

# Shire of Denmark

## Ordinary Council Meeting **AGENDA**

**18 MAY 2021**



TO BE HELD IN THE COUNCIL CHAMBERS, 953 SOUTH COAST HIGHWAY, DENMARK ON TUESDAY, 18 MAY 2021, COMMENCING AT 4.00PM.



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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

## Table of Contents

<b>1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS</b> .....	<b>4</b>
<b>2. RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE</b> .....	<b>4</b>
<b>3. DECLARATIONS OF INTEREST</b> .....	<b>4</b>
<b>4. ANNOUNCEMENTS BY THE PERSON PRESIDING</b> .....	<b>4</b>
<b>5. PUBLIC QUESTION TIME</b> .....	<b>4</b>
5.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE .....	4
5.2 PUBLIC QUESTIONS .....	4
5.3 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN .....	5
5.4 PRESENTATIONS, DEPUTATIONS & PETITIONS .....	5
5.4.1 MS YASMIN BARTLETT - DENMARK FOR SAFE TECHNOLOGY .....	5
<b>6. APPLICATIONS FOR FUTURE LEAVE OF ABSENCE</b> .....	<b>5</b>
<b>7. CONFIRMATION OF MINUTES</b> .....	<b>5</b>
7.1 ORDINARY COUNCIL MEETING – 20 APRIL 2021 .....	5
7.2 STRATEGIC BRIEFING NOTES – 20 APRIL 2021 .....	5
<b>8. ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN</b> .....	<b>5</b>
<b>9. REPORTS OF OFFICERS</b> .....	<b>6</b>
<b>9.1 DIRECTOR ASSETS AND SUSTAINABLE DEVELOPMENT</b> .....	<b>6</b>
9.1.1 DOG POLICY REVIEW .....	6
9.1.2 OCEAN TO CHANNEL CONCEPT PLAN .....	12
<b>9.2 DIRECTOR CORPORATE AND COMMUNITY SERVICES</b> .....	<b>24</b>
9.2.1 FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021 .....	24
9.2.2 LIST OF PAYMENTS FOR THE PERIOD ENDING 31 MARCH 2021 .....	27
9.2.3 INVESTMENT REPORT FOR THE PERIOD ENDED 31 MARCH 2021 .....	29
9.2.4 2020/2021 THIRD QUARTER BUDGET REVIEW .....	31
9.2.5 IMPLEMENTATION OF SPLIT RATING .....	40
9.2.6 REVISED POLICY P040125 – COMMUNITY FINANCIAL ASSISTANCE PROGRAM .....	49
<b>9.3 CHIEF EXECUTIVE OFFICER</b> .....	<b>51</b>
<b>10. COMMITTEE REPORTS AND RECOMMENDATIONS</b> .....	<b>51</b>
<b>11. MATTERS BEHIND CLOSED DOORS</b> .....	<b>51</b>
<b>12. NEW BUSINESS OF AN URGENT NATURE</b> .....	<b>51</b>
<b>13. CLOSURE OF MEETING</b> .....	<b>51</b>

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

**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 Janine Phillips  
 Cr Roger Seeney  
 Vacant

**STAFF:**

Mr David Schober (Chief Executive Officer)  
 Mr David King (Director Assets & Sustainable Development)  
 Mr Lee Sounness (Acting Director Corporate & Community Services)  
 Ms Claire Thompson (Governance Coordinator)

**APOLOGIES**

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

**ABSENT**

**VISITORS**

**3. DECLARATIONS OF INTEREST**

Name	Item No	Interest	Nature

**4. ANNOUNCEMENTS BY THE PERSON PRESIDING**

**5. PUBLIC QUESTION TIME**

**5.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil

**5.2 PUBLIC QUESTIONS**

In accordance with Section 5.24 of the Local Government Act 1995, Council conducts a public question time to enable members of the public to address Council or ask questions of Council. The procedure for public question time can be found on the wall near the entrance to the Council Chambers or can be downloaded from our website at <http://www.denmark.wa.gov.au/council-meetings>.

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

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

Questions from the Public

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

Nil

**5.4 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.

**5.4.1 Ms Yasmin Bartlett - Denmark for Safe Technology**

Ms Bartlett, on behalf of Denmark for Safe Technology, will provide a deputation about 5G technology.

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

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

**7. CONFIRMATION OF MINUTES**

**7.1 ORDINARY COUNCIL MEETING – 20 APRIL 2021**

OFFICER RECOMMENDATION	ITEM 7.1
That the minutes of the Ordinary Meeting of Council held on the 20 April 2021 be CONFIRMED as a true and correct record of the proceedings.	

**7.2 STRATEGIC BRIEFING NOTES – 20 APRIL 2021**

OFFICER RECOMMENDATION	ITEM 7.2
That the Notes from the Strategic Briefing Forum held on the 20 April 2021 be RECEIVED.	

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

Nil

## 9. REPORTS OF OFFICERS

### 9.1 DIRECTOR ASSETS AND SUSTAINABLE DEVELOPMENT

#### 9.1.1 DOG POLICY REVIEW

<b>File Ref:</b>	ORG.79
<b>Applicant / Proponent:</b>	Not Applicable
<b>Subject Land / Locality:</b>	Shire of Denmark local government area
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	22 April 2021
<b>Author:</b>	David King, Director Assets and Sustainable Development
<b>Authorising Officer:</b>	David King, Director Assets and Sustainable Development
<b>Attachments:</b>	9.1.1a - Council Adopted Policy P050203 9.1.1b - Draft Amended Policy P050203

#### **Summary:**

This report seeks to initiate the process to amend the dog policy.

#### **Background:**

The Shire of Denmark enacts local laws and is responsible for enforcement of the Dog Act. The Dog Act is a state-wide law managed by the Department of Local Government, Sport and Cultural Industries.

Local Law and Policy apply only to the Local Government area of the Shire of Denmark.

Council has the ability to specify designated dog areas within the Shire of Denmark.

The Dog Act contains a range of measures to improve community safety, encourage responsible dog ownership, manage nuisance behaviour and to recognise assistance dogs.

The legal rights and responsibilities of dog owners are outlined in the Dog Act, the Dog Regulations 2013, and in local government local laws collectively. Together these laws provide for the registration, ownership and control of dogs in Western Australia.

The subject of this report pertains to the designation of dog areas.

At the October 2014 Ordinary Council Meeting, Council considered and adopted a Dog Areas Policy that prescribed where dogs were prohibited, designated on leash and designated off leash. The Policy has been largely unchanged since this resolution and is provided in Attachment 9.1.1a

With reference to the Prawn Rock Channel area, Council also included in the resolution a requirement for officers to install signage to provide education on the birdlife in the area.

Council also provided support for the installation of a seasonal fence to reduce the likelihood of dogs disturbing breeding, foraging and roosting birds.

It is assumed that the intent of the fence was to discourage dog activity beyond the fence. However, no dog prohibition, seasonal or otherwise, was endorsed at the time. As a result, even with the fence erected, dog walkers were still permitted to exercise their dogs in the fenced area. Over the years, this has resulted in conflict between the Denmark Bird Group and dog walkers.

The existing policy is now over 6 years old and requires amending to conform to the Dog Act.

**Consultation:**

The ‘Dog Areas’ consultation was undertaken using the *Your Denmark* webpage which provided information on the relevant legislation, existing dog areas and bird sanctuary proposal.

Consultation opened on 20 September 2020 and closed on 1 November 2020.

The webpage was well visited with a total of over 1200 people accessing the information. The key statistics included:

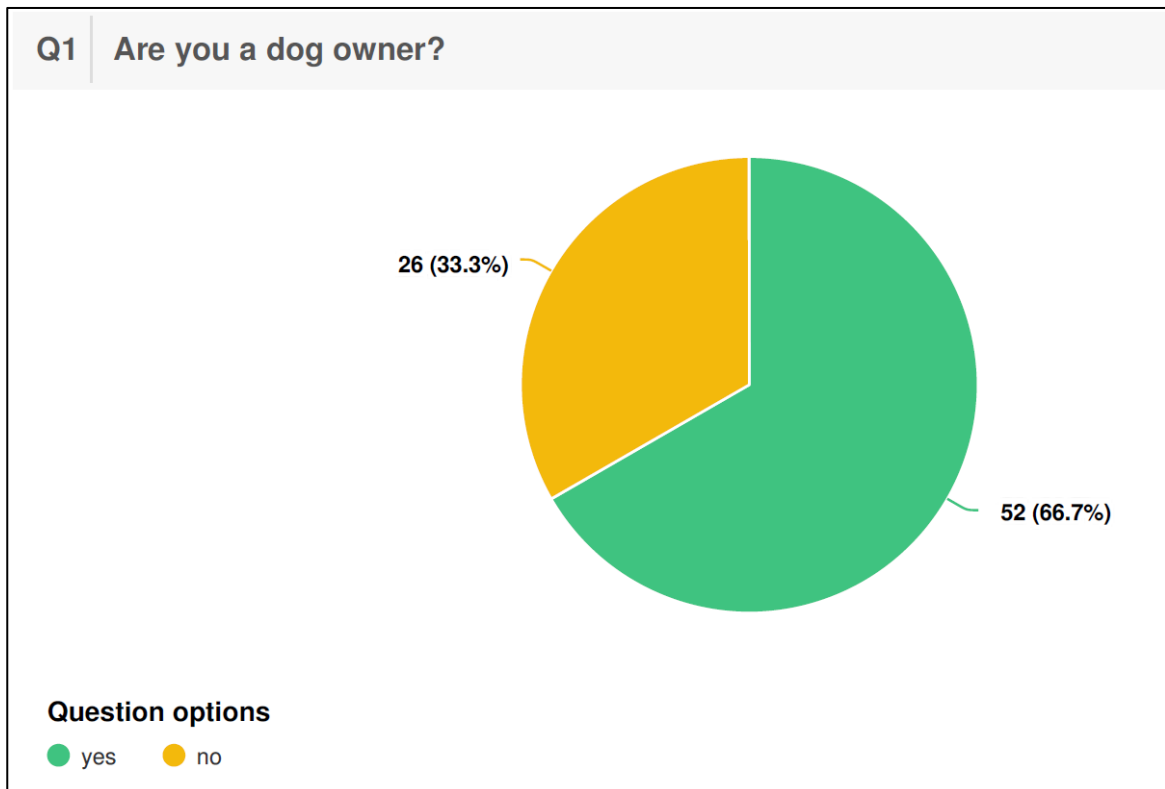
- 78 visitors engaged (answered the survey)
- 417 visitors informed (downloaded some additional information)
- 821 visitors aware (visited the page but no downloads or surveys completed)

The survey asked the following questions.

