

# Shire of Denmark

## Ordinary Council Meeting MINUTES

21 July 2020



HELD IN THE COUNCIL CHAMBERS, 953 SOUTH COAST HIGHWAY,  
DENMARK ON TUESDAY, 21 JULY 2020.



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## Strategic Community Plan (snapshot)

### E1.0

#### Our Economy

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

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

### N2.0

#### Our Natural Environment

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

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

### B3.0

#### Our Built Environment

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

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

### C4.0

#### Our Community

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

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

### L5.0

#### Our Local Government

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

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

## **DISCLAIMER**

These minutes and resolutions are subject to confirmation by Council and therefore prior to relying on them, one should refer to the subsequent meeting of Council with respect to their accuracy.

No responsibility whatsoever is implied or accepted by the Shire of Denmark for any act, omission or statement or intimation occurring during Council/Committee meetings or during formal/informal conversations with staff.

The Shire of Denmark disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council/Committee meetings or discussions. Any person or legal entity who acts or fails to act in reliance upon any statement does so at that person's or legal entity's own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a license, any statement or limitation or approval made by a member or officer of the Shire of Denmark during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Denmark. The Shire of Denmark warns that anyone who has an application lodged with the Shire of Denmark must obtain and should only rely on WRITTEN CONFIRMATION of the outcome of the application, and any conditions attaching to the decision made by the Shire of Denmark in respect of the application.

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

4.02pm – The Shire President, Cr Gearon, declared the meeting open and welcomed visitors to the meeting.

Cr Gearon acknowledged the land on which the meeting was being held and the traditional custodians of the land, the Bibbulmun and Minang people. Cr Gearon stated that she would also like to show her respect for Elders past, present and emerging.

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

MEMBERS:

- Cr Ceinwen Gearon (Shire President)
- Cr Mark Allen (Deputy Shire President)
- Cr Geoff Bowley
- Cr Kingsley Gibson
- Cr Jan Lewis
- Cr Ian Osborne
- Cr Roger Seeney (via instantaneous communication)

STAFF:

- Mr David Schober (Acting Chief Executive Officer)
- Mr David King (Director Assets and Sustainable Development)
- Mr Lee Sounness (Executive Manager Corporate Services)
- Ms Angela Simpson (Executive Manager Community Services)
- Ms Claire Thompson (Executive Assistant & Governance Coordinator)
- Ms Sue Mearns (Executive Support Officer)

APOLOGIES:

- Cr Steve Jones
- Cr Janine Phillips

ON APPROVED LEAVE(S) OF ABSENCE:

Nil

ABSENT:

Nil

VISITORS:

Members of the public in attendance: 11

DECLARATIONS OF INTEREST:

Name	Item No	Interest	Nature
Cr Allen	8.2.3	Financial	Cr Allen is employed by M.C.C. Contractors
Mr L Sounness	8.2.5	Financial	Mr Sounness is a financial member of Railways Football Club

**3. ANNOUNCEMENTS BY THE PERSON PRESIDING**

The Shire President announced that pursuant to Regulation 14(2)(c) of the Local Government (Administration) Regulations 1996, she had approved Cr Seeney’s attendance via instantaneous communication.

**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.

### 4.2.1 Mr Clem Wright - 8.3.1 – 2020 Ward and Representation Review

The Acting President, Denmark Ratepayers and Residents Association confirmed that Mrs Beverley Ford had resigned as the President of the Association and wished to publicly thank Beverley for her works whilst President.

Mr Wright referred to the recent call for submissions on the 2020 Ward and Representation Review Discussion Paper noting that the Association had canvassed their membership extensively. Mr Wright said that he felt the submission which was made had been undervalued as it was recorded as one submission and did not record individuals preferences.

Mr Wright confirmed that the Association had in excess of fifty members with fifteen members providing a response to the Review. Of the fifteen responders, Council were advised that 60% preferred Option 3, the 'No Ward' option.

### 4.2.2 Mr Greg Davis – 8.1.2 - Proposed Holiday Home (Standard) – No 114 (Lot 209) Peace Street, Shadforth

Mr Davis spoke to Council regarding the potential negative impact that short term rental accommodation could have on neighbouring homes, in addition to the cumulative impacts on local accommodation businesses who now have to compete with private short term accommodation providers for business.

### 4.2.3 Mr Desmond Arrow – 8.1.2 - Proposed Holiday Home (Standard) – No 114 (Lot 209) Peace Street, Shadforth

Mr Arrow spoke of his concerns in relation to the lack of infrastructure such as footpaths around holiday homes and asked Council to keep in mind community safety when considering approving holiday homes.

### 4.2.4 Mr Sam Williams – 8.1.1 – Proposed Amended Structure Plan for Lot 371 Horsley Road, Denmark – Final Approval

Mr Williams gave an insight to Council on the history and ownership of the property which had resulted in the subsequent subdivision and re-zoning of the land.

### 4.2.5 Mr Adrian Baer – 8.3.2 – Denmark Chamber of Commerce Visitor Servicing Proposal

Mr Baer asked what the future direction of Council was with regards to tourism and whether funds allocated to the Visitor Centre would be re-directed to other Shire activities.

Mr Baer suggested that perhaps Holiday Home owners should be required to have water tanks to reduce the pressure on Denmark's water supply, particularly during peak tourist periods.

*Cr Gearon responded that the Shire would continue to financially support tourism in some form following the Amazing South Coast Inc divesting itself of the Denmark Visitor Centre at the end of July.*

Mr Baer then requested an update on the construction of the Telstra Tower at Ocean Beach.

*The Director Assets and Sustainable Development replied that all necessary approvals had been completed however has not been advised when installation is due to be completed.*

#### **4.2.6 Ms Michelle Backhouse – 8.1.2 - Proposed Holiday Home (Standard) – No 114 (Lot 209) Peace Street, Shadforth**

Ms Backhouse spoke to Councillors in relation to a letter of objection submitted by herself and her partner Mr Carl Galbraith contained within the Schedule of Submission (Attachment 8.1.2b, submission 2). Ms Backhouse voiced concerns in relation to the use of the driveway at 114 Peace Street being constructed of rock/pea gravel.

#### **COUNCIL RESOLUTION**

MOVED: CR ALLEN

SECONDED: CR BOWLEY

That Council suspend the meeting for 5 minutes to assess instantaneous communication equipment, the time being 4.50pm.

CARRIED UNANIMOUSLY: 6/0

Res: 010720

#### **COUNCIL RESOLUTION**

MOVED: CR ALLEN

SECONDED: CR BOWLEY

That the Council meeting resume, the time being 4.58pm.

CARRIED UNANIMOUSLY: 6/0

Res: 020720

*4.58pm – Cr Seeney left the meeting and did not return as it was determined that he was no longer able to attend the meeting via instantaneous communication.*

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

Nil.

#### **4.4 PRESENTATIONS, DEPUTATIONS & PETITIONS**

In accordance with Section 5.24 of the Local Government Act 1995, Sections 5, 6 and 7 of the Local Government (Administration) Regulations and section 3.3 and 3.13 of the Shire of Denmark Standing Orders Local Law, the procedure for persons seeking a deputation and for the Presiding Officer of a Council Meeting dealing with Presentations, Deputations and Petitions shall be as per Council Policy P040118 which can be downloaded from Council's website at <http://www.denmark.wa.gov.au/council-meetings>.

In summary however, prior approval of the Presiding Person is required and deputations should be for no longer than 15 minutes and by a maximum of two persons addressing the Council.

Nil.

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

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

**5.1 CR JONES**

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 5.1</b>
MOVED: CR GEARON	SECONDED: CR GIBSON
That Cr Jones be granted Leave of Absence until 16 November 2020.	
CARRIED UNANIMOUSLY: 6/0	Res: 030720

**5.2 CR PHILLIPS**

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 5.2</b>
MOVED: CR GEARON	SECONDED: CR BOWLEY
That Cr Phillips be granted Leave of Absence until 16 November 2020.	
CARRIED UNANIMOUSLY: 6/0	Res: 040720

**5.3 CR OSBORNE**

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 5.2</b>
MOVED: CR GIBSON	SECONDED: CR LEWIS
That Cr Osborne be granted Leave of Absence for the month of August 2020.	
CARRIED UNANIMOUSLY: 6/0	Res: 050720

**6. CONFIRMATION OF MINUTES**

**6.1 ORDINARY COUNCIL MEETING – 16 JUNE 2020**

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 6.1</b>
MOVED: CR GIBSON	SECONDED: CR BOWLEY
That the minutes of the Ordinary Meeting of Council held on the 16 June 2020 be confirmed as a true and correct record of the proceedings.	
CARRIED UNANIMOUSLY: 6/0	Res: 060720

**6.2 STRATEGIC BRIEFING NOTES – 16 JUNE 2020**

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 6.2</b>
MOVED: CR GIBSON	SECONDED: CR BOWLEY
That the Notes from the Strategic Briefing Forum held on the 16 June 2020 be received.	
CARRIED UNANIMOUSLY: 6/0	Res: 070720

**6.3 STRATEGIC BRIEFING NOTES – 30 JUNE 2020**

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 6.3</b>
MOVED: CR GIBSON	SECONDED: CR BOWLEY
That the Notes from the Strategic Briefing Forum held on the 30 June 2020 be received.	
CARRIED UNANIMOUSLY: 6/0	Res: 080720

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

The following Notice of Motion was received by the Chief Executive Officer in writing on the 9 July 2020 and therefore complies with the Shire of Denmark Standing Orders Local Law clause 3.9.



## 7.1 REVIEW OF TOWN PLANNING POLICY NO 19.5: HOLIDAY HOMES

<b>File Ref:</b>	CR.3
<b>Applicant / Proponent:</b>	Cr Jan Lewis
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	9 July 2020
<b>Author:</b>	Cr Jan Lewis
<b>Authorising Officer:</b>	Cr Jan Lewis
<b>Attachments:</b>	Nil

<b>COUNCIL RESOLUTION</b>	<b>ITEM 7.1</b>
MOVED: CR LEWIS	SECONDED: CR BOWLEY
Council request that the Director Assets and Sustainable Development:	
<ol style="list-style-type: none"> <li>1. Conduct a review of Town Planning Scheme Policy No.19.5: Holiday Homes.</li> <li>2. Bring an item to the Ordinary Council Meeting of the 18th August 2020 with recommendations for alterations or modifications (if any) to the current Policy.</li> </ol>	
The review to specifically address:	
<ol style="list-style-type: none"> <li>i) Additional measures that could minimise the negative impacts of Holiday Homes on the amenity of adjoining residents.</li> <li>ii) The possibility of capping the number of Holiday Homes in any one street and/or area.</li> <li>iii) The appropriateness for specific areas to be classed as Suburban thereby giving some certainty to current and potential residents.</li> <li>iv) The potential for a more pro-active approach to identifying problems with Holiday Homes, for example an annual survey combined with the registration process and access to the complaints register of property managers.</li> </ol>	
CARRIED UNANIMOUSLY: 6/0	Res: 090720

## 8. REPORTS OF OFFICERS

Nil.

