire is recognised as having a role in risk management, from the identification of risks, to implementing risk treatments and shall be invited and encouraged to participate in the process.*

*Subject to budget constraints consultants may be retained at times to advise and assist in the risk management process or management of specific risks or categories of risk.*

#### **Definitions (from AS/NZS ISO 31000:2009)**

**Risk:** *Effect of uncertainty on objectives.*

Note 1: *An effect is a deviation from the expected – positive or negative.*

Note 2: *Objectives can have different aspects (such as financial, health and safety and environmental goals) and can apply at different levels (such as strategic, organisation-wide, project, product or process).*

**Risk Management:** *Coordinated activities to direct and control an organisation with regard to risk.*

**Risk Management Process:** *Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.*

#### **Risk Management Objectives**

- *Optimise the achievement of our vision, mission, strategies, goals and objectives.*
- *Provide transparent and formal oversight of the risk and control environment to enable effective decision making.*
- *Enhance risk versus return within our risk appetite.*
- *Embed appropriate and effective controls to mitigate risk.*
- *Achieve effective corporate governance and adherence to relevant statutory, regulatory and compliance obligations.*
- *Enhance organisational resilience.*
- *Identify and provide for the continuity of critical operations.*

#### **Risk Appetite**

*The Shire has quantified its risk appetite through the development and endorsement of the Shire's Risk Assessment and Acceptance Criteria (Appendix A). The criteria and Risk Management Procedures may be reviewed by the CEO from time to time in keeping with the objectives of this Policy.*

*All organisational risks to be reported at a corporate level are to be assessed according to the Shire's Risk Assessment and Acceptance Criteria to allow consistency and informed decision making. For operational requirements such as projects or to satisfy external stakeholder requirements, alternative risk assessment criteria may be utilised, however these cannot exceed the organisations appetite and are to be noted within the individual risk assessment.*

#### **Roles, Responsibilities & Accountabilities**

*The CEO is responsible for the allocation of roles, responsibilities and accountabilities. These are documented in the Risk Management Procedures that may be amended from time to time by the CEO (Organisation Procedure Manual).*

**Monitor & Review**

*The CEO will implement and integrate a monitor and review process to report on the achievement of the Risk Management Objectives, the management of individual risks and the ongoing identification of issues and trends.*

*This policy will be reviewed by the Council as required.”*

The CEO also suggests changing Council Policy P040105 - Reports to Council or Committee Meetings, with the following ancillary related changes;

Add “Risk” & “Governance” as headings under “Sustainability Implications” and amend the heading “Comment” to be “Comment/Summary”.

**Budget / Financial Implications:**

There are known financial implications upon either the Council’s current Budget or Long Term Financial Plan.

**Strategic Implications:**

The report and officer recommendation is consistent with Council’s adopted Mission and Vision and assists achieve the following specific adopted Strategic Objectives and Goals.

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

**Sustainability Implications:****➤ Governance:**

The new Policy and Framework will provide a sound management platform to address compliance with the new Regulation and also makes ‘good business sense’.

**➤ Environmental:**

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

**➤ Economic:**

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

**➤ Social:**

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

**Comment/Conclusion:**

Adoption of a Policy will guide the Chief Executive Officer and Management in what predominate risks exist and provide guidance as to Council’s appetite for each of those risks and provide a more thorough and documented process for the administration to manage those risks, day to day.

As noted in the framework, Risk Management is not a destination, but more of a journey. In other words – risks constantly evolve and or are discovered or ‘detailed’.

It should not be expected that the organisation will document ‘every risk’ and put in place controls to manage every risk.

The attached Framework will establish processes by which the Chief Executive Officer, Management and employees can quantify or escalate risks to be managed by treatments or controls, or if unable or unwilling - to transfer or accept them.

In the first instance, higher level 'strategic' risks will be identified and in subsequent years, greater level of maturity, understanding and time, will fine tune the 'risk registers' such that it will be developed to include lower order 'operational' risks.

**Voting Requirements:**  
Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	ITEM 8.5.1
MOVED: CR SEENEY	SECONDED: CR PEDRO
That Council;	
1. Adopt the Risk Management Policy as detailed within the Report, and endorse the initial Risk Assessment Matrix (Appetite for Risk) (labelled Appendix A on the Attachment to this Report);	
2. Amend Council Policy P040105 – Reports to Council or Committee Meetings as follows;	
a) Add “Risk” as a heading under “Sustainability Implications”;	
b) Add “Governance” as a heading under “Sustainability Implications”; and	
c) Amend the heading “Comment” to read “Comment/Conclusion”.	
CARRIED UNANIMOUSLY: 8/0	Res: 060914

**9. COMMITTEE REPORTS & RECOMMENDATIONS**  
Nil

**10. MATTERS BEHIND CLOSED DOORS**  
Nil

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

**12. CLOSURE OF MEETING**  
*4.53pm - There being no further business to discuss the Shire President, Cr Thornton, declared the meeting closed.*

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.)*