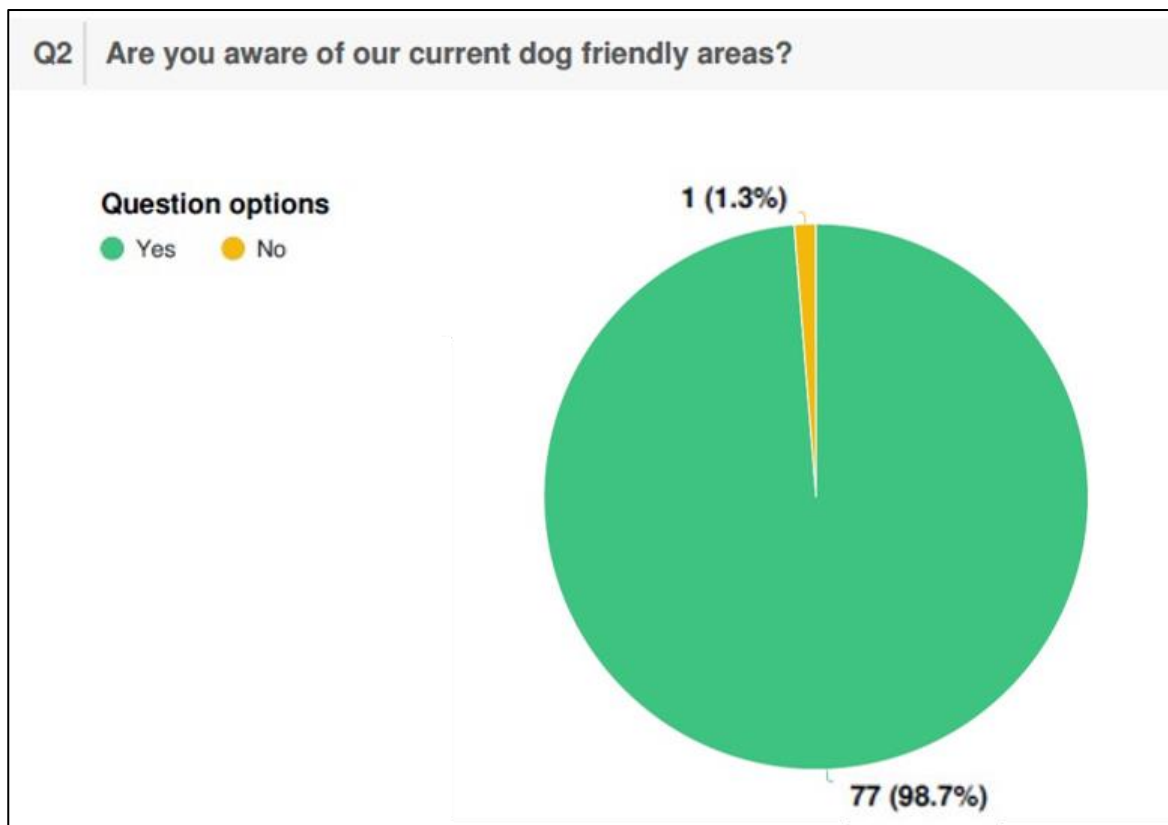
1. Are you a dog owner? *YES/NO*
2. Are you aware of the current dog friendly areas? *YES/NO*
3. Do you have any comments about our existing dog areas? *FREE TEXT*
4. Do you have any other suggestions? eg. extend areas, less areas etc? *FREE TEXT*

The survey responses to Q1 and Q2 are presented below.

**Figure 1 – Survey question (1) response**



**Figure 2 – Survey question (2) response**



Questions (3) and (4) were free text questions. Officers have summarised the responses into five categories which are presented below and in Figure 3.

1. Requested upgrades – generally happy but wanted the existing facilities improved
2. Want more exercise areas
3. Neutral – generally happy
4. Want less exercise areas
5. Other

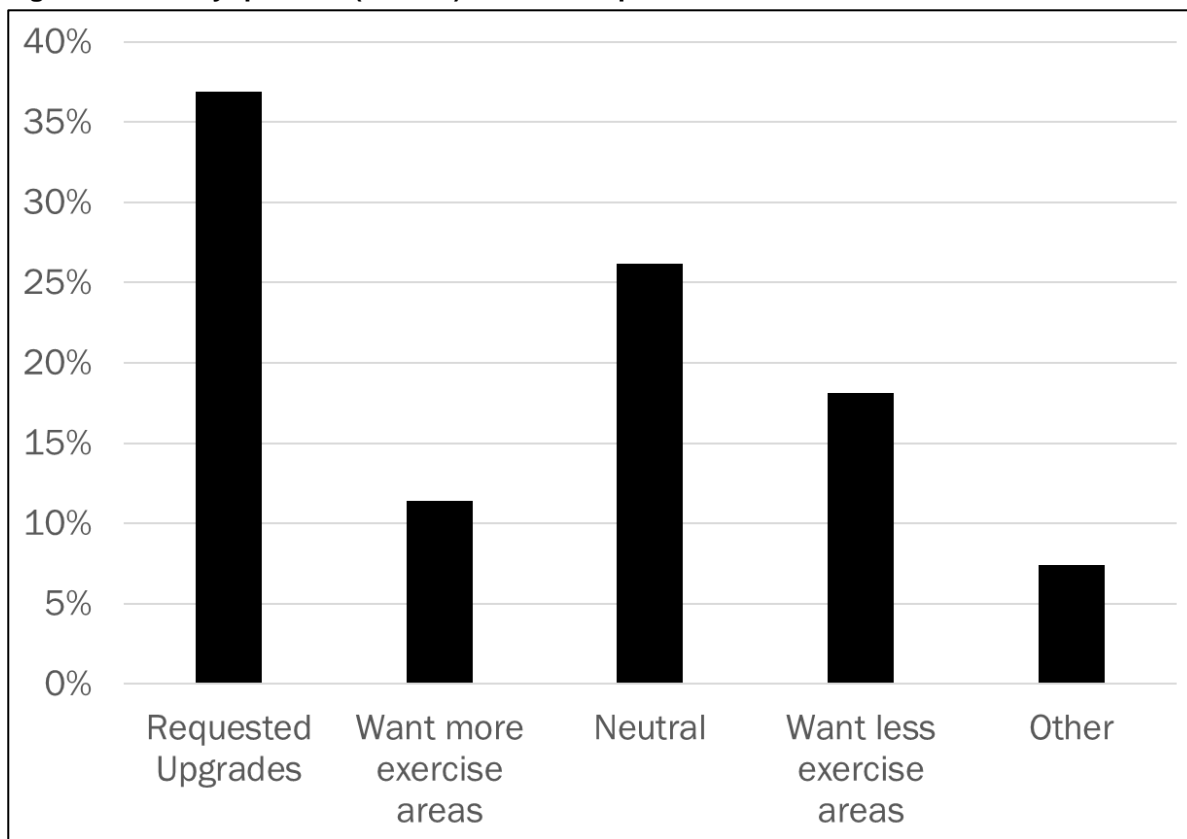
For responses associated with '*requested upgrades*' the majority of feedback was centred around improvement requests to the Laing Park exercise areas and access improvements to the Ocean Beach exercise area. These comments are noted and will be taken into consideration through corporate business planning process. However, they do not pertain to the Policy's review and are more infrastructure based requests.

The majority of comments associated with '*other*' related to exercising dogs in National Parks. The Shire does not have control over policy or enforcement relating to State managed land.

Out of the remaining responses it can be seen from Figure 3 that on balance it would appear that the amount of dog exercise areas would seem appropriate.



**Figure 3 – Survey question (3 and 4) collated response**



A more detailed discussion regarding some of the other key themes and issues that emerged are presented in the comments section of this report.

**Statutory Obligations:**

Section 8 of the Dog Act 1976 defines *Assistance Dogs*.

Section 31 of the Dog Act 1976 enables local governments to specify dog exercise areas by absolute majority.

Section 31(3C) requires that the Local Government must give local public notice for a period of 28 days of its intention to so specify dog areas. There is no requirement for the Council to call for submissions or consider any comments that may be received. The notice is to allow the public sufficient time to become familiar with the prescribed areas.

**Policy Implications:**

This report makes recommendations to initiate amendments to Policy P050203 Dog Areas.

Council adopted Policy P050203 is provided as Attachment 9.1.1a.

Proposed Draft Policy P050203 is provided as Attachment 9.1.1b.

A schedule of changes is provided in Table 1.

**Table 1 – Schedule of changes**

Change	Explanation
Formatting and narrative	
Revised narrative for Objective, Scope, Definitions, Statutory Requirements and Policy Statements.	Updated for simplicity and clarity
Revised Layout and narrative for each of the three prescribed areas	Updated for simplicity and clarity

Revised maps and figures	To reflect the below changes and for additional clarity
<b>Deletions</b>	
Removal of Lights Beach from the Dog Exercise prescribed Areas	These areas are outside the townsite and therefore do not require prescribing. All rural areas are 'off leash' unless prescribed otherwise.
Removal of Ocean Beach from the Dog Exercise prescribed Areas	These areas are outside the townsite and therefore do not require prescribing. All rural areas are 'off leash' unless prescribed otherwise.
Removal of Parry Beach from the Dog Exercise prescribed Areas	These areas are outside the townsite and therefore do not require prescribing. All rural areas are 'off leash' unless prescribed otherwise.
Removal of all premises or vehicles classified as food premises or food vehicles under the Health (Food Hygiene) Regulations 1993 from Dog prohibited areas	Designated by the Health Regulations therefore no requirement for the Council to designate.
<b>Additions</b>	
Addition of all playgrounds, basketball courts and skate parks to the dog prohibited areas	Best practice
Addition of The Parry Beach Campground and carpark into the Rural leashing prescribed areas	Required to fulfil original policy intent and to comply with the Dog Act
Addition of areas of Ocean Beach to the rural leashing areas as specified in Figure 1 of the Draft Policy	To facilitate access to Wilson Inlet sand flats at the mouth
Addition of dog prohibited areas on the Wilson Inlet sand flats to the north of the seasonal fence as specified in Figure 1 of the Draft Policy	To delineate the bird protection area.
Addition of dog prohibited areas as specified in Figure 4 of the Draft Policy	To prohibit dogs on the beach that is part National Park and provide improved clarity on where dogs can be taken in the Lights Beach Area

**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 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

E1.0 Our Local Government

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

**Sustainability Implications:**

➤ **Governance:**

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

➤ **Environmental:**

Migratory shorebird and other wildlife will be protected against dog activity by expanding some of the dog prohibited areas to the northern sand flats of mouth of the Wilson Inlet.

➤ **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 as the changes to the Policy are not expected to impact dog owner’s ability to recreate with their dogs.

➤ **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)
<b>Reputational</b> That the community are unhappy with the designated areas as proposed.	Possible (3)	Minor (2)	Moderate (5-9)	Not Meeting Community expectations	Accept Risk

**Comment/Conclusion:**

Officers have assessed the volume and nature of the feedback received as part of the engagement process and believe a balanced response has been received with regards to the extent of dog exercise areas within the Shire of Denmark.

However, there are a number of issues that have arisen, both through consultation and that appear within the Shire of Denmark’s records over the last few years. These relate to:

1. conflict between dog users and environmentalists (specifically with regards to birdlife)
2. access to the Ocean Beach off leash areas
3. dogs in the William Bay National Park north of Lights Beach.

1. Conflict between dog owners and environmentalists

There are a number of factors that seem to be driving the conflict between some dog owners and environmentalist (specifically with regards to birdlife) in the Ocean Beach area.

One significant factor appears to be that whilst the Shire accepts the installation of a seasonal fence to designate ‘protected’ areas, there is no formal declaration to back this up. This results in confusion between users as to what is prescribed by the Shire, and what should be enforced. Another key factor is that the western entry to the sand flats is located directly adjacent to the seasonal fence. This fuels conflict, as users are channelled into a single location.

Recommendation:

It is proposed that the areas north of the seasonal fence are deemed to be prohibited to dogs. Consideration was given to seasonal prohibition beyond the fence line. However, time specified prohibitions would need to coincide with nesting seasons and fluctuating water levels, and it is therefore not recommended in this instance. In addition, seasonal prohibitions are more difficult to educate on, and more difficult to enforce. (Figure 1 in Attachment 9.1.1b)

It is also proposed that the entry point is moved 50-100m south of the fence line so that the conflict is reduced.

2. Access to the Ocean Beach rural off leash areas

A number of comments were made regarding access issues to Ocean Beach. Access across the Prawn Rock Channel island is often wet, boggy and unsuitable for all abilities. In addition, there is no formal access to the area from Ocean Beach lookout, nor from the Surf Club.

Consideration was given to seasonal access from the Surf Club. However, officers consider access via the patrolled beach unsuitable due to conflict with families. As noted above, seasonal prohibitions are more difficult to educate on, and more difficult to enforce and so not recommended in this instance.

**Recommendation:**

Whilst not pertaining to the policy and this report, key infrastructure should be considered to facilitate better access from the lookout and Prawn Rock Channel. Officers have applied to the Building Better Regions Fund for this infrastructure to be installed in 2021/22.

**3. Dogs in the William Bay National Park**

Lights Beach is a popular exercise area. However, it is immediately adjacent to the William Bay National Park. As such the only allowable beach for dog users is down the eastern access and along Lights Beach towards Back Beach.