### 8.1 DIRECTOR ASSETS AND SUSTAINABLE DEVELOPMENT

#### 8.1.1 PROPOSED AMENDED STRUCTURE PLAN FOR LOT 371 HORSLEY ROAD, DENMARK – FINAL APPROVAL

<b>File Ref:</b>	PLN.37
<b>Applicant / Proponent:</b>	Sam Williams Consulting
<b>Subject Land / Locality:</b>	Lot 371 Horsley Road, Denmark
<b>Disclosure of Officer Interest:</b>	None
<b>Date:</b>	9 July 2020
<b>Author:</b>	Craig Pursey, Manager Sustainable Development
<b>Authorising Officer:</b>	David King, Director Assets and Sustainable Development
<b>Attachments:</b>	8.1.1a - Structure Plan Amendment document (extract) 8.1.1b - Schedule of submissions 8.1.1c - Plan of required modifications

#### Summary:

Subject to modifications, Council is requested to endorse an amendment to the Wishart Place Structure Plan that applies to Lot 371 Horsley Road, Denmark.

#### Background:

This Structure Plan amendment applies to Lot 371 Horsley Road, Denmark.

The land is bound by Horsley Road to the east, unconstructed McLean Road to the north, the Wishart Place 'Special Residential' zone development to the west and Lot 372 Horsley Road to the east. Lot 372 forms part of the adjacent Horsley/Rockford Road Structure Plan area.

Lot 371 is zoned "Residential R12.5" and Special Residential under the Shire of Denmark's Town Planning Scheme No.3 (the Scheme) in a manner that responds to the existing structure plan. The structure plan and the zoning were formalised in January 2009 when Scheme Amendment 78 was gazetted.

This Structure Plan amendment has been prepared to facilitate the lodgement of a two-lot subdivision application and to make minor improvements to bushfire management and lot orientation of the structure plan area.

Lot 371 is currently developed with two houses occupied by two separate parts of the same family. A two-lot subdivision of this property was previously approved by the WAPC in February 2010. The original subdivision approval lapsed in August 2014. Ownership of one of the houses changed and the new owners wished to change the subdivision pattern to prevent a road running next to their house in the long term.

A new subdivision was lodged with the Department of Planning, Lands and Heritage (DPLH) in August 2018 who raised concerns that the new two lot subdivision proposal did not align appropriately with the underlying structure plan.

This structure plan amendment has been lodged in order to satisfy the DPLH concerns, the needs of the current land owners and it results in a marginally better outcome for bushfire management and lot orientation.

The structure plan amendment documentation was received on the 26<sup>th</sup> February 2020 and initiated under delegated authority. The process for assessing a structure plan is covered in the 'statutory obligations' part of this report.

#### **Consultation:**

The Officer considered the Council's Community Engagement Policy P040123 and the requirements of the Planning and Development (Local Planning Schemes) Regulations 2015 (the Regulations) and undertook the following advertising:

- Advert in the Denmark Bulletin;
- Notification to adjoining landowners and relevant agencies including DWER, DFES, DPIRD, Department of Health and DBCA;
- Emailed notification to all Councillors;
- Posting of the advertisement on the Shire's website; and
- A copy of the document being made available in the Shire offices.

Formal advertising closed on the 28<sup>th</sup> April 2020 with 9 submissions being received.

The submissions are reviewed in the attached Schedule of Submissions at 8.1.1b of this report.

#### **Statutory Obligations:**

An amendment to a Structure Plan is treated in the same manner as a new structure plan.

Schedule 2, Part 4, clauses 17 & 18 of the Regulations requires that upon acceptance of a structure plan it should be advertised for public comment, agency and utility feedback, the WAPC is notified and the plan placed on advertising seeking public comment. The Shire complied with the requirements of these clauses in the assessment process for the current structure plan.

Schedule 2, Part 4, clauses 19 & 20 of the Regulations require that Council consider the submissions received during advertising and make a recommendation to the WAPC on how to proceed with the structure plan.

**Policy Implications:**

There are no policy implications.

**Budget / Financial Implications:**

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

**Strategic & Corporate Plan Implications:**

The report and officer recommendation is consistent with Council's adopted Strategic Community Plan Aspirations and Objectives and the Corporate Business Plan Actions and Projects in the following specific ways:

Denmark 2027

B3.0 Our Built Environment

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

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

**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.

➤ **Risk:**

There is no risk to Council in determining this Structure Plan amendment proposal.

If Council choose to support or refuse the proposal, this resolution is forwarded to the WAPC for final determination and any appeal of the final decision lies with the WAPC.

**Comment/Conclusion:**

The proposed amendments to the existing structure plan include:

1. A road realignment to bring the entry road from Horsley Road along the southern boundary;
2. A reorientation of a number of lots to achieve better solar passive orientation; and
3. Provision of an up to date BAL Contour Plan showing the fire management impact of the vegetation to be retained and vegetation on nearby land on future housing.

The existing and proposed structure plan layouts are provided in an extract of the Structure Plan amendment document at attachment 8.1.1a.

The proposed amended structure plan for Lot 371 Horsley Road, Denmark has been prepared with the intention of:

1. Improving bushfire management when responding to the vegetation on neighbouring lots by realigning a road;
2. Facilitating the new landowners needs for the equitable subdivision of Lot 371; whilst
3. Responding to the existing underlying zoning.

The major issues to address with the proposed changes are explored below and summarised on a plan at attachment 8.1.1c:

1. The entry road now runs alongside the existing house located immediately adjacent to the southern border of Lot 371.

The applicant had discussed the proposal with this landowner before lodging and there was no objection to this change. No submission was received from the adjoining neighbour during the advertising period.

2. The future of the Horsley/Rockford Road Structure Plan has become uncertain with Amaroo Care Services (Amaroo) purchasing Lot 366 Horsley Road and flagging their intention to develop with an Aged Person's Village.

Amaroo has been advised that if their proposal to develop Lot 366 with an Aged Person's Village affects the existing structure plan road, drainage and Public Open Space (POS) layout that they would need to revise the existing structure plan so as to not detrimentally affect the other landowners in the structure plan area.

This has resulted in submissions from the owners of both Lot 366 and Lot 372 with concerns that the proposed alternate entry road alignment will affect the coordinated development of the wider area.

Both of these landowners have conducted some preliminary planning and flagged the need to realign the entry road into Lots 372 and 366 to a place along their common boundary.

The purpose of structure planning is to ensure that future development is coordinated across individual lots to coordinate services, roads, drainage and POS provision for a better long-term development outcome across the wider area.

In response to this concern, discussions with the applicant about an alternate alignment for the entry road to Lot 371 were conducted. A proposal to shift the intersection slightly north achieves a staggered intersection that with some small changes will meet civil engineering standards. It is recommended that the structure plan amendment be altered to accommodate this change with notation on the structure plan including:

- The staggered intersection is to achieve the minimum standard for staggered intersections as described in Austroad Standard Part 4A Unsignalized and Signalised Intersections. Note, this intersection arrangement results in a right/left arrangement that is preferred by the Shire's Technical Services team;
  - A traffic island; and
  - Adequate turning radii for a 19m truck.
3. The relationship of the amended structure plan to the underlying zoning.

The amended structure plan shows a number of lots along the western boundary as less than the minimum required by the Special Residential zoning. Although the proposed version of the structure plan does not differ from the original, it appears to have been an oversight in 2009 when originally assessed. This should be amended to show no lot less than 2000m<sup>2</sup>.

4. The inaccuracies in the original structure plan being carried through to the current amendment proposal

Follow up correspondence from an adjoining landowner has highlighted that the current structure plan adopted as part of Scheme Amendment 78 in 2009 does not reflect a number of the major recommendations of the Wishart Place Structure Plan (2006). Additionally, a number of the findings of the neighbouring Horsley/Rockford Road structure plan adopted in 2012 need to be carried through to this structure plan area to ensure consistency between landholdings.

This includes:

- The realignment of Horsley Road in the northern portion of Lot 371 shown on the 2009 structure plan not being adjusted adequately to protect the trees it was intended to save; and
- It fails to reflect a planned four-way intersection that provides access to Lot 372 to the east.

A simple notation on the structure plan can highlight the need to adjust the point Horsley Road to accommodate this issue, as shown on the plan at attachment 8.1.1c.

Overall, the proposed amendments to the structure plan are relatively minor, with minor benefits to the functionality of the future subdivision of this area. The major potential impact of the proposal is in the entry road changes potentially affecting the neighbouring Horsley/Rockford Road structure plan.

There is an argument that this structure plan amendment should be placed on hold until structure planning for Horsley/Rockford Road structure plan has been developed in response to Amaroo's development intentions. The owner of Lot 372 has taken the time to send a follow up email submission on this issue and is very concerned that until arrangements with Amaroo have advanced sufficiently that any change to the currently planned road network may compromise the planning for the wider area.

Placing the structure plan on hold until Amaroo have developed an amended structure plan that makes the necessary adjustments for their Aged Person's Village proposal remains an option for Council.

However, the proposed amended access road into Lot 371 should adequately respond to this issue allowing for likely access roads into Lot 372 being capable of being developed.

Support for the proposed Structure Plan amendment of Lot 371 Horsley Road, Denmark is recommended subject to modifications including:

- Realignment of the entry road to achieve adequate intersection separation to a conceptual road along the common boundary between Lots 369 and 372;
- The design of the intersection to the eastern entry road are to include a traffic island and adequate turning radii for a 19m truck.
- Including a notation on the structure plan that the Horsley Road realignment may need to be varied to accommodate protection of existing vegetation in the current Horsley Road alignment;
- The four-way intersection linking the structure plan area through the Horsley/Rockford Structure Plan area be included in the current amendment with a notation with the requirement for a roundabout; and
- No lots smaller than 2000m<sup>2</sup> along the portion of Lot 371 zoned 'Special Residential'.

**Voting Requirements:**

Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 8.1.1</b>
MOVED: CR GIBSON	SECONDED: CR ALLEN
That Council, in accordance with the requirements of the Planning and Development (Local Planning Schemes) Regulations 2015, Schedule 2, Part 4, clause 20:	
<ol style="list-style-type: none"> <li>1. Endorse the proposed Structure Plan Amendment for Lot 371 Horsley Road, Denmark and recommend the modifications to the Western Australian Planning Commission as shown on attachment 8.1.1c of this report;</li> <li>2. Forward a copy of the structure plan amendment, Council report and schedule of modifications to the Western Australian Planning Commission for determination.</li> </ol>	
CARRIED UNANIMOUSLY: 6/0	Res: 100720

**8.1.2 PROPOSED HOLIDAY HOME (STANDARD) – NO. 114 (LOT 209) PEACE STREET, SHADFORTH**

<b>File Ref:</b>	A3717
<b>Applicant / Proponent:</b>	Iggy Tan
<b>Subject Land / Locality:</b>	No. 114 (Lot 209) Peace Street, Shadforth
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	8 July 2020
<b>Author:</b>	Laura Delbene, Town Planner
<b>Authorising Officer:</b>	David King, Director Assets and Sustainable Development
<b>Attachments:</b>	8.1.2a – Development Application Documentation 8.1.2b – Schedule of Submissions 8.1.2c - Applicants response to submissions 8.1.2d – Location map 8.1.2e – Distribution of Holiday Homes Map

**Summary:**

The applicant is seeking Development Approval for a Holiday Home (Standard) at No. 114 (Lot 209) Peace Street, Shadforth.