**Recommendation:**

It is proposed that the Shire prohibits dogs on the access ways to the National Park beaches to improve clarity on where dogs are allowed. (Figure 4 in Attachment 9.1.1b)

**Voting Requirements:**

Absolute Majority.

<p><b>OFFICER RECOMMENDATION</b></p> <p>With respect to the control of dogs in certain public places, Council;</p> <ol style="list-style-type: none"> <li>1. SPECIFIES the places in Attachment 9.1.1b being;             <ol style="list-style-type: none"> <li>a) Places where dogs are prohibited at all times or at a time specified;</li> <li>b) Dog exercise areas; and</li> <li>c) Rural leashing areas.</li> </ol> </li> <li>2. REQUESTS the Chief Executive Officer to provide public notice of Council's intention to specify certain areas, as per part 1, for a period of 28 days and in accordance with section 1.7 of the Local Government Act 1995;</li> </ol>	<p><b>ITEM 9.1.1</b></p>
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*\* Absolute majority required.*

**9.1.2 OCEAN TO CHANNEL CONCEPT PLAN**

<b>File Ref:</b>	PROJ.ENG.54.20/21
<b>Applicant / Proponent:</b>	Not Applicable
<b>Subject Land / Locality:</b>	Reserve 24913 and Reserve 20578.
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	26 April 2021
<b>Author:</b>	David King, Director Assets and Sustainable Development; and Damian Schwarzbach, Manager Projects
<b>Authorising Officer:</b>	David King, Director Assets and Sustainable Development
<b>Attachments:</b>	9.1.2a - Ocean to Channel Concept Plan 9.1.2b - Consultation Plan 9.1.2c - What you told us information sheet 9.1.2d - Proposed Ocean Beach Recreation Precinct Summary of flora, vegetation, and fauna survey

**Summary:**

This report seeks to adopt the Ocean to Channel Concept Plan and endorse future levels of engagement for public participation.

**Background:**

In 2014, the Prawn Rock Channel Concept Plan Working Group was formed with the task of developing a concept plan for the area.

In 2015 consideration was given to development of the Prawn Rock Channel Precinct, and a concept plan was developed. The concept plan identified and provided solutions to a number of the issues at the time.

During the advertising period three (3) public submissions were made. The concept plan was subsequently adopted in September 2015.

Since 2015, visitation to Denmark has grown exponentially which has heightened the issues to a point where new solutions are required.

In October 2015, Council established the Ocean Beach and Peaceful Bay Foreshore Concept Plan Working Group to develop the concept plans for Ocean Beach and Peaceful Bay. The consultation undertaken was combined with the Coastal Hazard Risk Management Adaptation Planning (CHRMAP) development. This was important, as it was necessary at the time to understand and plan for coastal erosion in the area. The consultation on the CHRMAP received 64 community responses.

Council authorised the draft concept plans for advertising in December 2017. The consultation received 13 submissions and the plans were subsequently adopted in April 2018.

With regards to the proposed new surf club shown on the concept plan, a significant quantity of work has been undertaken by the Denmark Surf Life Saving Club (DSLSC), with support from the Shire, in developing detailed concepts of the building.

As with Prawn Rock Channel, officers deemed it appropriate to undertake wider consultation with the expectation that the community would want further input into what they wanted to see in the area.

**Consultation:**

Consultation involved engaging with the community through a variety of mediums including one on one meetings, site meetings, written responses, telephone responses, survey and background information provided through the *Bang the Table* medium.

The consultation period ran from 15 July 2020 until 31 January 2021. Shire officers are still accepting telephone enquiries, written responses and offering to meet with individuals to explain the process and the current situation with the project.

The consultation process has involved two key stages.

Stage 1

Stage 1 set out to determine what the community loved, needed, and wished, for the Ocean Beach to Prawn Rock Recreational Precinct.

The mediums used to gather this feedback were:

- Ocean to Channel Recreational Precinct page on the *Bang the Table* website – this included the provision of background documents, a frequently asked questions section, a map of the precinct which participants could drop a pin on an area and provide their thoughts, and a dedicated survey question about the proposed Surf Life Saving Club building.
- Static displays with hard copies to allow people to submit their comments at the Recreation Centre and Library.
- Signs at Prawn Rock and Ocean Beach explaining the project, and directing people to the various mediums to provide their feedback.
- One-on-one meetings with interested community members and stakeholders, including the Wilson Inlet Restoration Group, Denmark Environment Centre, South Coast Bush Care, Denmark Bird Group & the Department of Planning Lands & Heritage.

- Shire website and Facebook page directing people to the various mediums to provide their feedback.

Once this stage closed, shire officers compiled the feedback and developed a one page “You Told Us” information sheet for the community to view. Shire Officers engaged a local landscape architect to develop preliminary concept plans based on the community feedback.

The “You Told Us” information sheet is provided in Attachment 9.1.2c.

### Stage 2

Using the ideas and feedback received from our community, officers developed two preliminary concept plans for the Prawn Rock Channel precinct.

Feedback was sought to guide officers in the direction of the preferred option for this recreational area.

Two concept designs were developed and presented to the community asking for their preference. Both options provided responses to the current issues and to meet community needs for this space.

#### *Option 1*

Figure 1 shows the concept for option 1.

This option:

- improves access and pedestrian safety by separating recreational users from traffic;
- provides safe access to the beach, toilet facilities and designated grassed recreational space on the island; and
- provides new boardwalks, footpaths and water access.

Considerations: The island has been identified as having extremely high environmental value, this option has a greater environmental impact on the island. Option 1 has limited recreational space due to the current location of Ocean Beach Road.

#### *Option 2*

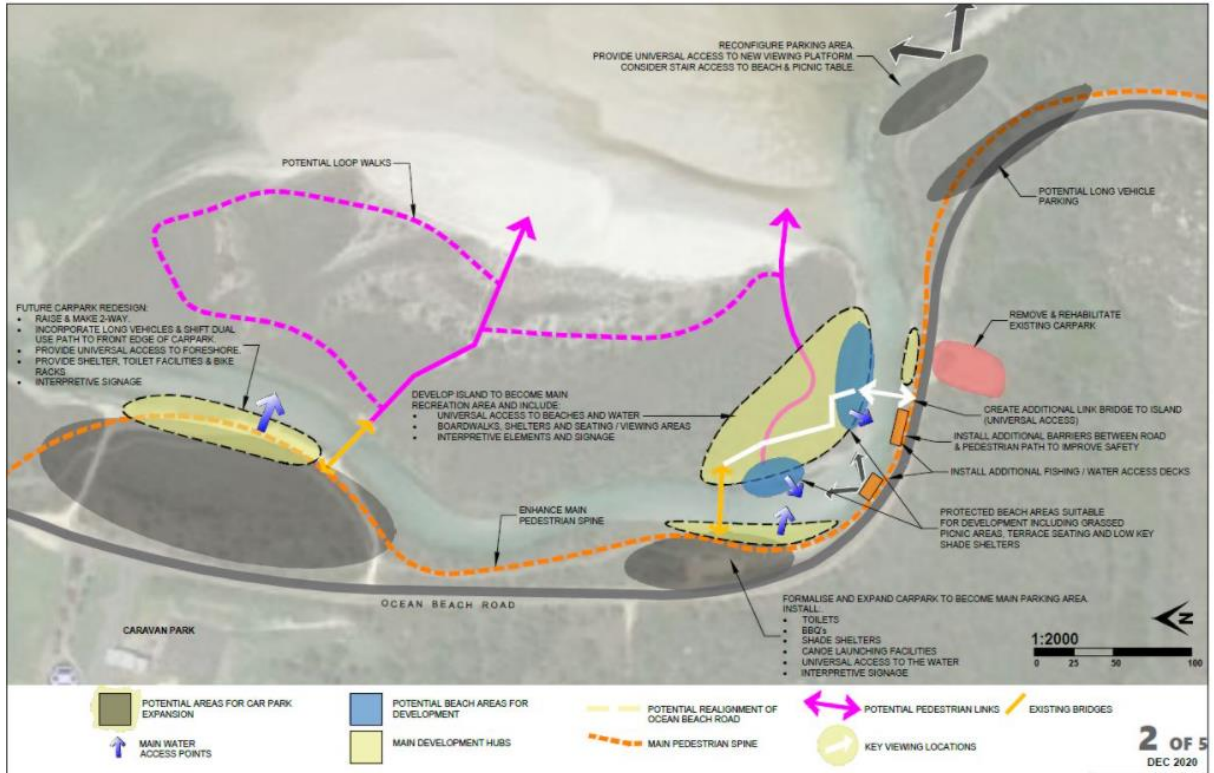
Figure 2 shows the concept for option 2.

This option:

- improves safety and provides a larger recreational space by realigning Ocean Beach Road;
- allows for an alternative route which will remove traffic, including heavy haulage accessing the lime pit, away from the recreational space;
- provides amenities, larger grassed areas and an improved family friendly atmosphere.
- protects Aboriginal Heritage sites; and
- provides new boardwalks, footpaths and water access.

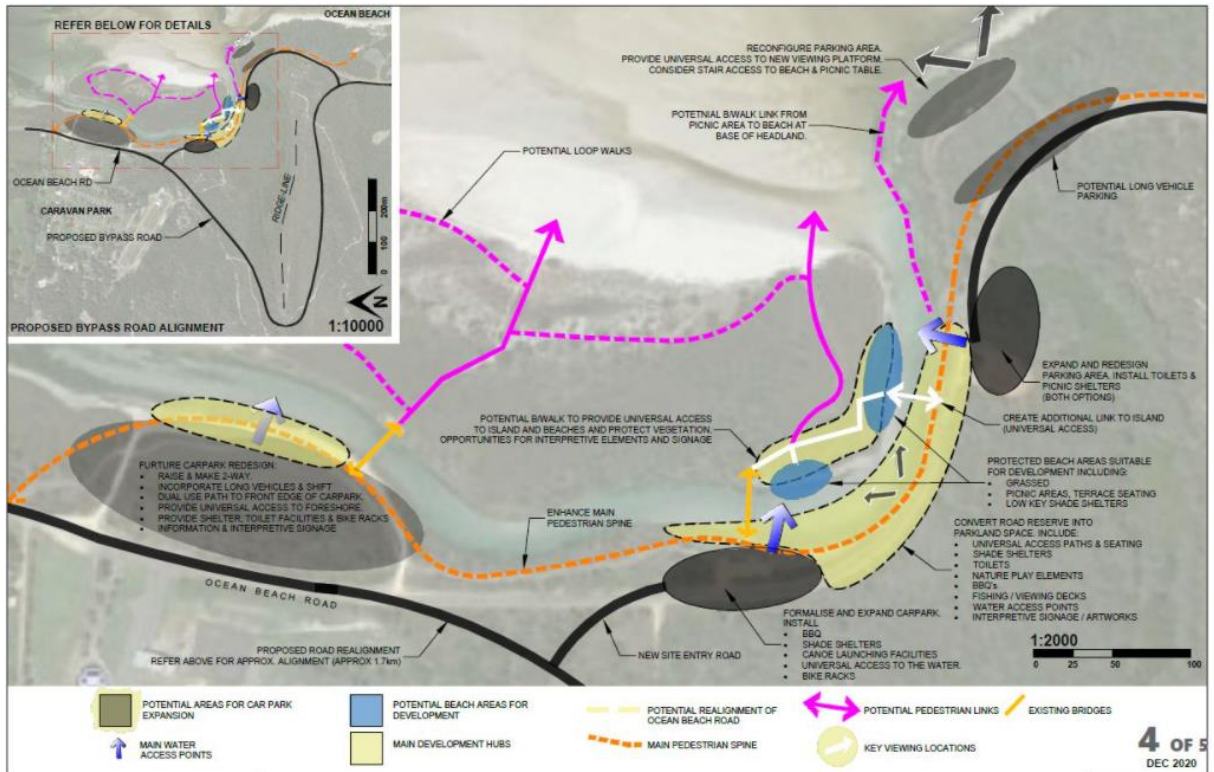
Considerations: Realigning the road will have an environment impact on the area designated for the new road. A Flora and Fauna survey of the Ocean to Channel precinct area has been conducted and this area is reported to be of lesser environmental value than the island.