Having regard to the issues raised in submissions, and the objectives and provisions of Town Planning Scheme Policy No.19.5: Holiday Homes (Policy 19.5), it is recommended that Development Approval be granted subject to appropriate conditions.

**Background:**

Subject Site

No. 114 (Lot 209) Peace Street, Shadforth is a 6779m<sup>2</sup> “Special Residential Zoned Lot (S/Res 2)”. The lot is located on the corner of Peace Street and Kerr Close and shares a rear and side boundary with two other properties. The property which shares the side boundary to the west was granted approval as a Holiday Home (Standard) by Council at the Ordinary Meeting held on 20 February 2018 (Res No. 030218).

Proposal

An application for Development Approval was lodged with Planning Services on 18 May 2020 for a Holiday Home (Standard). Holiday Home ‘Standard’ limits occupancy to a maximum of six (6) persons on-site at any one time. A Property Management Plan was submitted with the application as required under Policy 19.5 – refer Attachment 8.1.2a for the development application documentation.

**Consultation:**

The Officer has considered the requirement for consultation and/or engagement with persons or organisations that may be unduly affected by the proposal and considered Council's Community Engagement Policy P040123 and the associated Framework as well as the requirements of Town Planning Scheme No.3, Schedule 2, Part 8, Clause 64 of *the Planning and Development (Local Planning Schemes) Regulations 2015* and Policy 19.5, and undertook the following level of consultation:

**External Consultation:**

- Applicant.
- Five (5) adjoining landowners inviting comment on the proposal.

**Internal Consultation:**

- Development Co-ordination Unit.

At the end of the advertising period, five (5) submissions were received – refer Attachment 8.1.2b.

**Statutory Obligations:**

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

Should Council refuse this Development Application, or impose conditions on a development Approval that the applicant is aggrieved by, 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:**

Planning Policy No.19.5: Holiday Homes provides details on 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.

Schedule 2, Part 2; Clause 3(5) of the *Planning and Development (Local Planning Schemes) Regulations 2015* states:

*In making a determination under this Scheme the local government must have due regard to each relevant local planning policy to the extent that the policy is consistent with this Scheme.*

As per current Delegation D100601: Implementation of Town Planning Scheme, the Chief Executive Officer, Director Assets and Sustainable Development, Manager Sustainable Development have the delegation to determine proposals for 'SA' land uses (such as Holiday Homes) where the application is compliant with relevant TPS No. 3 provisions and TPS Policies.

As per delegations, any two or more Councillors may consider an application or proposal to be of strategic significant and/or high community interest and request the CEO in writing, to present the application or proposal to the Council for consideration. If the request is supported, the application shall be presented to the first practicable Council meeting for consideration. On 19 June 2020 the CEO received the second of two such requests and as such the consideration is presented.

**Budget / Financial Implications:**

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

**Strategic & Corporate Plan Implications:**

The report and officer recommendation is consistent with Council's adopted Strategic Plan Aspirations and Objectives and the Corporate Business Plan Actions and Projects in the following specific ways:

Denmark 2027

## E1.0 Our Economy

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

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

## B3.0 Our Built Environment

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

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

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

Corporate Business Plan

4.1.1 *Ensure quality, consistent and responsive development and building assessment approval processes and enforcement.*

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

There are no known significant governance considerations relating to the report or officer recommendation, however it is noted that Development Approval 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 implications 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:**

The key objectives of Policy 19.5 are:

- To support a diverse accommodation base within the Shire of Denmark.
- To minimise negative impacts of Holiday Homes on the amenity of adjoining residents through appropriate planning approval conditions and associated regulations that apply.
- To encourage the provision of good quality, well managed Holiday Homes.
- To ensure that Holiday Homes are managed and maintained to a high standard.



➤ **Risk:**

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
The proponent may lodge an application for review to the State Administrative Tribunal if the Council's decision was to refuse the proposal.	Possible (3)	Minor (2)	Moderate (5-9)	Failure to meet Statutory, Regulatory or Compliance Requirements	Accept Officer Recommendation as the decision is based on sound planning grounds. If a decision is made to refuse the application, Council is to provide sound reasoning to support solid defence at the State Administrative tribunal should the applicant wish to pursue a Right of Review.

**Comment:**

In accordance with TPS No. 3 the subject land, with a lot size of 6779m<sup>2</sup>, is zoned “Special Residential (S/Res 2)”. As per Clause 5.38 of TPS No. 3, ‘Holiday Home (Standard) is a ‘SA’ use in the Special Residential zone – that is Council may, at its discretion, permit the use in the zone after giving public notice of the application.

Public advertising of the proposal was undertaken in accordance with TPS No.3 and Schedule 2, Part 8, Clause 64 of the *Planning and Development (Local Planning Schemes) Regulations 2015*, TPS No.3 and Policy 19.5, with five (5) objections received. Attachment 8.1.2b is the Schedule of Submissions.

From a Planning Services perspective, the following comments are relevant to the proposal:

- The house and approved building envelope exceed the minimum side setback (10 metres), and front/rear setbacks (20 metres) specified in the Special Provisions for the Special Residential (2) zone.
- Under Policy 19.5 screening of outdoor areas and parking areas applies to Holiday Home ‘large’ proposals where there is the potential to allow up to 12 guests. Policy 19.5 does not specifically require screening of outdoor areas and parking areas for Holiday Home (Standard) proposals which allows up to 6 guests as this is not dissimilar to normal residential occupancy numbers.
- As specified in Policy 19.5, refusal of Holiday Home Applications is based on the following:

*....refusal will be considered should the proposal not achieve minimum standards or upon renewal should valid complaints be received during operation in the initial 1 year approval.*

**Key Issues:**

The following addresses the predominant and recurrent issues raised in the submissions:

Distribution and number of Holiday Homes permitted in a Special Residential area

Council last reviewed their Holiday Homes policy in 2015 where consideration was given to the Western Australian Planning Commission Planning Bulletin 99: Holiday Homes Guidelines which states:

*“As a guide, Holiday Homes are most appropriate in areas of high tourism amenity and close proximity to key tourism attractions such as the beach, town centre or rural areas. Suburban locations may not be appropriate.”*

In this context it was considered that all locations within Denmark could fit this criteria, with all lots being close to either the beach, town centre or rural areas (as well as many other key tourism attractions in the Shire). To take away the permissibility of Holiday Homes in all suburban areas would significantly impact the tourism benefits that a diversity of tourism accommodation brings to Denmark, however it was recognised that this needed to be balanced against the preservation of the residential neighbourhood character and availability of housing for permanent residents.

At the time there was also a desire to remove the perception that some locations, such as Weedon Hill were preferred over other sites, potentially causing a disproportionate concentration of Holiday Homes impacting the residential character of the area. As such, Policy 19.5 adopted on 18 August 2015 removed reference to preferred locations. This policy was subject to broad public consultation at the time with no significant objections received.

This review also considered the possibility of capping the number of Holiday Homes but concluded that this would be difficult to enforce with officer comments reiterating that “...*this option would create issues of inequity and would be challenging at best to assess planning applications and a person’s right to lodge an application.*”

Many homes in the Shire are purchased by absentee landowners as is the case with the subject property. These properties can provide an accommodation option when the owners visit the region with the intention of becoming a permanent resident in the future. Restricting the location or capping the number of Holiday Homes at this point may have ramifications for people who have invested in their property with the understanding that Policy 19.5 applies.

Planning Services have recently plotted the location of approved Holiday Homes across the Shire where it revealed they are reasonably well distributed with the exception of Weedon Hill and to a lesser extent Ocean Beach (see attachment 8.1.2e).

#### The cumulative impact of approving a Holiday Home adjacent to an existing approved Holiday Home

Development Applications are assessed on their individual merits, noting Policy No. 19.5 applies to individual properties and does not cover the perceived cumulative impact of the number and distribution of Holiday Homes. The potential for the properties to be jointly booked is somewhat speculative and the applicant has confirmed that the property will not be jointly leased and will be managed by a different property manager to the adjoining Holiday Home.

The current conditions applicable to Holiday Home (Standard) limits occupancy to no more than 6 persons at any one time. It is not unreasonable however, to assume that at times both Holiday Homes could be occupied by their respective owners which may result in more than 6 persons being present at both properties and their being no control over whether there is socialisation between parties. The situation may also arise that both Holiday Homes are rented at the same time where it may appear that the homes are rented as a ‘package’, however conditions can only relate to the number of occupants at any one time within the Holiday Home and cannot control the booking of Holiday Homes.

There are more than 10 occurrences where Holiday Homes have been approved adjacent to other Holiday Homes (some where there are 3 houses in a row). In this regard, the Shire has no record of ongoing issues as a result of the cluster of Holiday Homes in certain streets and it is likely the frequency to which Holiday Homes adjacent to one another are rented by parties known to each other would be minimal (See Attachment 8.1.2e for the distribution of Holiday Homes across the Shire).

#### Amenity impacts (visual, privacy & noise) associated with an existing outdoor entertaining area

The entertaining area exceeds the setback requirements applicable to the Special Residential (2) zone and is oriented such that it looks out across the property towards Kerr Close and does not directly overlook outdoor areas of adjoining properties. The nearest dwelling is located approximately 60 metres away on the opposite side of Kerr Close and has its outdoor living area also facing the northeast. The outdoor area of the property to the northwest is approximately 65 metres away and is afforded some natural screening from vegetation established both within their property and the subject lot. Due to the nature of development in the vicinity including the topography of the land and absence of solid fencing it is reasonable to expect that some degree of overlooking cannot be avoided. The acceptability/ degree of overlooking is guided by compliance with development setback requirements established under the scheme. As per policy 19.5, comments/objections based on the unique site characteristics will be considered in the application and may result in additional conditions of approval (e.g. increased visual privacy screening associated with a balcony area). Due to the separation distances, topography and orientation of the outdoor area, screening is not recommended in this instance.

The proposed Holiday Home use will not in itself generate additional noise beyond that which could otherwise arise through permanent occupation of the single house, noting Policy 19.5 stipulates that speculation relating to potential behaviour of guests would not represent valid grounds for refusal.

#### Amenity impacts associated with lighting at the property

The lighting installed at the property is generally of a domestic scale, noting the Shire has no policies or local laws to control the extent or guide acceptability of domestic lighting within private residential properties. The Local Government Act 1995 may provide an ability to take action where artificial light being emitted causes a nuisance (e.g. where light is shining/spilling directly into neighbouring properties), however this should be something that is considered if it does become an issue. As referenced above until such time as information pertaining to how often, extent of lights on etc. are taken into account it is difficult to assess/analyse the extent of the 'nuisance'. This position is further reinforced by the following statement provided for in Australian Standard AS4282-1997: Control of the Obtrusive Effects of Outdoor Lighting:

"With any outdoor lighting it will rarely be possible to contain all light within the boundaries of the property on which the lighting system is installed. Some light will inevitably be spilled outside the property boundaries, either directly or by reflection. The determination of when the spill light becomes obtrusive to others is difficult since both physiological and psychological effects are involved".