Figure 1 – Option 1



2 of 5  
DEC 2020

Figure 2 – Option 2



4 of 5  
DEC 2020

The mediums used to gather feedback were:

- Ocean to Channel Recreational Precinct page on *Bang the Table* website – background information including the one-page summary of the community’s feedback and a Flora & Fauna Survey Summary 2020 conducted by Bio Diverse Solutions, the two concept designs with an explanation of the pros and cons for both

and a poll asking the community for their preferred option and explanations around some of the ideas that are not possible within this precinct.

- Static displays with hard copies to allow people to submit their comments at the Recreation Centre and Library.
- Signage at Prawn Rock and Ocean Beach explaining the project and directing people to the various mediums to provide their feedback.
- One on one meetings with interested community members and stakeholders including Wilson Inlet Restoration Group, Denmark Environment Centre, South Coast Bush care, Denmark Bird Group & Menang representatives that formed the Working Group to provide input into the Aboriginal Heritage Study.
- Shire website and *Facebook* page directing people to the various mediums to provide their feedback.

In summary from the two stages of consultation;

- 2,900 visits to the online site.
- 148 engaged – voted in either or both surveys/polls.
- 689 informed – downloaded a document, viewed a video, read the FAQ's.
- 1,800 aware – visited at least one page.
- 33 responses to the Surf Club facility survey.
- 111 contributors to poll on the preferred option – 404 downloads of the two options.
- 36 contributors to the Ideas Map.
- 75.7% preferred Option 2 and 24.3% preferred Option 1.

As discussed in the comment section of this report, it is officer's intent to undertake further consultation on the detailed aspects of the concepts if the project, or part of the project becomes funded.

#### **Statutory Obligations:**

The Shire has Management Order from the State Government for Reserves 24913 and 20578.

#### **Policy Implications:**

Nil

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

Officers have submitted a Building Better Regions Funding (BBRF) application for the Ocean Beach area, including landscaping and a new surf club. The application also seeks to fund a number of components to the Prawn Rock Channel area, including a toilet, new lookout, beach access from the lookout, and boardwalks across the island. If successful, Council will need to consider accepting the funding and budgeting for 2021/22 financial year

There are no financial implications on the Council's current Budget. Should Council adopt the concept plan, and the funding be successful, it will need to be considered in the Long Term Financial Plan and Corporate Business Planning considerations.

#### **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

##### 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.



### Corporate Business Plan

B3.1.5 Undertake the design and preliminary costing of the widening of the footpath and carpark at Prawn Rock Channel.

#### **Sustainability Implications:**

##### ➤ **Governance:**

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

##### ➤ **Environmental:**

In October 2020, a reconnaissance level flora (plants) and vegetation survey and a basic level fauna (animal) survey was undertaken within the proposed Ocean Beach Recreation Precinct area by Bio Diverse Solutions. (Attachment 9.1.2d)

The area has been identified to potentially host a number of threatened species. As such, detailed consultation is proposed with both Biodiverse solutions, the Denmark Environment Centre and South Coast Bush Care (previously Denmark Weed Action Group) as per the consultation plan.

Suitable habitat for the threatened *Main's Assassin* spider was also identified in coastal heath and peppermint forest vegetation within the proposed precinct area. A separate targeted investigation into the existence of the *Main's Assassin* spider was conducted for the road realignment. No evidence of this species was found during this investigation.

##### ➤ **Economic:**

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

##### ➤ **Social:**

The Shire of Denmark engaged Deep Woods Surveys to undertake an Aboriginal Heritage Survey of the Ocean Beach Recreational Precinct.

An archaeological survey and an ethnographic survey were based on option 2 (from the consultation stage 2) including the road realignment.

A Menang People Working Group (MPWG) assisted in the archaeological and ethnographic surveys.

A search of the Aboriginal Sites Register, located at the Department of Planning, Lands & Heritage, identified that the proposed works at Prawn Rock Channel may impact upon Registered Site 4668 - Katelysia Rock Shelter.

Several small quartz flakes (stone artefacts) were identified on the top of the limestone ridge situated immediately to the west of Katelysia Rock Shelter. It is possible that there is further cultural material in the immediate location. However, the area containing the artefacts is well outside of the proposed works for the access road and should not be impacted upon.

The MPWG support the proposed Ocean Beach Recreational Precinct (Option 2). They wish to continue to be engaged by the Shire during the life of the project. As such they are included in the proposed consultation plan.

Whilst not in the scope of the surveys, during the site visits with the working group, it was discussed that skeletal remains once removed from the location could be reburied somewhere at the site. The island areas were identified as a potential location. However, this requires further consultation with the working group through the next stages of design.

➤ **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)
<b>Reputation</b> That the community are unhappy with the concept plan.	Possible (3)	Minor (2)	Low (1-4)	Not Meeting Community expectations	Manage by endorsing the consultation plan as proposed.

**Comment/Conclusion:**

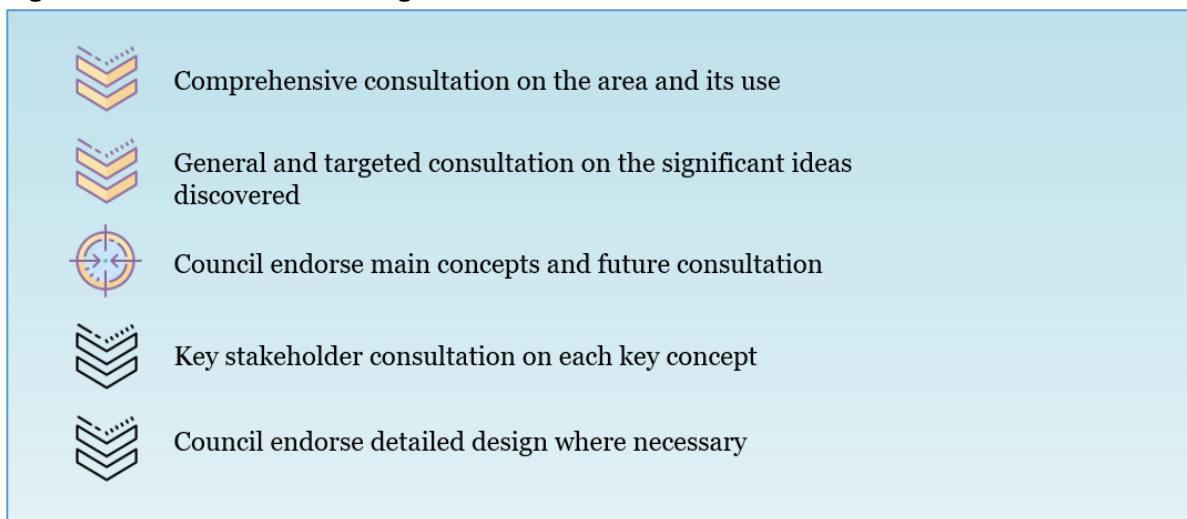
It is important to consider that in adopting the concept plan, Council are adopting a concept and not a final set of detailed plans. Where there is indicative paving, revegetation, seating or other items, this is illustrative only and subject to change through the next stages of design and consultation. It is an important step, as some of the elements of the concept are significant in terms of the resources required to develop further detail.

Figure 3 shows the design process with reference to consultation in particular.

If Council endorse the concept plan as presented, it is proposed that once funding is likely to be, or becomes available, officers would engage in further consultation with the key stakeholders regarding each element.

A consultation plan is presented in Attachment 9.1.2b which outlines the four (4) main elements, the stakeholders, and level of consultation with each.

**Figure 3 – The consultation stage**



There are four (4) main elements.

1. Bird Sanctuary
2. Road Realignment
3. Prawn Rock Channel Development Areas
4. Ocean Beach Precinct Development

These are discussed with recommendation made for each below

Element 1 – Bird Sanctuary

A Bird Sanctuary is an area designed to protect bird species. Like other wildlife refuges, the main goal of a sanctuary is to prevent species from becoming endangered or extinct and to protect important wildlife habitat.

Over many years, studies of the birdlife in the Wilson Inlet have revealed that the Prawn Rock Channel area and Morley Beach are the most important sites for shorebirds.

These areas are important because they have the food supplies and variety needed for the survival of these species. This is especially the case for migratory shorebirds that arrive from their 12000km journey from the Arctic regions of Siberia. The Prawn Rock Channel area is a preferred feeding and roosting ground for these birds.

Studies have also shown that food sources found at Prawn Rock Channel and Morley differ, and so both areas are highly important in supplying the food variation needed by the shorebirds.

It is also apparent that no other beaches around the Inlet are as important for shorebirds, though some do have small numbers occasionally.

Human disturbance levels are also a known factor in bird distribution.

There has been much conjecture around the Bird Sanctuary. The issues of birds, dogs and other users of the area resulted in numerous comments throughout the consultation. It also featured heavily in the *Dog Areas* consultation as discussed in item 9.1.1.

The proposed amended policy, being the subject to item 9.1.1, has sought to resolve a number of the issues raised regarding the separation of the Bird Sanctuary and the “off-lead” dog exercise area.

Given the environmental concerns, the Bird Sanctuary element is supported at an officer level. However, officers consider that if the areas are managed appropriately, there is no reason to exclude dogs from the Wilson Inlet sand flats entirely.

The Bird Sanctuary is proposed to be developed with the following key considerations:

- Approximate area as indicated in Attachment 9.1.2a
- Dog exercise ‘entry’ point moved 50-100m south of the seasonal fence
- Improved access for dog walkers from the Ocean Beach Lookout
- Improve access for dog walkers across the island to the sand flats.

Further consultation is required before bringing a firm proposal back to Council for consideration. The stakeholders and level of engagement is provided in Attachment 9.1.2b

#### Element 2 – Road Realignment

The road realignment came from the Stage 1 consultation. The road realignment was the key difference in options 1 and 2 for the Stage 2 consultation. Option 2 depicted the realignment and 75% of the respondents preferring this option.

One of the current concerns with the road in its existing location is road safety. The Ocean Beach lime quarry sits to the south of the precinct, and is accessed from Ocean Beach Road (a two lane RAV4 bitumen road south of the Denmark CBD) which passes directly through the site. In general, the mining operations occur between the months of December to April and it is estimated typical quarry activities generate 1,500 heavy vehicle movements over a 6-8 week period.

The quarry’s operations coincide with the Shire of Denmark’s peak tourism season (Christmas and Easter), when the population typically increases from 6,000 to over 15,000. It is also a time when the multi-use path, running alongside Ocean Beach Road, has a high level of usage. Users include pedestrians, cyclists, families accessing the recreational space and Ocean Beach Caravan Park occupants.

The level of recreation activity to the heavy haulage route can be seen from Figure 4. It would not be uncommon to see numerous sun bathers, people fishing, parked cars, cyclists and road trains, all within a small area.

Realigning the road eliminates this concern.

**Figure 4 – Prawn Rock Channel at Peak Tourist Time**

The second benefit gained by moving the road, is the ability to cater for larger numbers of people, and manage public access in a more environmentally sensitive manner. Moving the road allows the existing road to be developed into recreational space. Without moving the road, future development of the island for recreational activity is likely going to be required to cater for increasing visitation.

A flora and fauna survey of the Ocean to Channel precinct area has been conducted and the area proposed for the road is reported to be of lesser environmental value than the island. This further supports the concept of road realignment. Figure 5 shows island areas currently being damaged and degraded due to congestion and inadequate management (Figure 5).

Realigning the road will have an environment impact on the area designated for the new road. Suitable habitat for the threatened *Main's Assassin* spider was also identified in coastal heath identified for the road alignment. A separate targeted investigation into the existence of the *Mains Assassin* spider was conducted for the road realignment. No evidence of this species was found during this investigation. Nevertheless, any new road design needs to be created to minimise its footprint and avoid sensitive areas.