Should the adjoining landowners experience ongoing issues, then they will be encouraged to liaise with the Shire's Planning and Health Services staff to work through and attempt to resolve a satisfactory outcome.

#### Driveway and crossover treatment

The driveway and crossover have been finished in a pea gravel bitumen seal which is deemed appropriate by the Shire's Infrastructure services team. It is noted that material should not enter the roadway and a condition will require the driveway and crossover be maintained to the satisfaction of the Shire of Denmark should approval be granted.

#### **Conclusion:**

Planning Services does not consider there would be an unreasonable significant adverse impact on amenity arising from the Holiday Home application. It is not uncommon for Holiday Home applications to initially generate a reasonable level of concern; however, it usually results in the perceived impact being not as great as first thought. The Property Management Plan has generally proven to be effective in ensuring guests adhere to the conditions, with

the Shire receiving 11 recorded complaints in twelve years. It is acknowledged that the Property Management Plans are provided to the surrounding landowners so that any issues can be raised directly with the property manager and as such the number of complaints may not accurately reflect the true frequency of issues, although that in itself could indicate the system works and problems are ameliorated by property managers, as it is would be assumed that significant or unresolved issues would be directed to the Shire.

Whilst issues surrounding screening and lighting are acknowledged, the Holiday Home would not necessarily generate any greater impact than that which may otherwise arise through permanent occupation/ rental of the single house as it currently exists. All activities on-site are otherwise required to comply with the *Environmental Protection (Noise) Regulations 1997* and the Property Management requirements linked to approval of the Holiday Home will also provide a method of recourse should any problems arise.

The issues with the lighting at the property being a potential ‘nuisance’ can also be dealt with via the relevant provisions of the *Local Government Act 1995* should the adjoining property owners experience concerns. At this stage it is considered that it is difficult to impose restrictions and/or conditions until it is known if there will be an issue (i.e. speculator impact vs actual impact).

As Development Approval is granted initially for a 12 month period 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 retains the right to not renew the approval to operate.

Having regard to the issues raised in the submissions, and assessment of the proposal in line with the intent and objectives of TPS No. 3 and Policy 19.5, it is recommended that Development Approval be granted subject to appropriate conditions being imposed.

**Voting Requirements:**

Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	ITEM 8.1.2
MOVED: CR GIBSON	SECONDED: CR OSBORNE
That with respect to the development application for the Proposed Holiday Home (Standard) at No. 114 (Lot 209) Peace Street, Shadforth, Council:	
<ol style="list-style-type: none"> <li>1. Notes the submissions received.</li> <li>2. Grants Development Approval subject to the following:</li> </ol>	
<u>Conditions</u>	
<ol style="list-style-type: none"> <li>1) The Holiday Home shall be in accordance with the attached stamped approved details/plans dated 29 June 2020 and 18 May 2020 subject to the following modifications being implemented to the Property Management Plan:                     <p style="margin-left: 40px;">DUTIES OF THE PROPERTY MANAGER are to be updated to include the following:</p> <ul style="list-style-type: none"> <li>• <i>Ensure that dedicated rubbish recycling facilities are provided and that adequate information on recycling and signage is provided to all tenants.</i></li> </ul> <p style="margin-left: 40px;">The HOLIDAY HOME – CODE OF CONDUCT is to be modified as follows:</p> <ul style="list-style-type: none"> <li>• <i>FIRES: The tenants agree not to allow any candles, open fires, flames or similar burn unsupervised within the premise.</i></li> <li>• <i><u>NO OPEN FIRES</u> or solid fuel barbeques (eg. wood, charcoal or heatbeads) are permitted at any time. Contained gas or electric barbeque facilities may be provided and used in a safe manner provided no flammable material is</i></li> </ul> </li> </ol>	

*located within 5 metres of the barbeque, an immediate and continuous supply of water is available nearby (eg. a garden hose), it remains attended by a responsible adult at all times and no hot material is permitted to escape the area.*

- *RUBBISH DISPOSAL: The guests agree to contain all their rubbish and recycling in the dedicated bins as labelled and provided by the Property Manager. The Property Manager is responsible for the putting out and collection of the bins (where Council waste collection services are provided).*
- 2) 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, after which it may be renewed for a three year period.
  - 3) The driveway, designated parking areas and crossover shall be maintained to a minimum sealed standard (asphalt, concrete or brick pavers) to the satisfaction and specifications of the Shire of Denmark Infrastructure Services.
  - 4) 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 Council’s operative Fees and Charges Schedule at the initial ‘premises’ application stage and yearly thereafter.
  - 5) A maximum of six (6) persons exclusive of the owner/operator may be accommodated at any one time within the Holiday Home.
  - 6) The Holiday Home can only be rented for a maximum period of three (3) months to any one person in any one twelve (12) month period.
  - 7) 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.
  - 8) Prior to the commencement of activities, the applicant shall provide a copy of the updated Property Management Plan (including modifications required under Condition 1) to adjoining land owners/occupiers (see Advice Note ii for list of properties that this document is to be provided to). Copies of such correspondence shall be provided to the Shire of Denmark for its records.
  - 9) Prior to the commencement of activities hardwired smoke alarms in the bedrooms and kitchen and emergency lighting to exit the building are to be provided, to the satisfaction of the Shire of Denmark (Building Services).
  - 10) 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.
  - 11) 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.
  - 12) 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) The ‘Property Management Plan’ shall be provided to the following properties:
  - No. 112 Peace Street, Shadforth

<ul style="list-style-type: none"> <li>• No. 115 Peace Street, Shadforth</li> <li>• No. 116 Peace Street, Shadforth</li> <li>• No. 117 Peace Street, Shadforth</li> <li>• No. 3 Kerr Close, Shadforth</li> </ul> <p>iii) The applicant is advised that all activities on-site are to comply with the Environmental Protection (Noise) Regulations 1997.</p> <p>3. Advise the submitters of Council’s decision.</p>	<p>CARRIED UNANIMOUSLY: 6/0</p> <p>Res: 110720</p>
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**8.2 DIRECTOR CORPORATE AND COMMUNITY SERVICES**

**8.2.1 FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2020**

<b>File Ref:</b>	FIN.1
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	18 June 2020
<b>Author:</b>	Scott Sewell, Accountant
<b>Authorising Officer:</b>	Lee Sounness, Executive Manager Corporate Services
<b>Attachments:</b>	8.2.1 – May Monthly Financial Report

**Summary:**

The attached financial statements and supporting information for the period ending 31 May 2020 are presented for the consideration of Elected Members.

**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 Rate Book, including outstanding debtors and the raising of interim rates.
- Reconciliation of all assets and liabilities, including payroll, taxation and other 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.

**Consultation:**

Nil

**Statutory Obligations:**

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 by legislation to undertake a mid-year review of the Municipal Budget to ensure that income and expenditure is in keeping with budget forecasts. It should be noted that the budget is monitored by management on a monthly basis in addition to the requirement for a mid-year review. The attached statements are prepared in accordance with the requirements of the Local Government Act 1995 (s.5.25(1)) and the Local Government (Financial Management) Regulations 1996.

**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 adopted 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 \$10,000.*

*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.*

*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.*

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

It is anticipated that an end of financial year closing surplus will be generated. This is mainly due to grants relating to the 2020-21 financial year being paid in 2019-20 and savings from redeploying works depot staff from planned road maintenance to capital works road projects which are grant funded.

#### **Strategic & Corporate Plan Implications:**

The report and officer recommendation are consistent with Council's adopted Strategic Plan Objectives and Goals and the Corporate Business Plan Actions and Projects in the following specific ways:

#### Denmark 2027

L5.0 Our Local Government

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

L5.4 To be fiscally responsible

#### Corporate Business Plan

Nil

#### **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.

##### ➤ **Risk:**

Nil

#### **Comment/Conclusion:**

As at 31 May 2020, total cash funds held (excluding trust funds) totals \$7,441,229 (Note 1).

Shire Trust Funds total \$850 (Note 9)

Reserve Funds (restricted) total \$4,225,778 (Note 5)

Municipal Funds (unrestricted) total \$3,215,451

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 Statements:

- Taking into consideration the adopted Municipal Budget and any subsequent year to date budget amendments identified including the mid-year budget review (refer Note 3), the 30 June 2020 end of year budget position is estimated to be \$0. The projected estimated actual year end closing financial position is likely to be in the region of \$950,000 (not including pre-paid Financial Assistance Grants). Contributing factors to this projected outcome include the manner in which Council’s day labour depot workforce was deployed between capital and operational works, adjustments in day to day organisational structure in response to the pandemic and other variances to the budgeted revenue and expenditure estimates. (Statement of Financial Activity).
- Operating revenue and expenditure is generally in line with year to date budget predictions for the period ended 31 May 2020 (Statement of Financial Activity) except for items referenced in Note 3(a) which includes the depot staff deployment on general roadwork maintenance as mentioned above.
- The Rates Collection percentage currently sits at 93.51%, is in keeping with historical collection performance statistics (see Note 4)
- The 2019/20 Capital Works Program is 61.12% complete utilising actual year to date figures and the total committed cost is 68.99% as at 31 May 2020 (see Note 10). As at the 30 June the Program was 80.94% completed with the outstanding works being for the Denmark East Development and the Plane Tree Precinct project which have been re-budgeted for completion in the 2020-2021 financial year.
- Various transfers to and from general Reserve Funds have not been made for 2019/20 as they are generally undertaken in the latter half of the financial year, depending on the specific projects to which the transfers relate. Transfers from Denmark East Development Reserve of \$332,289 relates to current project expenditure for the period (see Note 5). Reserve funds transfers were completed during June 2020.
- Salaries and Wages expenditure is generally in line with year to date budget estimates (not reported specifically in the Financial Statement).

Other Information

- The financial statements presented as part of this report have been updated with the outcome of the mid-year budget review (MYBR) which was adopted by Council at its Ordinary meeting held on 17<sup>th</sup> March 2020 and therefore include all of the amendments to the adopted budget accepted by Council at that meeting.

**Voting Requirements:**

Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 8.2.1</b>
MOVED: CR GEARON	SECONDED: CR OSBORNE
That with respect to Financial Statements for the period ending 31 May 2020, Council receive the Financial Reports, incorporating the Statement of Financial Activity and other supporting documentation.	
CARRIED UNANIMOUSLY: 6/0	Res: 120720





## 8.2.2 INVESTMENT REPORT FOR THE PERIOD ENDED 30 JUNE 2020

<b>File Ref:</b>	FIN.7
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	6 July 2020
<b>Author:</b>	Scott Sewell, Accountant
<b>Authorising Officer:</b>	Lee Sounness, Executive Manager Corporate Services
<b>Attachments:</b>	8.2.2 - June 2020 Investment Register

### Summary

This report presents the Investment Register for the month ending 30 June 2020.

### Background

This report is for Council to receive the Investment Register as at 30 June 2020.

Council's Investment of Funds Policy sets the criteria for making authorised investments of surplus funds after assessing credit risk and diversification limits to maximise earnings and ensure the security of the Shire's funds.

### Consultation

Nil.