A new road will also provide a secondary exit for bushfire. For its effectiveness to be maximised, the new road should connect South of the surf club where possible, and ensure that emergency access through the new public realm is developed into the design.

**Figure 5 – Degradation of the Island**

Although a new road would have an environmental impact, it is officers view that the benefits of road safety, improved visitor management and secondary fire egress result in this being an important concept that will be required into the future.

The concept seeks to develop a road realignment with the following key considerations:

- Use existing tracks where possible
- Avoid low lying areas (typically more environmentally sensitive)
- Retain emergency access capability through expended parkland space
- Terminate south of the surf club where possible

Further consultation is required before bringing a firm proposal back to Council for consideration. The stakeholders and level of engagement is provided in Attachment 9.1.2b

### Element 3 – Prawn Rock Channel Development Areas

It was clear from the Stage 1 consultation that this area is widely used by various different users.

The items that people love, and want retained are:

- Family friendly
- Walking the dog
- Close carparks
- Birdlife
- Blue channel
- Natural beauty
- Swimming
- Bridges
- Aquatic life
- Calm waters

- Recreation
- Picnics
- Safe for children
- Walk trails
- Views at the lookout

Whilst retaining these features some of the proposed improvements from consultation were:

- Toilets
- Improved access to the beach from the lookout
- Development of the island to cater for families and picnic spaces
- Improved access across the island
- Improved road safety
- Increased and improved parking

The landscape architect has taken on board these aspirations in developing the concepts in Attachment 9.1.2a. A balance between providing improved amenity, retaining the natural beauty of the area, protecting sensitive environmental areas, and protecting heritage assets is proposed.

The concept seeks to develop areas as shown in Attachment 9.1.2a with the following key considerations:

- Environmentally sensitive materials
- Revegetation areas
- Sensitive to indigenous values
- Sensitive to areas of high environmental value
- Formalised car parking
- Toilet facilities
- Pedestrian and bike friendly
- All accessible where possible

Further consultation is required to develop the detail. The stakeholders and level of engagement is provided in Attachment 9.1.2b.

#### Element 4 – Ocean Beach Precinct Development

The Ocean Beach Foreshore Concept Plan (adopted by the Council in April 2018) includes the demolition and relocation of the surf club building and a car park extension.

Critical to the future, it also talks to a managed retreat coastal management option for the front DSLSC building and the associated timber sea wall. The 2018 CHRMAP is referenced in the plan.

*For clarity, managed retreat means the relocation or removal of assets within an area identified as likely to be subject to intolerable risk of damage from coastal hazards over the planning time frame.*

An extract from the CHRMAP showing the multi-criteria analysis for the planning of the buildings is provided in Figure 6. It can be seen that there is only a small predicted benefit to the managed retreat option, versus protecting the building by way of maintaining the sea wall. Given the scoring is subjective, this margin could be considered insignificant, and therefore a protect option should be reconsidered.

**Figure 6 – Extract for June CHRMAP document - Multi Criteria Analysis for SLSC buildings**

MCA Criteria	Managed Retreat (Remove)	Managed Retreat (Relocate)	Accommodate	Protect
	Managed Retreat (Remove) - Remove SLSC and other Buildings	Managed Retreat (Relocate) - Relocate buildings as proposed	Accommodate: Buildings with piled foundations and flood proofing	Protect: Maintain seawall in front of buildings
Functional requirements (performance) - 20%	1.0	4.0	2.0	4.0
Physical conditions and Technical Data - 5%	2.5	2.5	2.5	2.5
Construction - 20%	2.0	3.5	2.0	4.0
Maintenance - 20%	2.5	4.0	2.0	2.0
Economic - 15%	3.0	2.0	2.0	3.5
Environmental - 15%	4.0	3.5	3.0	3.0
Social Considerations - 5%	1.0	4.0	3.0	2.0
	11.625	17.25	11.125	16

Note: 5 = excellent; 4 = good; 3 = satisfactory; 2 = below average; 1 = poor.

The CHRMAP also notes the following:

*That inspection and maintenance of the timber retaining wall is required to provide COASTAL PROTECTION to the SLSC Boat Shed and adjacent landscape areas, and allow the Shire to provide beach access either side of the wall.*

*Whilst the relocation of buildings reduces the value of assets exposed to coastal processes, PROTECTION in some form is likely to be required in the longer term. In particular:*

- *Should the Shire wish to retain this area as open space, as identified in the 10-year concept plan, the timber retaining wall would need to be maintained. This would also allow existing beach access stairs and ramps to be maintained.*
- *Should the retaining wall fail at some time in the future, it would need to be reconstructed to protect the public open space and maintain beach access. The adjacent eroded dunes provide an indication of the extent of erosion that may rapidly occur with removal or failure of this structure. The capacity for the Shire to provide reasonable beach access in the present locations would be difficult with removal or failure of the timber retaining wall.*

In summary, for the Shire to maintain reasonable beach access at this location, the sea wall must be retained and that managed retreat is not an option. Consequently, the DSLSC Boat Shed does not need to be removed.

During the consultation, the community were asked what they would like from the new Surf Club Building. As well as the usual beachside amenity, the community requested a café/restaurant that would be open year-round, and a desire for the space to be available to the wider community in some form.

The concepts provided in Attachment 9.1.2a include the retention and restoration of the sea wall including retention of the DSLSC Boat Shed in some form. They also continue the concept of relocation the existing main DSLSC facility. This building has reached the end of its useful life, and therefore it is sensible to relocate it to the most effective location. The public facilities also require total replacement, as such, the new building is proposed to include the integration of the public amenities (toilets/showers/changing).

The concept seeks to develop areas as shown in Attachment 9.1.2a with the following key considerations:

- Relocation of Surf Club and co-location with potential café, toilet, changing and shower facilities;
- Demolition of existing surf club building and public toilets;
- Maintenance and reinforcement of the sea wall;
- Retention (in some form) of the Boat Shed; and
- All accessible access

Further consultation is required to develop the solutions further, specifically the detail around the new building. The stakeholders and level of engagement is provided in Attachment 9.1.2b

**Voting Requirements:**

Simple Majority

OFFICER RECOMMENDATION	ITEM 9.1.2
<p>That Council:</p> <ol style="list-style-type: none"> <li>1. ADOPTS the Ocean to Channel Concept Plan as per Attachment 9.1.2a; and</li> <li>2. ENDORSES the consultation plan as per Attachment 9.1.2b.</li> </ol>	

**9.2 DIRECTOR CORPORATE AND COMMUNITY SERVICES**

**9.2.1 FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021**

<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>	30 April 2021
<b>Author:</b>	Scott Sewell, Accountant
<b>Authorising Officer:</b>	Lee Sounness, Acting Director Corporate & Community Services
<b>Attachments:</b>	9.2.1 – March 2021 Monthly Financial Report

**Summary:**

The attached financial statements and supporting information for the period ending 31 March 2021 are presented for the consideration of Council.

**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. Furthermore, in line with a commitment provided by the executive team as part of the budget adoption process and the ongoing management of the impacts of COVID with its potential to affect the operation of Council provided services and facilities at any time, a quarterly review of the budget performance was undertaken for the financial period ended 30 September 2020 as previously presented to Council, this required all Managers and responsible officers to review all aspects of the activities included within the budget which relate to areas under their control. 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:**

There are no significant trends or issues to be reported from the budget adoption on 4<sup>th</sup> August 2020. The amendments made to the budget as part of the quarterly review adopted by Council at its Ordinary meeting held on 17<sup>th</sup> November 2020 and the outcome of the Mid-Year Budget Review adopted by Council at the Ordinary meeting held on 16<sup>th</sup> February 2021 are incorporated into the March 2021 financial statements as presented. The findings and recommendations of the third quarter budget review are presented to Council in a separate report forming part of this agenda.

### **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

L5.4 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 March 2021, total cash funds held (excluding trust funds) totals \$9,916,365 (Note 1).

Shire Trust Funds total \$850 (Note 9).

Reserve Funds (restricted) total \$4,235,726 (Note 5).

Municipal Funds (unrestricted) total \$5,680,639 (Note 2).

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, the 30 June 2021 end of year financial position was initially budgeted for a \$200,000 surplus. As part of the first quarterly and mid-year budget reviews undertaken this has been amended to \$180,000 with \$20,000 of the originally adopted budgeted surplus to be utilised to fund additional projects and resourcing requirements as agreed by Council. A separate report is presented to Council for the final quarter budget review based on the financial reports for the period ended 31 March 2021, (the statements presented as part of this report), which outlines details of variances to the adopted or amended budget as it stands currently and contains recommendations for adjusting the budget based on management analysis of information associated with income and expenditure accounts referenced in that report.
- Operating revenue and expenditure is generally in line with year to date budget predictions for the period ended 31 March 2021 (Statement of Financial Activity) except for items referenced in Note 3(a). Some of the more significant issues relate to variances in the deployment of the depot workforce associated with wage and on-costs and have no impact on the budget overall, these and other items may be further adjusted as part of the third quarter budget review prepared as at 31<sup>st</sup> March 2021 as referenced above.
- The Rates Collection percentage currently sits at 91.53% and is in keeping with historical collection performance statistics (see Note 4)
- The 2020/2021 Capital Works Program is advancing well with 31.17% completed for the year to date with a total committed cost of 80.50% as at 31 March 2021 (see Note 10). It should be noted that a number of changes have been made to the initial timetable set for the capital works infrastructure program which show some variances in the year-to-date budget when compared to actual spend. It is quite usual for these projects to be undertaken in the second half of the financial year and with the exception of projects whose budgets were already adjusted as part of the mid-year review and projects which may form part of the third quarter budget review no significant variation to the total project budgeted cost is anticipated at this time.
- Most transfers to and from general Reserve Funds have not been made for the 2020/2021 year as they are undertaken in the latter part of the financial year, depending on the specific projects to which the transfers relate. One transfer of \$156,292 has been made from the Demark East Development Reserve to recover municipal fund expenditure previously incurred.

- Salaries and Wages expenditure is in line with year to date budget estimates (not reported specifically in Financial Statement).

**Other Information**

- Budget Surplus Brought Forward – The adopted budget for 2020/2021 was built on an estimated brought forward surplus position from 2019/2020 of \$1,504,620. The audited Annual Financial Report for 2020 confirms a surplus brought forward of \$1,659,492, a variance increase to the estimate used for the adopted budget of \$154,872. This variance was included in the calculations made and adopted by Council as part of the mid-year budget review and has been adjusted accordingly.
- The financial statements as presented now include a Statement of Financial Activity by Nature and Type in addition to the Statement of Financial Activity by Program. This enables the reader to identify and make comparisons in revenues and expenses by certain defined classification types as defined for Local Government statutory reporting in addition to the various Activity Programs into which Local Government services are defined.

**Voting Requirements:**

Simple majority.

OFFICER RECOMMENDATION	ITEM 9.2.1
<p>That with respect to Financial Statements for the period ending 31 March 2021, Council RECEIVE the Financial Reports, incorporating the Statement of Financial Activity and other supporting documentation.</p>	

**9.2.2 LIST OF PAYMENTS FOR THE PERIOD ENDING 31 MARCH 2021**

<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>	28 April 2021
<b>Author:</b>	Gina McPharlin, Manager of Corporate Services
<b>Authorising Officer:</b>	Lee Sounness, Acting Director Corporate & Community Services
<b>Attachments:</b>	9.2.2 – March Monthly List of Accounts Submitted Report

**Summary:**

The purpose of this report is to advise the Council of payments made during the period 1 March 2021 to 31 March 2021.

**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 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

L5.4 *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.

OFFICER RECOMMENDATION	ITEM 9.2.2
<p>That with respect to the attached Schedule of Payments, totalling \$1,871,001.69, for the month of March 2021, Council RECEIVE the following summary of accounts:</p> <ul style="list-style-type: none"> <li>• Electronic Funds Transfers EFT29755 to EFT29982 - \$1,325,117.79;</li> <li>• Municipal Fund Cheque No’s 60424 – 60429 - \$7,947.95;</li> <li>• Internal Account Transfers (Payroll) - \$394,088.35; and</li> <li>• Direct Debit - \$11,145.68;</li> <li>• Corporate Credit Card; \$8,396.32;</li> <li>• Department of Transport Remittances; \$124,305.60, and</li> <li>• Loan Payments: \$Nil.</li> </ul>	

**9.2.3 INVESTMENT REPORT FOR THE PERIOD ENDED 31 MARCH 2021**

<b>File Ref:</b>	FIN.19
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	28 April 2021
<b>Author:</b>	Gina McPharlin, Acting Manager Corporate Services
<b>Authorising Officer:</b>	Lee Sounness, Acting Director Corporate & Community Services
<b>Attachments:</b>	9.2.3 - March 2021 Investment Register

**Summary**

This report presents the Investment Register for the month ending 31 March 2021.

**Background**

This report is for Council to receive the Investment Register as at 31 March 2021.

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 investments are to comply with the following 3 key criteria:

- a) Portfolio Credit Framework - limits the percentage of the portfolio exposed to any particular credit rating category (table a.)

Table a.

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%

- b) Counterparty Credit Framework – limits single entity exposure by restricting investment in an individual counterparty/institution by their credit rating (table b.)

Table b.

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.

c) Term to Maturity Framework - limits investment based upon maturity of securities (table c.)

Table c.

Overall Portfolio Return to Maturity		
Portfolio % <1 year	Min 40%	Max 100%
Portfolio % >1 year	Min 0%	Max 60%
Portfolio % >3 year	Min 0%	Max 50%
Portfolio % >3 year < 5 year	Min 0%	Max 25%

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**

There are no 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 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

L5.4 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 Register summarises how funds are invested as per the Shires Investment Policy and reports on the Investment Portfolio balance as at 31 March 2021.

At 31 March 2021 Council had a total of \$8,647,002 invested and in accordance with Council Policy P040229 exposure to a particular credit rating category is limited and an appropriate portfolio credit rating mix is maintained by investing with four banking institutions.

Council policy P040229 restricts investment in an individual counterparty/institution by their credit rating to limit single entity exposure. Council cannot invest more than 20% of its investment portfolio in an institution with a Standard & Poor (S&P) rating of A-2. With 27.97% (\$2,418,708) of funds invested with the Bendigo Bank (current S&P rating A-2) at the end of March 2021, the Council's Investment Portfolio does not meet this requirement. In accordance with policy, this will be rectified as soon as practicable.

The total Reserve Funds invested as at 31 March 2021 totals \$4,235,725.  
The total Municipal Funds Invested as at 31 March 2021 totals \$4,411,277.

The Reserve Bank of Australia (RBA) has not altered its cash rate for this month. The cash rate remains set at 0.10%.

**Voting Requirements**

Simple majority.

<b>OFFICER RECOMMENDATION</b>	<b>ITEM 9.2.3</b>
<p>That Council RECEIVE the Investment Register (Attachment 9.2.3) for the period ended 31 March 2021 and REQUEST the Chief Executive Officer to correct the investment portfolio to meet Council Policy P040229 – Investments criteria as soon as practical.</p>	

**9.2.4 2020/2021 THIRD QUARTER BUDGET REVIEW**

<b>File Ref:</b>	FIN.9
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	3 May 2021
<b>Author:</b>	Scott Sewell, Accountant
<b>Authorising Officer:</b>	Lee Sounness, Acting Director Corporate & Community Services
<b>Attachments:</b>	NIL

**Summary:**

This report is prepared for Council to consider and adopt the third quarter Budget Review for the period ended 31 March 2021 as presented.

**Background:**

Council adopted the 2020/2021 Municipal Budget on 4 August 2020, in accordance with Regulation 33A of the Local Government (Financial Management) Regulations 1996. Local governments are required to carry out a review of their annual budget after six months and Council is required to consider the results of this review.

A Budget Review is conducted by looking at projected gains and reductions in operating and non-operating revenue, cost savings and overruns in operating and capital expenditure and

any other factors which may affect the financial viability and performance of a Local Government in comparison to the adopted budget. At the time of writing this report some regions of Western Australia were endeavouring to work within a set of restrictions imposed by the State Government in an attempt to control the threat of community spread of the COVID 19 virus after a recent quarantine incident exposed the state to the risk of a new outbreak. The Great Southern region is not currently included in those restrictions but the estimates and assumptions used for this budget review have been applied with a conservative approach acknowledging that the possibility of an extension of any such constraints, either in timeline or geographic area remain possible at any time.

It should be noted that the budget is monitored by management on an ongoing basis in addition to the statutory requirement for a mid-year review. Furthermore, in line with a commitment provided by the executive team as part of the 2020/2021 budget adoption process and the ongoing management of COVID, quarterly reviews of the budget performance are also undertaken. This requires all Managers and responsible officers to review all aspects of the activities included within the budget which relate to areas under their control. The first of those reviews was completed for the financial statements for the period ended 30 September 2020 which was reported to and adopted by Council in November 2020. The statutory mid-year review which incorporated the second quarterly review by management was completed for the financial statements for the period ended 31 December 2020 which was reported to and adopted by Council in February 2021. This report summarises the outcome of the final quarterly review by management for the financial statements for the period ended 31 March 2021.

The financial report for the reporting period ended 31 March 2021 show that the closing net funding position is shown as \$5.85M which is comparatively high for the time of year. However, it should be noted that there is a significant amount of committed expenditure associated with the capital works program with a lot of projects only partially complete. In preparing this budget review Infrastructure Services have indicated that outstanding capital works with an estimated value of approximately \$3.8M will be completed between April and June 2021 in line with budget estimates which will reduce that funding position considerably. The two projects which will not be completed are the grant funded Local Roads and Community Infrastructure Works and the Reserve funded Denmark East works and these items are discussed in more detail later in this report.

It is possible that weather conditions and contractor availability may hinder the progress of some of the other programmed works and, where applicable, the receipt of funding assistance revenue associated with their completion. This has the capacity to change the net current funding position or closing surplus/ (deficit) considerably for the 2021/2022 budget and may mean that certain projects will need to be partially re- budgeted for completion in the new financial year.

**Consultation:**

As part of the review process direct consultation has occurred with the Chief Executive Officer and all Directors, with input from Managers, in relation to the status of budget projects included within their area of responsibility.

**Statutory Obligations:**

Local Government Act 1995 section 6.2 Municipal Budget

Local Government (Financial Management) Regulations 1996 Regulation 33A

Regulation 33A. Review of budget

*(1) Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year.*

*(2A) The review of an annual budget for a financial year must —*



- a) consider the local government’s financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and
  - b) consider the local government’s financial position as at the date of the review; and
  - c) review the outcomes for the end of that financial year that are forecast in the budget.
- (2) Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.
- (3) A council is to consider a review submitted to it and is to determine\* whether or not to adopt the review, any parts of the review or any recommendations made in the review.  
 \* Absolute Majority Required
- (4) Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.

**Policy Implications:**

There are no policy implications.

**Budget / Financial Implications:**

In order to determine the expected financial position as at 30 June 2021, the budget review entailed a full management analysis of the financial statements, including all year-to-date actual revenue and expenditure totals at Program level to 31 March 2021. The proposed adjustments to accounts or jobs and the recommended revised budget for those line items with a brief explanation of the circumstances that have led to the suggested amendment are similarly included within this report.

The 2020/2021 Municipal Budget was adopted with an estimate of a \$200,000 surplus at year end. Council has previously considered items that will have an impact on the budget at the first quarterly and mid-year review as mentioned earlier in this report and made formal amendments to the budget since its original adoption resulting in a reduction of the anticipated closing position surplus from \$200,000 to \$180,000

In summary, if the recommendations contained within this budget review report are adopted, the Statement of Financial Activity will show the following proposed amendments to the current amended adopted budget, based on year end projections:

**Table: 1**

	<b>Current Budget</b>	<b>Budget Amendment</b>	<b>Revised Budget</b>
	\$	\$	\$
Operating Revenue	\$ 11,850,188	\$ 26,000	\$ 11,876,188
Operating Expenditure	\$ (16,086,712)	\$ 110,000	\$ (15,976,712)
Net Operating Surplus (Deficit)	\$ (4,236,524)	\$ 136,000	\$ (4,100,524)
Non-Operating Grants	\$ 5,440,602	\$ (175,000)	\$ 5,265,602
Net Result	\$ 1,204,078	\$ (39,000)	\$ 1,165,078
Depreciation	\$ 4,679,961	\$ (60,000)	\$ 4,619,961
Adjustments to provisions	\$ -	\$ -	\$ -
(Profit)/Loss on Sale of assets	\$ (51,000)	\$ -	\$ (51,000)
Capital Expenditure	\$ (7,212,937)	\$ 905,000	\$ (6,307,937)
Transfer to Reserves	\$ (803,452)	\$ -	\$ (803,452)
Transfer from Reserves	\$ 908,000	\$ (550,000)	\$ 358,000
Proceeds from Disposal of Assets	\$ 117,000	\$ -	\$ 117,000
Repayment of Debentures	\$ (245,165)	\$ -	\$ (245,165)
S/S Loan Income	\$ 22,048	\$ -	\$ 22,048

Principal elements of finance leases	\$ (98,027)	\$ -	\$ (98,027)
Opening Surplus/(Deficit) July 1 B/Fwd	\$ 1,659,492	\$ -	\$ 1,659,492
Closing Surplus/(Deficit) June 30 C/Fwd	\$ 180,000	\$ 256,000	\$ 436,000

The following general overview is provided on the financial reporting result for the period ended 31 March 2021, which have been projected out to an estimate as at 30 June 2021:

### **Surplus Brought Forward**

The budget for 2020/2021 was adopted on the basis of a surplus brought forward of \$1,504,620. The final audited financial statements for the 2019/2020 financial year confirmed. A closing surplus position of 1,659,492, a net difference of **\$154,872** higher than budgeted. The variance in the estimated surplus brought forward was caused by finalisation of year-end accrual adjustments relating to changes in Accounting Standards for recognition of contract assets, and liabilities which were processed after the adoption of the budget and classified into current and non-current liabilities on Council's balance sheet. This amendment has been previously factored in to the mid-year budget review outcome to show the adjusted budget surplus estimate as at 30 June 2021. This can be seen in table 1 included earlier in this report.

### **OPERATING REVENUE**

The total operating revenue estimate for 2020/2021 has been increased by **\$ 26,000** from the previously amended budget. Details of the significant items that have contributed to this variance are listed and further explained below:

#### **General Purpose Funding – Revenue Gain \$ 42,000**

Account 1318133 – Rate Enquiry/Property Information Statement Fee Income - Revenue Gain \$27,000 – Revenue for this service has increased from previously adjusted budget and is due to the high volume of real estate sales activity in the area.

Account 1318043 – Rates Legal Fee Income – Revenue Gain \$15,000 – Additional recoups have been received relating to debt collection action being invoked for non-payment on some rateable properties.

#### **Education & Welfare – Revenue Gain \$ 30,000**

Account 1620243 – Community Wellbeing Programs Income – Revenue Gain \$30,000 – Receipt of unbudgeted grant funding for Creative Community Summer at the Arthouse project, it should be noted the under the funding arrangements these monies are paid out to the third party to run the event.

#### **Community Amenities – Revenue Gain \$ 125,000**

Account 1027323 – Sanitation Site Fees Income – Revenue Gain \$20,000 – Revenue for the provision of this service/facility has increased from the previously adjusted budget to reflect the current usage trend.

Account 1027353 – Sanitation Services Other Income (Container Deposit Scheme) – Revenue Gain \$45,000 – Revenue for the provision of this service has increased from the previously adjusted budget to reflect the current participation rate in the scheme. It should be noted that costs for both this activity and resourcing of the waste management facility generally have increased significantly as a direct result of processing higher transaction and waste volumes.