### Statutory Obligations

The *Local Government Act 1995 – Section 6.14, the Trustees Act 1962 – Part III Investments, the Local Government (Financial Management) Regulations 1996 - Reg. 19, 28 and 49, and the Australian Accounting Standards*, sets out the statutory conditions under which funds may be invested.

Regulation 34 of the *Local Government (Financial Management) Regulations* requires a monthly report on the Shires Investment Portfolio to be provided to Council.

### Policy Implications:

All investments are made in accordance with Council Policy P040229 – Investments, which states that in relation to Counterparty Credit Framework that no more than 50% of the total investment portfolio should be held with any one institution.

To control the credit quality over the entire portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating category.

A. S&P Long Term Rating	B. S&P Short Term Rating	C. Direct Investment Maximum %	D. Managed Funds Maximum %
AAA	A-1+	100%	100%
AA	A-1	60%	80%
A	A-2	40%	80%

Exposure to an individual counterparty/institution will be restricted by their credit rating so that single entity exposure is limited, as detailed in the table below.

A. S&P Long Term Rating	B. S&P Short Term Rating	C. Direct Investment Maximum %	D. Managed Funds Maximum %
AAA	A1+	50%	50%
AA	A-1	35%	45%
A	A-2	20%	40%

If any of the Council’s investments are downgraded such that they no longer fall within the investment policy, they will be divested as soon as practicable.

Investments fixed for greater than 12 months are to be reviewed on a regular basis and invested for no longer than 5 years.

**Budget / Financial Implications**

The 2019/20 Adopted Budget for earnings from investment income including from the Denmark East Redevelopment Reserve is \$127,631. This was amended to \$107,631 at the Mid-Year Budget Review adopted by Council on 17 March 2020. The interest earned on investments for the year ended 30 June 2020 is \$104,298 compared to the adjusted annual budget target of \$107,631.

**Strategic & Corporate Plan Implications**

Implement a financial strategy to ensure the Shire of Denmark’s financial sustainability.

The report and officer recommendation are consistent with Council’s adopted Strategic Plan Objectives and Goals and the Corporate Business Plan Actions and Projects in the following specific ways:

Denmark 2027

L5.0 Our Local Government

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

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

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

L5.4 To be fiscally responsible.

Corporate Business Plan

Nil

**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.

➤ **Risk:**

Nil.

**Comment / Conclusion**

The attached Investment Report tables summarise how funds are invested as per the Shires Investment Policy and reports on the Investment Portfolio balance as at 30 June 2020.

At the end of June 2020 Council had a total of \$5,877,055 invested with four banking institutions to ensure an appropriate portfolio balance mix with no single institution holding more than 50% of the total funds invested which is in accordance with the requirements outlined in Council policy P040229.

The total Reserve Funds invested as at 30 June 2020 total \$4,376,066. The budgeted Reserve Funds balance for the year ending 30 June 2020 is \$3,347 M. This variance to budget of \$1,029 M mainly relates to a lower than expected drawdown from the Denmark East Development Reserve of \$332,288 which is \$787,712 lower than budgeted and has been caused by the timing and rescheduling of capital works associated with this ongoing project.

The Reserve Bank of Australia has not altered its cash rate for this month. The cash rate remains set at 0.25%.

**Voting Requirements**

Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 8.2.2</b>
MOVED: CR BOWLEY	SECONDED: CR GIBSON
That Council receive the Investment Register (Attachment 8.2.2) for the period ending 30 June 2020.	
CARRIED UNANIMOUSLY: 6/0	Res: 130720

*Cr Allen declares a financial interest on the basis that he is employed by M.C.C. Contractors.*

*5.53pm - Cr Allen left the room and did not participate in discussion or vote on the matter.*

**8.2.3 LIST OF PAYMENTS FOR THE PERIOD ENDING 30 JUNE 2020**

<b>File Ref:</b>	FIN.1
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	7 July 2020
<b>Author:</b>	Scott Sewell, Accountant
<b>Authorising Officer:</b>	Lee Sounness, Executive Manager Corporate Services
<b>Attachments:</b>	8.2.3 – June Monthly List of Accounts Submitted Report

**Summary:**

The purpose of this report is to advise the Council of payments made during the period 1 June 2020 to 30 June 2020.

**Background:**

Nil

**Consultation:**

Consultation was not required for this report.

**Statutory Obligations:**

Local Government (Financial Management) Regulation 13 relates.

**Policy Implications:**

Delegation Number D040201 relates.

**Budget / Financial Implications:**

There are no known significant trends or issues to be reported.

**Strategic & Corporate Plan Implications:**

Implement a financial strategy to ensure the Shire of Denmark's financial sustainability.

The report and officer recommendation is consistent with Council's adopted Strategic Community Plan Aspirations and Objectives and the Corporate Business Plan Actions and Projects in the following specific ways:

Denmark 2027

## L5.0 Our Local Government

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

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

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

L5.4 To be fiscally responsible.

Corporate Business Plan

Nil

**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.

**➤ Risk:**

Nil

**Comment/Conclusion:**

Nil

**Voting Requirements:**  
Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 8.2.3</b>
MOVED: CR BOWLEY	SECONDED: CR GIBSON
That with respect to the attached Schedule of Payments, totalling \$1,225,240.29, for the month of June 2020, Council endorse the following summary of accounts:	
<ul style="list-style-type: none"> <li>• Electronic Funds Transfers EFT27822 to EFT28053 - \$691,337.01;</li> <li>• Municipal Fund Cheque No's 60375 – 60377 - \$22,811.67;</li> <li>• Internal Account Transfers (Payroll) - \$342,629.82;</li> <li>• Direct Debit - \$11,086.92;</li> <li>• Corporate Credit Card; \$3,193.99;</li> <li>• Department of Transport Remittances; \$95,616.95, and</li> <li>• Loan Payments: \$58,563.93.</li> </ul>	
CARRIED UNANIMOUSLY: 5/0	Res: 140720

5.56pm – Cr Allen returned to the room.

**8.2.4 COMMUNITY FINANCIAL ASSISTANCE PROGRAM APPLICATIONS 2020-21**

<b>File Ref:</b>	PBR.10.A.20/21
<b>Applicant / Proponent:</b>	Not Applicable
<b>Subject Land / Locality:</b>	Not Applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	3 July 2020
<b>Author:</b>	Angela Simpson, Executive Manager Community Services
<b>Authorising Officer:</b>	Lee Sounness, Executive Manager Corporate Services
<b>Attachments:</b>	Nil

**Summary:**

Council is being requested to consider the officer recommendations of the 2020/21 Community Financial Assistance Program.

15 Applications were received by the closing date of the 24 April. The requests were for a total of \$115,789.35. One application was received after the close date but this application was rejected on the basis that it did not meet the eligibility requirements.

There was a fairly even representation of requests across the main category areas.

Category – Value of request as a % of total request:

- Culture: 10%
- Arts: 10%
- Sport: 14%
- Environment: 28%
- Heritage: 21%
- Other: 17%

**Background:**

The Community Financial Assistance Program (CFAP) was advertised and notice of the Community Financial Assistance Program occurred as follows:

Councils Social Media

Promoted through Facebook and website and a feature in the Bulletin

Denmark Bulletin

Advertisement over 4 x Editions from end of March 2020 to the 23 April 2020

Walpole Weekly

¼ page Advertisement over 3 Editions – 11 March, 18 March & 25 March 2020

**Consultation:**

The officer has considered the requirement for consultation and/or engagement with persons or organisations that may be unduly affected by the proposal and considered Council's Community Engagement Policy P040123 and the associated Framework.

**Statutory Obligations:**

There are no known significant statutory obligations relating to the report or officer recommendation.

**Policy Implications:**

P040125 – Community Financial Assistance Program Policy.

**Budget / Financial Implications:**

The officer notes there is an allocation of \$35,000 in the 2020-21 Annual Budget.

**Strategic & Corporate Plan Implications:**

The report and officer recommendations are consistent with Council's adopted Strategic Community Plan Aspirations and Objectives in the following specific ways:

Denmark 2027

## C4.0 Our Community

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

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

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

## E1.0 Our Economy

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

E1.1 – To have a locally supported resilient, stable and innovative business community that embraces creativity, resourcefulness and originality.

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

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

➤ **Environmental:**

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

➤ **Economic:**

The officer has made recommendations on determining the successful applications taking into consideration the assessment criteria from the Community Financial Assistance Program guidelines and the current economic and social impacts of COVID-19. Projects were classified according to categories of funding and used a scoring matrix to rank the applications based on established criteria and the response provided by the applicant.

Consideration was given to the viability of projects reaching the delivery stage based on the current and proposed restrictions in place for COVID-19.

➤ **Social:**

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

➤ **Risk:**

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That Council approve projects that subsequently can't be delivered due to future COVID-19 restrictions (Reputational risk)	Possible (3)	Rare (1)	Low (1-4)	Business disruption	Manage by negotiation with event provider and review of delivery date
That Council decide to not fund applications received for the Community Financial Assistance Grant Program	Unlikely (2)	Minor (2)	Low (1-4)	Not Meeting Community expectations	Accept Officer Recommendation

**Comment/Conclusion:**

The officer has made recommendations on determining the successful applications taking into consideration the assessment criteria from the Community Financial Assistance Program guidelines and the current economic and social impacts of COVID-19. Projects were classified according to categories of funding and using a scoring matrix to rank the applications based on established criteria. Consideration was given to the viability of projects reaching the delivery stage based on the current and proposed restrictions in place for COVID-19.

The recommendation included allocating an initial amount of \$33,500 from a possible budget of \$35,000.

**Voting Requirements:**

Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>		Item 8.2.4
MOVED: CR ALLEN		SECONDED: CR GIBSON
That with respect to the Community Financial Assistance Program applications received, Council approve the following applications totalling \$33,500 for 2020/21:		
Description	Agreed Funding Amount	
Denmark Pistol Club Inc. - Equipment Purchase - adjustable benchrest shooting tables and stools	\$2,500	
Denmark Country Club - Provide adequate electrical supply to cart shed	\$3,500	
Greenskills - Denmark Tip Shop - Shed floor and carpark improvement works	\$5,000	
Andre Steyl - Movies with Meaning - Website and pilot TV Show	\$2,500	
Denmark Mountain Bike Club - Purchase of trailer and equipment to assist transport of equipment and bikes	\$2,000	



Great Southern Classic Car Show - Great Southern Classic Car Show Event Business Plan	\$4,000
Denmark CRC - Christmas Parade Dec 2020	\$10,000
Denmark Baroque - Joint performance with Darlington String Quartet - Oct 2020	\$2,000
William Bay Volunteer Bushfire Brigade – Creation of Fire maps for local area.	\$2,000
<b>Total</b>	<b>\$33,500</b>
CARRIED UNANIMOUSLY: 6/0	
Res: 150720	

Mr Sounness declared a financial interest on the basis that he is a financial member of Railways Football Club.

6.10pm – Mr Sounness, Executive Manager Corporate Services left the room.