Account 1028503 – Sale of Recyclables Income – Revenue Gain \$30,000 – The Shire has received a higher amount of funds for the sale of scrap metal this year and it is proposed that the budget be amended to reflect the level of income received for the year-to-date.

Account 1047403 – Town Planning Application Fees Income – Revenue Gain \$30,000 – Revenue from this source has increased from the previously adjusted budget and is due to the very high volume of applications for development currently being received.

**Recreation and Culture – Revenue Gain \$ 10,000**

Account 1161113 – Gym Membership Income – Revenue Gain \$10,000 - Revenue for this service at the Recreation Centre has increased from previously adjusted budget and is due to the high membership participation rates currently being experienced.

**Economic Services – Revenue Reduction \$ 213,000**

Account 1337553 – Building Licence Fee Income – Revenue Gain \$15,000 - Revenue from this source has increased from the previously adjusted budget and is due to the very high volume of applications for Building Licences currently being received.

Account 1360103 – Parry Beach Camping Charges Income – Revenue Gain \$ 30,000 - Revenue for this facility has increased from previously adjusted budget and is reflective of the current level of bookings and usage being experienced.

Account 1121003 – Sale of Lime Sand Income – Revenue Reduction (\$258,000) – Currently only 6000 tonnes of the 15,000 tonnes permitted annually has been processed by the contractor and it is unclear but unlikely that the remaining tonnes will be processed and supplied to fulfil the outstanding orders prior to the end of the financial year. On that basis it is recommended that Council adjusts the budget to reflect the revenue achievable for the sale of 6000 tonnes only. There will also be adjustments to the operating cost budget of the Lime Quarry to reflect the reduction in the amount extracted and processed which will be proportionate to the loss in revenue.

**Other Property & Services – Revenue Gain \$ 32,000**

Account 1478883 – Paid Parental Leave (PPL) Scheme Reimbursement Income – Revenue Gain \$26,000 – Unbudgeted Income for PPL which is offset by payments to employees in receipt of the PPL benefit.

Account 1440823 – Plant Costs Rebates/Reimbursements Income – Revenue Gain \$6,000 – Unbudgeted revenue for plant cost reimbursements.

**OPERATING EXPENDITURE**

The total operating expenditure estimate for 2020/2021 has been decreased by **(\$110,000)** overall from the amended budget. Details of the changes resulting in this net outcome are listed and further explained below:

**Governance – No changes proposed for Expenditure**

Whilst there are some accounts tracking under budget in his area it not proposed to make any formal amendment to the budget. Examples of underspends include donations, training and conference expenses for Elected Members as well as costs for administrative legal advice services which could be called upon at any time. These savings to budget currently total approximately \$40,000 in total and will factor into the final year end closing funding position if they remain unspent.

**Law, Order & Public Safety – No changes proposed for Expenditure**

There are a few minor variances at account level within this program activity, including some additional staff costs due to casual relief during periods of leave for the Ranger Services team, which will largely be offset by adjustments for reduction in employee leave liability entitlements for the permanent staff. There is also a minor variance to the depreciation estimate which is a non-cash expense and therefore will not affect the current net funding position. As such, it is not proposed to make any further adjustments to current budget expenditure estimates at this time. The only expense account with a more significant variance to the adopted year-to-date budget is fire mitigation works which are grant funded and this is just a timing issue as at this stage all works and expenditure associated with the acquittal of the grant are expected to be completed before the end of the financial year.

**Education and Welfare – No changes proposed for Expenditure**

The only variance disclosed here against the year-to-date budget is for Account 1620202 being for Youth Support Services and the Shire's contribution to the costs for the 'Outreach' program. This is just a timing issue as the claim for payment of the current year budget funding has yet to be made by the program co-ordinators.

**Health – No changes proposed for Expenditure**

No adjustments to the budget estimates for this Program are considered necessary.

**Housing – No changes proposed for Expenditure**

No adjustments to the budget estimates for this Program are considered necessary.

**Community Amenities – Additional Expenditure (\$ 75,000)**

Account 1028322 – Job 21200 Container Deposit Scheme Wages Expense – Additional Expense \$10,000 – Additional employee resourcing of facility to provide service level required to meet demand.

Account 1028322 – Job 21200 Container Deposit Scheme General Expense – Additional Expense \$15,000 – Additional general cost provision required to meet expected expenses to provide the service to level required to meet demand.

Account 1028322 – Job 21001 Denmark Waste Management & Refuse Facility Maintenance Wages Expense – Additional Expense \$15,000 – Additional employee resource required to manage facility to desired standard.

Account 1028322 – Job 21001 Denmark Waste Management & Refuse Facility Maintenance General Expense – Additional Expense \$50,000 – A budget provision is required to woodchip and transport some green waste currently stockpiled at the DWMRF which is at capacity. To engage a suitable qualified contractor to do this work on the required timeline has been assessed to cost up to \$50,000. The remainder of the green waste stockpiled will be burnt as planned.

Account 1040112 – Town Planning Contracted Services Expense – Expense Reduction \$15,000 – Due to the timing of certain consultancy services budgeted to be expensed from this account it is not expected that work will be completed prior to the end of the financial year resulting in some cost savings which may have to be re-budgeted in the 2021/22 financial year.

There are currently costs savings showing for cemetery maintenance, public convenience maintenance and environmental sustainability related projects. The cost breakdown of these budgets includes employee and related on costs as well as contracted services. At this stage there is no information to suggest that these activities will vary to any significant degree to the adopted budget.

**Recreation & Culture – Reduction in Expenditure (\$ 60,000 Non-Cash)**

A/c 1130502 – Parks Infrastructure Depreciation Expense – Expense Reduction \$60,000 – To better align this item to the asset register an adjustment to this non-cash expense provision is recommended.

There are currently cost savings showing for Recreation Centre Programs, Swimming Area Coastal Infrastructure Maintenance, Parks & Reserves Maintenance and to a lesser degree, Public Halls & Civic Centre Maintenance. The cost breakdown of these budgets includes employee and related on-costs as well as contracted services. Management acknowledges that on occasion there will be cross-servicing across departments with the deployment of the depot workforce resource (ie. Sometimes an employee may have been budgeted to exclusively spend their time in parks maintenance but may spend a degree of time in the roadworks team due to operational requirements or other extenuating circumstances.) This may mean that parks maintenance account will show underspent and roadworks maintenance account overspent as a total, even though employee and the various on-costs may be in line to the budget overall. To a degree this has occurred during the 2020/21 year

thus far, as such it is not proposed to amend these budgets to the line item expense level but instead recognise that the redistribution of the allocation of some costs does not affect the budget overall so therefore note the variance as an allocation issue.

Apart from the allocation variance relating to the deployment of the depot day labour force resource there is no other information available at this time to suggest that these activities will vary in such a way that will be detrimental to the adopted budget bottom line.

**Transport – No changes proposed for Expenditure**

The variances to year-to-date budget showing in the Transport Program relate to the same issues highlighted under the Recreation & Culture heading. As such it is not proposed to make any formal amendment to the budget in this area but instead acknowledge the variance as an allocation/distribution of resources issue.

**Economic Services – Reduction in Expenditure (\$ 125,000)**

Account 1120102 – Job 70000 Lime Sand Expenses – Reduction in expenditure of \$125,000 related to lime quarry operations due to issues outlined earlier in this report.

**Other Property & Services – No changes proposed for Expenditure**

No adjustments to the budget estimates for this Program are considered necessary.

**NON-OPERATING REVENUE**

Management advises that the progress on the project for Local Roads and Community Infrastructure Upgrade (Job 51600) is not expected to progress to a point where the second moiety of grant funding related to the project will be claimable before the 30 June 2021. As such, the budget for Account 1228153 - Non-operating grants income for Local Roads & Community Infrastructure should be reduced by **\$175,000** overall to budget. A saving in the Capital Works expense area to match offset this reduction will also apply.

**CAPITAL EXPENDITURE**

A decrease of **(\$905,000)** in capital expenditure is proposed as follows:

**Table: 2**

<b>Expense Type</b>	<b>Current Budget</b>	<b>Adjustment</b>	<b>Revised Budget</b>
Capital Works on Land & Buildings	\$410,000	\$0	\$410,000
Road Infrastructure Capital Works	\$5,990,937	(\$725,000)	\$5,265,937
Recreation Infrastructure Capital Works	\$180,000	\$(130,000)	\$50,000
Other Infrastructure Capital Works	\$25,000	\$0	\$25,000
Purchase Plant & Equipment	\$607,000	(\$50,000)	\$557,000
Purchase Furniture & Equipment	\$0	\$0	\$0
<b>Total</b>	<b>\$7,212,937</b>	<b>(\$905,000)</b>	<b>\$6,307,937</b>

Capital works on road infrastructure expense will decrease by (\$725,000),

- (\$550,000) for A/c 1220294 Job 51527 - Denmark East Development Works – the project for Denmark East is not expected to advance prior to 30 June 2021 – the project will need to be re-budgeted for the 2021/22 financial year. The deferral of this project will not impact the end-of-year financial position as the project is approved and fully funded from the Denmark East Development Reserve so the budgeted transfer from the Denmark East Development Reserve of \$550,000 will not occur.
- (\$175,000) for A/c 1221154 Job 51600 – Upgrade Community Infrastructure – This project is budgeted at \$349,937 and is fully grant funded, at this stage it is expected that only 50% of funds will be expended by 30 June 2021 which means only 50% of the grant funding which has already been received can be acquitted.

Capital works on Recreation Infrastructure expense will decrease by (\$130,000),

- (\$130,000) for A/c 1121154 Job 60100 – Nornalup Jetty Upgrade - The project to upgrade Nornalup Jetty is being deferred until the 2021/22 financial year where funding has been obtained to cover the full costs of works and also provides an opportunity to work collaboratively with the Department of Biodiversity, Conservation & Attractions to upgrade this area.

Capital outlays for Plant & Equipment expense will decrease by (\$50,000),

- Approximately (\$50,000) of savings have been achieved to budget for the purchase or replacement of plant & equipment, namely approximately \$27,000 on the acquisition of a new Pig Trailer and \$18,000 for replacing truck DE 10862 in addition to minor savings for two utility vehicles. As such it is proposed to amend the budget for expense account 1231054 – Purchase of Plant by reducing it by \$50,000 from \$420,000 to \$370,000.

**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

L5.4 To be fiscally responsible

**Sustainability Implications:**

➤ **Governance:**

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

➤ **Environmental:**

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

➤ **Economic:**

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

➤ **Social:**

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

➤ **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)
Not meeting Statutory Compliance	Rare (1)	Moderate (3)	Low (1-4)	Failure to meet Statutory, Regulatory or Compliance Requirements	Consider Budget Review and accept Officer Recommendation or alternate Council Resolution
Financial mismanagement and/or Budget overruns.	Rare (1)	Moderate (3)	Low (1-4)	Inadequate Financial, Accounting or Business Acumen	Accept Officer Recommendation

**Comment/Conclusion:**

The budget review has been prepared in accordance with the Local Government Act 1995, Local Government (Financial Management) Regulations 1996 and Australian Accounting

Standards. 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 year-to-date budget estimates to the end of reporting period actual amounts of revenue and expenditure to which the financial statements relate.

This process assists management and Council to determine how the budget is performing and to estimate the end of the financial year position.

Whilst the third quarter budget review performed by management identified some variances in year to date internal and wage/on cost allocations, the proposed budget amendments contained within this report makes no recommendation to change the budgets for these items. This is because they are already fully budgeted or a redistribution of non-cash allocated expenses and therefore have no impact on the final surplus year end position estimate, it is also quite usual for a disjoint to occur in redistribution of internal costs in the early to midyear period which generally evens out closer to year end.

Should Council accept the Officer recommendation to amend the budget as outlined in this report, the overall net impact on the end of year position is \$ 236,000 as it increases the assumption of a \$200,000 year-end surplus brought forward in the original adopted budget to a \$436,000 surplus brought forward position. This has been achieved by looking at projected gains and reductions in operating and non-operating revenue, cost savings and overruns in operating expenditure in addition to changes to the capital works program.