**8.2.5 DENMARK WALPOLE FOOTBALL CLUB – INTEREST FREE LOAN**

<b>File Ref:</b>	LOA.148
<b>Applicant / Proponent:</b>	Denmark Walpole Football Club
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Lee Sounness, Executive Manager Corporate Services
<b>Date:</b>	7 July 2020
<b>Author:</b>	Angela Simpson, Executive Manager Community Services
<b>Authorising Officer:</b>	Lee Sounness, Executive Manager Corporate Services
<b>Attachments:</b>	8.2.5 - Denmark Walpole Football Club letter

**Summary:**

Denmark Walpole Football Club (DWFC) requested in writing on 17 June 2020 that the Shire of Denmark write-off the remaining \$2,023.11 of their Self-Supporting Loan (Loan No. 148) and consider the loan paid in full. Their request is on the basis of financial hardship due to season disruptions over two consecutive years, with McLean Oval upgrades in 2019 and COVID-19 restrictions in 2020, limiting opportunities to host home games and generate revenue.

**Background:**

Shire of Denmark Self-Supporting Loans are loans by way of an MOU taken out by the Shire of Denmark on behalf of clubs or organisations who undertake to meet the capital, interest and loan guarantee payments. Non-profit clubs or organisations who occupy land or buildings owned by the Shire of Denmark may make an application for self-supporting loans, where the funds are to be used for capital improvements to the land or buildings they occupy.

Denmark Walpole Football Club (DWFC) entered into a self-supporting loan (Loan No. 148) with the Shire of Denmark in 2011, for the value of \$30,000. The loan to DWFC was used to undertake capital upgrades to the McLean Oval Clubhouse facility. This formed part of a co-contribution, along with contributions from Council and a grant from Department of Sport and Recreation that collectively funded an upgrade to additional facilities within the McLean Oval Precinct. The additional facilities included new ablution blocks next to the clubhouse, upgrade to the change rooms, upgrade to the lighting, installation of tiered seating and grass banking.

DWFC have experienced disruptions to the last two seasons, with upgrades to McLean Oval in 2019 and COVID-19 restrictions in 2020, limiting their ability to host home games over this period. DWFC rely on the revenue made from home games (e.g. gate, kiosk and bar takings), to cover operational costs such as club programs, equipment and umpiring payments, as well as loan repayments.

Following the 2019 season, DWFC made a request to the Shire of Denmark to write-off the remainder of their self-supporting loan (Loan No. 148). On 21 November 2019 the Shire advised DWFC that this request had been denied. DWFC again requested the amount be written-off on 17 June 2020. As of June 2020, the DWFC Self Supporting Loan (Loan No. 148) has an outstanding balance of \$2,023.11.

The Shire of Denmark have supported DWFC financially on a number of occasions over the previous 15 years, as outlined below:

#### Lights upgrade

- 2007 – Lights upgrade (DWFC borrowed \$20,141 through interest free loan with the Shire) DWFC were to pay \$5,000 per annum until loan was paid off.
- 2011 – Council wrote off the existing debt of \$17,387.05 from the DWFC loan to a nil balance.

#### McLean Clubhouse Facility upgrade

- 2011 – DWFC entered into a Self-Supporting Loan with the Shire of Denmark (Loan No. 148) for \$30,000, for the upgrade to the Club House facility. DWFC are required to make two payments per annum of \$2,204.32 (one in June / one in November) until loan is repaid.

#### Lighting charges waived

- 2019 – Lighting charges of \$2,247 were waived in lieu of the oval being unavailable for part of the 2019 season.

Although DWFC have indicated they are experiencing financial hardship, the Shire has not been presented with any financial documentation demonstrating their financial position.

It is the officer's advice that there are a number of support packages expected to be announced in the coming months, which may assist the Club with the recovery of costs associated with the disrupted 2020 season:

- Great Southern Football League have indicated they will provide a \$500 subsidy as assistance to host clubs per home game, as well as reduced insurance premiums due to the shorter football season.
- Department of Local Government, Sport and Cultural Industries have indicated a Clean Club package will be available to clubs to help recover costs associated with the increased cleaning requirements of COVID-19. These packages are expected to include \$2000 for clubs linked to facility management and \$500 for clubs under management agreements for use of facilities.
- Lotterywest COVID-19 Relief Fund is also available to support sporting groups to address the financial impact of COVID-19.

#### **Consultation:**

The officer has considered the requirement for consultation and/or engagement with persons or organisations that may be unduly affected by the proposal and considered Council's Community Engagement Policy P040123. The following organisations have been consulted in the preparation of this report:

- West Australian Football Commission
- Department of Local Government, Sport and Cultural Industries
- Shire of Denmark Officers.

#### **Statutory Obligations:**

Section 6.12 of the Local Government Act 1995 relates to the power to defer and waive debts

6.12. Power to defer, grant discounts, waive or write off debts

- (1) Subject to subsection (2) and any other written law, a local government may —

- (a) when adopting the annual budget, grant a discount or other incentive for the early payment of any amount of money; or
  - (b) waive or grant concessions in relation to any amount of money; or
  - (c) write off any amount of money,
- which is owed to the local government.

**Policy Implications:**

P030104 Financial Hardship Policy. The Council recognises that at times there could be cases of genuine hardship where debtors will experience difficulty in paying charges as they fall due. The intent of this policy is to allow flexibility of payment in such circumstances through negotiated arrangements.

**Budget / Financial Implications:**

The Shire of Denmark have recently made the final loan repayment for Loan No. 148. Writing off the Self-Supporting Loan payment would result in a \$2,023.11 loss of income for the 2020/21 financial year.

**Strategic & Corporate Plan Implications:**

The report and officer recommendation are consistent with Council's adopted Strategic Community Plan Aspirations and Objectives and the Corporate Business Plan Actions and Projects in the following specific ways:

Denmark 2027

L5.0 Our Local Government

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

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

L5.4 - To be fiscally responsible

B3.0 Our Built Environment

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

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

**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 implications relating to the report or officer recommendation.

➤ **Risk:**

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That Council request payment as scheduled, resulting in financial pressure on club and damaged relationship with DWFC	Rare (1)	Minor (2)	Low (1-4)	Not Meeting Community expectations	Treat through the application of the Financial Hardship Policy.

**Comment/Conclusion:**

Denmark Walpole Football Club have requested that the Shire of Denmark write-off the remainder of their Self-Supporting Loan (Loan No. 148), on the basis of financial hardship due to disruptions to their 2019 and 2020 seasons.

This report recommends that Council does not support the write-off of the Denmark Walpole Football Club’s Self-Supporting Loan (Loan No. 148) but offers the club the opportunity to request a deferral of payments in line with the requirements of the Financial Hardship Policy P030104. The officer can also provide support to clubs with planning and grant writing assistance on an as needs basis.

**Voting Requirements:**

Simple majority.

**OFFICER RECOMMENDATION**

ITEM 8.2.5

That with respect to Denmark Walpole Football Clubs request, Council do not support the write-off of the final Self-Supporting Loan (Loan No.148) repayment of \$2,023.11.

<b>COUNCIL RESOLUTION</b>	ITEM 8.2.5
MOVED: CR GIBSON	SECONDED: CR ALLEN
That with respect to Denmark Walpole Football Club’s request, Council decline to write off the Club’s final Self-Supporting Loan (Loan No.148) repayment of \$2,023.11.	
CARRIED: 4/2	Res: 160720
<i>Pursuant to Council Policy P040134 all Councillors’ votes on the above resolution are recorded as follows:</i>	
<i>FOR:</i>	<i>Cr Allen, Cr Gibson, Cr Gearon and Cr Lewis</i>
<i>AGAINST:</i>	<i>Cr Bowley and Cr Osborne</i>

6.26pm – The Executive Manager Corporate Services returned to the room.

**8.2.6 SHORT TERM LENDING FACILITY**

<b>File Ref:</b>	FIN.8A
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	7 May 2020
<b>Author:</b>	Lee Sounness, Executive Manager Corporate Services
<b>Authorising Officer:</b>	Lee Sounness, Executive Manager Corporate Services
<b>Attachments:</b>	8.2.6a – Local Government COVID-19 Facility Presentation 8.2.6b – Shire of Denmark Cash Flow Forecast 2020-2021

**Summary:**

The purpose of this report is for Council to consider authorising the establishment of a short-term lending facility (STLF) for the Shire of Denmark as a result of the economic impact of the COVID-19 Pandemic.

**Background:**

The Shire of Denmark does not currently have any short-term lending facilities in place.

COVID-19 was declared a pandemic on 12 March 2020. On 16 March, the State Government of Western Australia declared a State of Emergency. A series of restrictions have since been imposed on individuals and businesses, affecting the social, cultural and economic well-being of our community.

As a result of the pandemic the Shire's 2020/21 financial position is projected to result in:

- Decreased revenue streams from Fees and Charges and Other Income.
- Change to Shire's cashflow position due to households, community organisations and businesses capacity to pay outstanding rates, leases and self-supporting loan commitments by the due date.
- The possible requirement to draw on reserves or set up short term borrowing facilities to fund day to day operations due to the unknown consequences of the ongoing Pandemic on the Shire's financial position.

The cash flow projections indicate the Shire should have the capacity to fund general operations from existing unrestricted cash balances and if predicted payment of rates are maintained at historical levels. Cashflow projections (attachment 8.2.6a) indicate that if 15% of rates were not able to be collected during 2020/21 there may be a requirement to draw on a short-term borrowing facility. Projections also indicate that if 25% of rates were not able to be collected during 2020/21 there would be a requirement to draw on a short-term borrowing facility of up to \$1,000,000. It is therefore considered prudent to ensure that a short-term borrowing facility of \$1,000,000 be established to assist in meeting possible cashflow requirements for the Shire of Denmark during this period.

**Consultation:**

Western Australian Treasury Corporation – short term facility options

National Australia Bank – the Coronavirus Small and Medium Enterprises (SME) Guarantee Scheme

Western Australian Local Government Association (WALGA)

**Statutory Obligations:**Local Government Act 1995

## 6.20. Power to borrow

- (1) Subject to this Act, a local government may —
  - (a) borrow or re-borrow money; or
  - (b) obtain credit; or
  - (c) arrange for financial accommodation to be extended to the local government in ways additional to or other than borrowing money or obtaining credit,
 to enable the local government to perform the functions and exercise the powers conferred on it under this Act or any other written law.
- (2) Where, in any financial year, a local government proposes to exercise a power under subsection (1) (**power to borrow**) and details of that proposal have not been included in the annual budget for that financial year —
  - (a) unless the proposal is of a prescribed kind, the local government must give one month's local public notice of the proposal; and
  - (b) the resolution to exercise that power is to be by absolute majority.
- (3) Where a local government has exercised a power to borrow and —
  - (a) it does not wish to proceed with the performance of the function or the exercise of the power for which the power to borrow was exercised; or

- (b) after having completed the performance of the function or the exercise of the power for which the power to borrow was exercised, any part of the money borrowed, credit obtained or financial accommodation arranged has not been expended or utilized, the local government may resolve\* to expend the money or utilize the credit or financial accommodation for another purpose if one month's local public notice is given of the proposed change of purpose.

\* *Absolute majority required.*

- (4) A local government is not required to give local public notice under subsection (3) —
- (a) where the change of purpose has been disclosed in the annual budget of the local government for the relevant financial year; or
- (b) in such other circumstances as are prescribed.
- (5) A change of purpose referred to in subsection (3) is to be disclosed in the annual financial report for the year in which the change occurs.

#### Local Government (Financial Management) Regulations 1996

#### 20. When local public notice not required for exercise of power to borrow (Act s. 6.20(2)(a))

- (1) A local government is not required to give local public notice of a proposal to exercise a power to borrow when the power is to be exercised to re-finance a loan or to continue other financial accommodation (whether with the same or another bank or financial institution) except where the re-financing or continuation is a major variation.

- (2) In this regulation —

**major variation** means a variation in the terms of a loan or other financial accommodation which is —

- (a) a capitalisation of interest accruals; or
- (b) an increase in the term of the loan or other financial accommodation;

**re-finance** in relation to a loan or other financial accommodation (the **existing loan**), means to borrow an amount (the **new loan**) which is, at the date of the new loan —

- (a) equal to the principal amount owing on the existing loan; or
- (b) not more than \$5 000 more or less than the principal amount owing on the existing loan, for the principal purpose of paying out the existing loan or preserving the credit originally provided by the existing loan.

- (3) A local government is not required to give local public notice of a proposal to exercise a power to borrow where each of the following conditions is satisfied —
- (a) a decision to exercise the power is made while there is in force a state of emergency declaration applying to the district, or part of the district, of the local government;
- (b) the local government considers that the borrowing is required to address a need arising from the hazard, or from the impact or consequences of the hazard, to which the state of emergency declaration relates;
- (c) the decision and the reasons for it are recorded in the minutes of the meeting at which the decision is made.

#### **Policy Implications:**

Nil

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

Establishing a short-term lending facility will ensure any future cashflow issues which may occur during the pandemic can be addressed in an efficient manner.

The costs to set up such a facility with the WA Treasury Corporation (WATC) are as follows:

- Establishment Fee - \$0
- Credit Line Fees - \$0
- Indicative rolling short term facility rate - 0.46%

Interest on funds drawn down through the STLF will be calculated daily and charged monthly.

**Strategic & Corporate Plan Implications:**

The report and officer recommendation is consistent with Council’s adopted Strategic Community Plan Aspirations and Objectives and the Corporate Business Plan Actions and Projects in the following specific ways:

Denmark 2027

L5.0 Our Local Government

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

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

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

L5.4 To be fiscally responsible.

Corporate Business Plan

Nil

**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:**

The economic impact of not establishing a short-term lending facility may result in issues managing cashflow relating to both operational and capital works programs.

➤ **Social:**

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

➤ **Risk:**

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
Financial Mismanagement	Rare (1)	Moderate (3)	Low (1-4)	Inadequate Financial, Accounting or Business Acumen	Accept Officer Recommendation

**Comment/Conclusion:**

The Shire of Denmark has seen a decline in both revenue and expenditure in the current budget period. While the overall impact up until June 30 has been modelled to suggest a budget surplus will be attained at year end, going forward into the 2020/21 financial year the deferral of income suggests normal cashflow will be impacted. It is expected the deferral or non-payment of rate payments and the loss of income from services normally rendered in the 2020/21 financial year will contribute to normal cashflows been affected.

In order to have a short-term lending facility available to manage the expected and reduced cashflow levels, information was sought from our current banker, National Australia Bank

(NAB) and the Western Australian Treasury Corporation (WATC) for details of the options available. The following information has been provided:

Option 1 – WATC Short Term Lending Facility

Rolling Short Term Loan

Facility Amount - \$1,000,000

Specified Period – 2 years

Indicative rolling short term loan rate - 0.46%

Interest on funds drawn down through the STLF will be calculated daily and charged monthly.

Application Assessment – by absolute majority, an endorsed Council Resolution supporting access to the Short Term Lending Facility. A 12 month cash flow forecast which Council has approved.

Option 2 – NAB Coronavirus SME Guarantee Scheme

Working Capital Loan

Facility Amount - \$250,000

Specified Period – up to 3 years

Government guaranteed 50% of loan total

Loan Rate – 4.5%

Interest only incurred on amount drawn down. 6-month repayment holiday.

Unsecured finance

Application Assessment – Audited Annual Financial Statements, most recent Monthly Finance Report, endorsed recommendation from Council by absolute majority.

It should be noted that the State Parliament enacted legislation on Thursday, 9 April 2020, to enable local governments to be more agile in their response to the pandemic, including exemptions requiring local government to give public notice of a ‘power’ to borrow under section 6.20 of the Act.

**Voting Requirements:**

Absolute majority.

The Executive Manager Corporate Services advised that the officer recommendation should have included reference to the cash flow forecast because the WATC required Council to also endorse that document. The Executive provided the following additional officer recommendation for Council consideration.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	ITEM 8.2.6a)
MOVED: CR GIBSON	SECONDED: CR GEARON
That Council approve the Shire of Denmark twelve month cash flow forecast for 2020/21 as per attachment 8.2.6b.	
CARRIED UNANIMOUSLY: 6/0	Res: 170720

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	ITEM 8.2.6b)
MOVED: CR GIBSON	SECONDED: CR GEARON
That Council, pursuant to Section 6.20 of the Local Government Act 1995:	
<ol style="list-style-type: none"> <li>1. Authorise the Acting Chief Executive Officer to lodge an application to establish a short-term lending facility with the Western Australian Treasury Corporation (WATC), with a limit of \$1,000,000, for the purposes of managing cash-flow due to the impacts of the COVID-19 pandemic on the Shire of Denmark’s operations for the 2020/21 financial year.</li> <li>2. Instruct the Acting Chief Executive Officer that should a draw down of funds be required from the Short Term Cash Flow Facility that Council be formally advised.</li> <li>3. Instruct the Acting Chief Executive Officer to report to Council on a monthly basis the status of the Western Australian Treasury Corporation (WATC) short term lending facility via the Finance Report, excluding January 2021, until it is relinquished.</li> </ol>	



<b>AMENDMENT</b>	
MOVED: CR BOWLEY	SECONDED: CR OSBORNE
That part 2 of the Officer Recommendation be amended by deleting the five words after “ <i>facility</i> ” and replacing them with the words “ <i>that prior Council approval be sought through a formal council resolution</i> ”.	
LOST: 5/1 For: Cr Bowley	Res: 180220
<i>Pursuant to Council Policy P040134 all Councillors’ votes on the above resolution are recorded as follows:</i>	
FOR: Cr Bowley	
AGAINST: Cr Allen, Cr Gibson, Cr Gearon, Cr Lewis, Cr Osborne	
THE ORIGINAL MOTION WAS THEN PUT AND CARRIED BY AN ABSOLUTE MAJORITY: 6/0	
	Res: 190220

*\*Absolute Majority required.*

6.29pm – Cr Lewis left the room.

6.29pm – Cr Lewis returned to the room.

**8.3 CHIEF EXECUTIVE OFFICER**

**8.3.1 2020 WARD & REPRESENTATION REVIEW**

<b>File Ref:</b>	ELC.1 & CR.1
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	15 June 2020
<b>Author:</b>	Sue Mearns, Executive Support Officer
<b>Authorising Officer:</b>	David Schober, Acting Chief Executive Officer
<b>Attachments:</b>	8.3.1a – Ward Review Discussion Paper 8.3.1b – Schedule of Submissions Received - Redacted

**Summary:**

Council is asked to consider the submissions received in relation to the Ward and Representation Review and determine its position prior to making a submission to the Local Government Advisory Board.

**Background:**

At the meeting held on the 17 March 2020, Council resolved as follows (Resolution No. 140320);

*“That Council authorise the Chief Executive Officer to commence a review of the Shire of Denmark’s Wards & Representation”.*

The Shire of Denmark last undertook a Ward and Elected Member Representation Review in April 2013. The review outcome and subsequent Council resolution was as follows:

*“That with respect to the 2013 Ward and Elected Member Representation Review Council;*

- 1. Notes the six (6) submissions received and the officer comments with respect to those and;*

2. *Notes the previous Minister for Local Government’s directive of 5 February 2009 in relation to Councillor numbers being voluntarily reduced to between 6 and 9 and;*
3. *Notes that there is a likelihood of increased Governance costs associated with Councillors allowances moving to being regulated by the Salaries and Allowances Tribunal with effect from 1 July 2013 and;*
4. *Submits to the Local Government Advisory Board, proposing that;*
  - a) *There be no change to its current 3 Ward structure and;*
  - b) *That there not be a complete spill of elected member positions but that its number of elected representatives be reduced to 9 by reducing one Councillor from each ward with effect from the 2013 Local Government Elections.”*

As the last review was completed in April 2013, the Shire of Denmark is now required to undertake another ward review in advance of the 2021 Ordinary Local Government Elections.

The Shire provided public notice and a Discussion Paper of the Ward and Representation Review in accordance with recommendation 8.3.1 of the 17 March 2020 Council resolution.

The discussion paper included three examples of possible options for change to the ward and representation system, as well as the fourth option of no change, for the public to consider when providing comments on the ward and representation review.

The options are set out in the following table:

<b>Option 1</b>	If it was determined that the Ward boundary should mirror the gazetted Denmark Townsite boundary for Town Ward then the option of increasing the number of Town Ward Councillors from three (3), to five (5) Councillors should be considered. This would require a reduction in Elected Members in the Scotsdale/Shadforth Ward from four (4) to two (2). This measure would then ensure an acceptable Councillor/Elector ratio of within 10%.
<b>Option 2</b>	A second option to be considered could be to create four (4) wards and ‘split’ the Townsite boundary area into two (2) wards. One retaining the name of ‘Town Ward’ and the second being named, for example, “Ocean Beach Ward”.  Option 2 would involve decreasing the number of Councillors in the Scotsdale/Shadforth Ward by two (2), and creating two (2) Councillors for the new “Ocean Beach Ward”.
<b>Option 3</b>	Implement a ‘no ward’ structure with nine Elected Members.
<b>Option 4</b>	Retain the current Wards & Representation with nine (9) Elected Members and three (3) Wards.

**Consultation:**

The Shire provided public notice and a Discussion Paper of the Ward and Representation Review in the following ways:

- Press advertisements in the Denmark Bulletin (x2) and the Albany Advertiser;
- Public notice on the Shire’s Website, Facebook page and Community noticeboard/s; and
- Email notices to Sporting Clubs and local Community Groups, including Residents & Ratepayer Associations.

Interested parties were asked to review the Discussion Paper (Attachment 8.3.1a), and provide comments by 12 June 2020. At the request of the Denmark Residents and Ratepayers Association, a meeting was held on 21 May 2020 to seek clarification and ask questions relating to the Discussion Paper.

Subsequent to the closing date, thirty four (34) submissions were received and can be found at Attachment 8.3.1b.

**Statutory Obligations:**

The Local Government Act 1995, Schedule 2.2 requires a Local Government that has a ward system, to carry out reviews of its Ward boundaries and the number of offices of councillor for each ward “from time to time so that not more than eight (8) years elapse between successive reviews.”

It must be noted that any decision with respect to the Ward Review must be by an absolute majority.

**Policy Implications:**

There are no Policy implications.

**Budget / Financial Implications:**

The Shire had allocated \$5,000 towards this review in it's 2019/20 budget.

Due to the uncertainty during the COVID-19 crisis, the functions associated with completing the ward and representation review were undertaken by a Shire Officer. This significantly reduced the amount spent on the review to under \$500, this being for costs associated with advertising.

**Strategic & Corporate Plan Implications:**

The report and officer recommendation is consistent with Council's adopted Strategic Plan Objectives and Goals and the Corporate Business Plan Actions and Projects in the following specific ways:

Denmark 2027

L5.0 Our Local Government

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

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

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

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

Corporate Business Plan

L.5.2.10 - Undertake a Ward and Representation Review to ensure balanced representation.

**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.

➤ **Risk:**

Nil

**Comment/Conclusion:**

As commented on previously, thirty four (34) community submissions have been received and were reviewed by Shire Officers. Some commentary for each submission is detailed in Attachment 8.3.b however, if we look at each option it can be summarised as follows:

Option	Synopsis	Responses Received - Preferences
1	Mirror the gazetted Denmark Townsite boundary for Town Ward then increase the number of Town Ward Councillors from three (3), to five (5) by reducing Elected Members in the Scotsdale/Shadforth Ward from four (4) to two (2).	One person responded that their preference was for Option 1. It should be noted that the responder also considered Options 2 and 4 to be acceptable and was strongly opposed to Option 3.
2	Create four (4) wards and 'split' the Townsite boundary area into two (2) wards.	Five submissions were received in support of this Option.
3	Implement a 'no ward' structure with nine Elected Members.	Eight submissions were received in support of this Option.  The Officer comments that there was a submission received from an Association which included comments from a number of members stating their preference was for a 'No Ward' system. However, as the individual amount of responses could not be quantified (from the Associations' submission), it could only be recorded as one submission.
4	Retain the current Wards & Representation with nine (9) Elected Members and three (3) Wards.	Twenty two submissions were received in support of Option 4.

The numbers in the above table clearly indicate that the majority of submitters prefer Option 4, this being to retain the current system of three 3 Wards and with nine (9) Elected Members.

Given that the ratio of Elected Members per Elector complies with Schedule 2.2 of the Local Government Act 1995, the Officer has recommended that no changes to the Shire's current ward and representation are required.

**Voting Requirements:**

Absolute majority.

**OFFICER RECOMMENDATION**

**ITEM 8.3.1**

That with respect to the 2020 Ward and Elected Member Representation Review Council;

1. Notes the 34 submissions received; and
2. Pursuant to clauses 8 and 9 of Schedule 2.2 of the *Local Government Act 1995*, authorise the Acting Chief Executive Officer to advise the Local Government Advisory Board (LGAB) that:
  - (a) The Shire has undertaken a review of its ward and representation in accordance with clause 6(1) of Schedule 2.2 of the *Local Government Act 1995*; and
  - (b) The Shire proposes that no changes to wards or representation are necessary.

<b>DEFERRAL</b>	ITEM 8.3.1
MOVED: CR GIBSON	SECONDED: CR LEWIS
That the item be deferred until the October 2020 Ordinary Council Meeting.	
CARRIED UNANIMOUSLY: 6/0	Res: 200720

**8.3.2 DENMARK CHAMBER OF COMMERCE VISITOR SERVICING PROPOSAL**

<b>File Ref:</b>	ORG.34
<b>Applicant / Proponent:</b>	Denmark Chamber of Commerce
<b>Subject Land / Locality:</b>	Not Applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	2 July 2020
<b>Author:</b>	Kristina Low, Project Officer
<b>Authorising Officer:</b>	David Schober, Acting Chief Executive Officer
<b>Attachments:</b>	Nil

**Summary:**

This report seeks to provide the Denmark Chamber of Commerce with in-principle support to further develop their alternative visitor servicing proposal for Denmark, following the Amazing South Coast Inc divesting itself of the Denmark Visitor Centre. It is expected that the Denmark Visitor Centre will close on 31<sup>st</sup> July 2020.

**Background:**

In December 2017, the Lower Great Southern Economic Alliance (consisting of the Shire of Denmark, Shire of Plantagenet and City of Albany) established the Tourism Advisory Group (TAG) as part of an industry consultation process to assist in the development of a local Destination Marketing Organisation (DMO).

The TAG, before disbanding at the end of 2018, assisted the Alliance in delivering a Tourism Development Strategy, Destination Marketing Strategy and contributed to the development of the new organisation’s branding prior to the DMO’s commencement.

In 2018/2019, the newly established DMO (the Amazing South Coast Tourism Inc.) took over the Visitor Centre operations, including accommodation bookings, from Denmark Tourism Inc (DTI) who had operating the Visitor Centre up until this point.

The Shire of Denmark historically have contributed funds to DTI (and subsequently the ASCTI from 2018/2019) as follows to operate and manage the Denmark Visitor Centre:

- 2010/11 - \$80,000
- 2011/12 - \$80,000
- 2012/13 - \$70,000
- 2013/14 - \$80,000
- 2014/15 - \$85,000
- 2015/16 - \$85,000
- 2016/17 - \$95,000
- 2017/18 - \$95,000
- 2018/19 - \$95,000

It is important to note that the Shire of Denmark has never operated the Denmark Visitor Centre, but has contributed financially, and in-kind, in order to support the tourism industry. Financial contributions, rather than directly operating visitor centres, is typical in the local government industry.

In January 2019, a Project Funding Agreement was entered into between ASCTI and the three local governments of Albany, Denmark and Plantagenet which covered the period 1 July 2018 to 30 June 2020.

Pursuant to the Agreement, the ASCTI assumed responsibility for, and management of, the Denmark Visitor Centre for the 2018/19 and 2019/20 financial years.

The Shire of Denmark agreed to provide \$95k per annum from July 1 2018 under the agreement.

In February 2020 the ASCTI formally advised the Shire of its intention to divest itself of the Visitor Centre as of 30 June 2020. As a result, the ASCTI noted they would not be providing visitor servicing (including accommodation bookings) after this date due to the unsustainable financial nature of the model.

As a result of the ASCTI position the Denmark Chamber of Commerce (DCC) have approached Councillors with a draft visitor servicing model, 'Discover Denmark', which focuses on 'Touchpoints' (local businesses and attractions trained in quality visitor servicing), online promotion, printed directory, traditional advertising, and events and campaigns.

DCC now seek in-principle support from Council to pursue the development of a proposal with the local tourism industry that has the potential to provide visitor servicing in Denmark after the closure of ASCTI services on 31 July.

**Consultation:**

Councillors were presented with the DCC draft proposal at the 16 June 2020 Strategic Briefing. It was requested that the DCC further develop the proposal by consulting and engaging with tourism industry providers and the wider community.

At the date of writing this report, there are two engagement sessions planned by the DCC for 21 and 23 July, specifically for DCC members, the tourism industry and the community.

Should the officer's recommendation be supported by Council this will allow the DCC to further develop their conceptual model. A final framework is then to be presented to Council at a later date for endorsement and possible financial commitment.

**Statutory Obligations:**

Nil

**Policy Implications:**

Shire of Denmark Tourism Policy P130201

**Budget / Financial Implications:**

The draft 2020/21 Shire of Denmark annual budget has an allowance of \$95,000 as per the last three financial years for the purposes of tourism. While \$95,000 has previously been provided to the ASCTI for destination marketing and running of the Denmark Visitor Centre, this will need to be revised in 2020/21 given the decision taken by the ASCTI.

**Strategic & Corporate Plan Implications:**

The report and officer recommendation is consistent with Council's adopted Strategic Community Plan Aspirations and Objectives and the Corporate Business Plan Actions and Projects in the following specific ways:

Denmark 2027

E1.0 Our Economy

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

- E1.1 – To have a locally supported resilient, stable and innovative business community that embraces creativity, resourcefulness and originality.
- E1.2 To be a vibrant and unique tourist destination, that celebrates our natural and historical assets.

**Corporate Business Plan**

E1.1.4 Develop a Regional Economic Development Strategy to stimulate economic development in partnership with the Lower Great Southern Economic Alliance.

E1.2.4 Facilitate and participate in Cooperative Marketing Campaigns to support tourism objectives.

**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:**

Given the decline in Visitor Centre bookings reported over the last three years by the ASCTI if the DVC does close operations is unlikely to have a significant impact on the economic climate for Denmark.

➤ **Social:**

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

➤ **Risk:**

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That Council not assist the tourism industry explore an alternative model for visitor servicing.	Possible (3)	Minor (2)	Moderate (5-9)	Not Meeting Community expectations	Accept Officer Recommendation

**Comment/Conclusion:**

It is accepted that income from Visitor Centres across Australia are on a downward trend due to direct online bookings. The ASCTI have indicated that revenue from bookings has decreased by 40 per cent each year, on average, in Denmark over the last three years.

In contrast, visitor numbers to Denmark have grown over the last two years according to Tourism WA data. The inception of the destination marketing arm of the Amazing South Coast Tourism Inc, anecdotally appears to be attracting a younger demographic that typically books online, reducing the overall need to book accommodation via a Visitor Centre.

ASCTI’s divestment of the Visitor Centre, mirrors the closure of bricks and mortar Visitor Centres across the country and is reflective of a model that appears to no longer serve the needs of the industry. In line with this, the DCC proposal does not include the running and managing of a physical Visitor Centre or accommodation booking system.

Officers note that the DCC proposal invests more resources into tourism operators and their staff to take control of their own bookings, and product/service marketing, by providing targeted training.

Councillors and staff have considered exploring a number of alternative visitor servicing models. The DCC proposal appears to be the most appealing, due to an already significant and growing membership base (175 current members that operate in the tourism sector), established reputation and its non-commercial nature.

The importance of a non-commercial entity such as the DCC (fully funded by its members) driving a visitor servicing model is acknowledged and serves to mitigate the likelihood of commercial interests interfering with quality, unbiased visitor servicing delivery.

The DCC is a strong advocate for tourism in the region and have proposed a collaborative network approach to a new visitor servicing proposal. By leveraging their strong membership base with an assumed ambassadorship presence across Denmark businesses could serve to increase their capacity to deliver a positive visitor experience.

**Voting Requirements:**

Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 8.3.2</b>
MOVED: CR GIBSON	SECONDED: CR LEWIS
That Council;	
1. Provide in-principle support to the Denmark Chamber of Commerce to further develop an industry supported visitor servicing model.	
2. Provide in-principle permission for the Denmark Chamber of Commerce to utilise the 'Discover Denmark' trademark for their visitor servicing model and all associated promotions/branding, up until 1 November 2020, or until a formal agreement is executed.	
3. Request a presentation from the Denmark Chamber of Commerce on the feedback obtained from industry and community feedback prior to 1 November 2020.	
CARRIED UNANIMOUSLY: 6/0	Res: 210720

**9. COMMITTEE REPORTS AND RECOMMENDATIONS**

Nil

**10. MATTERS BEHIND CLOSED DOORS**

Nil

**11. NEW BUSINESS OF AN URGENT NATURE**

Nil

**12. CLOSURE OF MEETING**

*6.58pm – There being no further business to discuss, the Shire President, Cr Gearon declared the meeting closed.*



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

Signed: \_\_\_\_\_  
*David Schober – Acting Chief Executive Officer*

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

These minutes were confirmed at a meeting on the \_\_\_\_\_.

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