The Officer recommends that Council adopt the Budget Review as presented and adjusts the estimated Budget Surplus position carried forward estimate from \$200,000 to \$436,000. This estimated closing year end funding position should be taken into consideration as part of workshopping the updated Long Term Financial Plan and the draft budget for 2021/2022 with a view to allocating funds to Reserves which will enable the Shire to address future funding requirements to achieve Asset Management Plan targets for building new and maintaining existing built asset facilities and infrastructure.

**Voting Requirements:**

Absolute majority.

OFFICER RECOMMENDATION	ITEM 9.2.4
That Council APPROVE the adjustments to the Budget contained in the third quarter Budget review report and note the reasons for each of the Budget amendments.	

*\*Absolute majority required.*

## 9.2.5 IMPLEMENTATION OF SPLIT RATING

<b>File Ref:</b>	RTS.11
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	4 May 2021
<b>Author:</b>	Lee Sounness, Acting Director Corporate & Community Services
<b>Authorising Officer:</b>	David Schober, Chief Executive Officer
<b>Attachments:</b>	Nil

### Summary:

The purpose of this report is for Council to approve the application of split rating methods to be applied across rural properties which are utilised for multiple purposes.

Council is also asked to endorse an amendment to the differential rating model which would form the basis of the 2021/22 Municipal Budget.

### Background:

Rating Review – Stage 1 was undertaken in 2019/20 to simplify the Shire of Denmark's rating model and to align to the fundamental rating principles of the Local Government Act 1995 (s6.33):

- a. Objectivity;
- b. Fairness and Equity;
- c. Consistency;
- d. Transparency and;
- e. Administrative Efficiency

In June 2020, Council adopted a differential rating structure with amended categories, reducing the number of rating categories from 14 to 4:

#### Gross Rental Valuations (GRV)

1. Non-Rural Improved
2. Holiday Purposes
3. Vacant

#### Unimproved Valuations (UV)

4. Rural

The characteristics, objects and reasons applying to each differential category above were reviewed and amended where applicable, to meet the requirements of the Local Government Act 1995 (LG Act 1995). These were endorsed by Council in June 2020.

Rating Review - Stage 2 commenced in 2020/21 and sought to consider split and spot rating where rural UV properties are utilised for multiple purposes and to explore options that create greater equity between the minimum payment amount for GRV General and UV Rural properties.

The adoption of the revised rating structure in June 2020 has mostly met the objectives of Council, but some inequity in the rating of rural properties with mixed uses within the district still exists and is currently under consideration as part of stage 2 of the review. Changing the method of valuation of these identified properties seeks to address this inequity.

During a Councillor workshop in December 2020, Councillors were provided a progress update on the Stage 2 Rating Review. This update included a summary of the land use



declarations received from ratepayers of rural properties with mixed use. These properties were previously identified as Rural Additional Use 1-4, prior to 2020/21.

At the Councillors briefing on 16th March 2021, the option of split and spot rating, including the cost of implementation and the time required by the Minister to assess changing methods of land valuations, were reviewed. Alternative options, such as reintroducing additional categories for business or tourism on rural properties were discussed.

A further briefing was held on the 23rd April 2021 to provide additional information on introducing split rating methods across rural properties which are utilised for non-rural purposes from 2021/22. Further information was provided to Councillors regarding the possibility of implementing additional rural differential rating categories.

It was confirmed by officers and the Department of Local Government, Sport and Cultural Industries (DLGSC) that Spot Rating, by definition, would not be appropriate for the purposes of changing the method of land valuation.

### **Consultation:**

#### External

Department of Local Government, Sport and Cultural Industries (DLGSC):

- Rating Policy for Valuation of Land (Section 6.28)
- Rating Policy for Differential Rates (Section 6.33)
- Local Government Guidelines - Changing Methods of Valuation of Land
- DLGSC officers provided verbal advice

Moore Global Accounting Company:  
Provided verbal advice.

Landgate:  
Provided verbal advice.

Community Consultation:  
Rural ratepayer properties with mixed received written correspondence and asked to complete Land Use Declaration Forms.

#### Internal

Briefing sessions with Councillors.

### **Statutory Obligations:**

Valuation of Land Act 1978

The Minister for Local Government has the responsibility for determining the method of valuation of land to be used by the Valuer General.

Section 6.28 (1) & (2) of the *Local Government Act (1995)* states:

(1) The Minister for Local Government is to –

- (a) determine the method of valuation of land to be used by a local government as the basis for a rate; and
- (b) publish a notice of the determination in the Government Gazette.

(2) In determining the method of valuation of land to be used by a local government the Minister is to have regard to the general principle that the basis for a rate on any land is to be –

- (a) where the land is used predominantly for rural purposes, the unimproved value of the land; and
- (b) where the land is used predominantly for non-rural purposes, the gross rental value of the land.

Section 6.33 (1), (2), (3) & (4) of the *Local Government Act (1995)* states:

(1) A local government may impose differential general rates according to any, or a combination, of the following characteristics:

- (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or
- (b) a purpose for which the land is held or used as determined by the local government; or
- (c) whether or not the land is vacant land; or
- (d) any other characteristic or combination of characteristics prescribed.

(2) Regulations may:

- (a) specify the characteristics under subsection (1) which a local government is to use; or
- (b) limit the characteristics under subsection (1) which a local government is permitted to use.

(3) In imposing a differential general rate, a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

(4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1) (a) applies.

Where the Minister changes the basis of valuation from UV to GRV, Council may resolve to apply the change of valuation immediately or phase in any changes in valuation in accordance with Schedule 6.1 of the Act.

Section 6.35 states that Council may impose a minimum payment for each category.

Section 6.36. of the *Local Government Act (1995)* states the Local government is to give notice of certain rates:

(1) Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.

(2) A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).

**Policy Implications:**

Council repealed P030101 Council Rating Equity Policy on 21st April 2020.

In due course, officers will be recommending a new Rates Policy to Council for consideration.

**Budget / Financial Implications:**

The 2020/21 Budget was adopted based on a zero increase in overall rate revenue yield from the 2019/20 financial year based on advice from the Minister of Local Government.

An expenditure amount of \$30,000 was included in the 2020/21 Budget for the investigation into split rating of rural UV properties with additional (mixed) uses. At the time of writing this report, \$2,162 has been expended.

There would be a cost to provide a part-time finance officer (0.5 FTE) to administer the implementation of split rating across rural properties with non-rural uses. This cost would be in addition to the regulatory costs associated with the Changing Methods of Valuation of Land application process prescribed by the DLGSC.

Part-time Finance Officer Rates 0.5fte -	\$40,000 p.a.
Regulatory Cost to apply split rating on 47 properties -	\$23,500 p.a.

(this includes notional & interim Landgate valuations, gazettal and other miscellaneous costs)

If additional use rating categories that apply to rural (UV) properties with non-rural uses is endorsed, officers believe this will provide an increase in rates yield that is more equitable across the Shire ratepaying base.

### **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.*

L5.1 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

E1.4 To recognise the importance of agriculture in our local economy and protect prime agricultural land

E1.4.1 Review our differential rating policy to ensure fairness and equity across all rating categories and promote and encourage agricultural land use.

### **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 WA Government have not indicated they are intending to legislate a freeze on local government rates and fees and charges in relation to the COVID-19 pandemic for the 2021/22 financial year.

#### ➤ **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)
<b>Reputational:</b> Ratepayer uncertainty on the impact to their rates.	Possible (3)	Minor (2)	Moderate (5-9)	Inadequate Engagement - Community / Stakeholders / Crs	Communication and Engagement Plan
<b>Financial Impact:</b> applications to change the method of valuation may not be approved, resulting in reduced revenue forecasts.	Possible (3)	Minor (2)	Moderate (5-9)	Inadequate Financial, Accounting or Business Acumen	Manage by utilising Rural Additional Use rating categories.

**Comment:**

The raising of rate income from land owners is becoming increasingly complex, as local governments seek to fund an increasing range of services and, at the same time, adopt an approach that is reasonable and equitable for all ratepayers. Due to this increasing complexity, the use of differential rating continues to decrease across the sector, with only 50% (GRV) and 56% (UV) of local governments raising differential rates.

The principal reason for the Stage 2 of the rating review is to provide a clear understanding of the administration, cost and time to apply split rating methods across rural properties which are utilised for non-rural purposes.

To address current rating inequities of rural properties and the time taken to introduce split rating (in time for the 2022/23 budget), it is proposed that Council consider an amendment of the differential rating model to include two (2) extra rating categories to capture rural properties that have non-rural use(s), which would form the basis of the 2021/22 Budget.

The Shire rating structure and any proposed changes endorsed by Council should align to the fundamental rating principles of the Local Government Act 1995. While the proposed changes to the rating model will assist staff in applying the rating principles, it is based on the need to be able to explain, in a fair and consistent manner, what the rates are being levied for. In applying these principles and to guide decision making on the purpose for which the land is held or used, the Shire is to ensure the following fundamental principles are observed:

- Objectivity – the use of land should be reviewed and determined based on an objective assessment of relevant criteria. External parties should be able to understand how and why a particular determination was made.
- Fairness and Equity – each property should make a fair contribution to rates based on a method of valuation that appropriately reflects its use. To alleviate the rating inequity for rural (UV) landholders who use their property for multiple purposes, it is recommended that the Shire utilise split rating provisions under Section 6.28 of the Local Government Act 1995.
- Consistency – rating principles should be applied and determinations should be made in a consistent manner. Like properties should be treated in a like manner.
- Transparency – systems and procedures for determining the method of valuation should be clearly documented. The objects of imposing differential rates and reasons

for each proposed differential rate are to be set out by the local government in a publicly available document that clearly explains why each rate is proposed.

- Administrative Efficiency – rating principles and procedures should be applied and implemented in an efficient and cost-effective manner.

### **Implementation of Split Rating valuations on Rural properties with non-rural uses**

There are several steps in the process of changing the method of valuation of land for rating purposes. The process is outlined under Section 6.28 of the Local Government Act 1995 and by following DLGSC Operational Guidelines - Changing Methods of Valuation of Land. Each step is important in achieving a successful outcome:

Step 1: Identifying land use changes that may affect predominant use.

New developments and changes to land use can alter the predominant use of land and thereby the method of valuation that is used to rate it.

Step 2: Reviewing predominant use.

The Act does not define the term "land" for the purpose of predominant use. Where a local government identifies new/existing developments or land uses, it can decide whether to review the predominant use of the affected land only, or a larger or smaller area of land. This can be done by implementing split valuations across the one property.

Step 3: Consulting affected parties.

Step 4: Changing the method of valuation.

#### Split rating – classification of terms:

By portion of a lot (split valuation) - where a local government identifies that a rateable property contains distinctly rural and non-rural uses on separately identifiable portions of the property, it may consider applying different methods of valuation to those distinct portions. This is commonly referred to as "split valuations".

According to DLGSC, "Split valuations should only be considered as an option where the predominant use of a property cannot be determined objectively and fairly or where it is appropriate to do so for reasons of rating fairness.

#### Split rating – application on Shire rural properties:

Prior to the amalgamation of the rating structure in June 2020, there were 72 rural properties with mixed uses that were differentially rated as *UV Additional Use 1-4*.

Under the current rating structure, these 72 properties are rated as rural. Amalgamating the 72 additional use properties into one rural rating category in 2020/21 resulted in a reduction of rate income of \$25,560.

Officers have assessed there are currently 47 rural Unimproved Value (UV) properties that would be applicable for split valuation consideration. These rural properties are known to, or have declared, that there are multiple or non-rural uses conducted on the land.

15 of the 72 properties previously rated as UV Additional Use declared to have no additional uses on the property. Self-declared land use assessments are not always sufficient in determining the predominant use of the land.

10 of the properties previously rated as UV Additional Use are properties owned by the Shire and leased to Community groups that have a rate waiver applied annually.

Each of the 47 properties, if the split rating valuations are approved by the Minister, would have two rate assessments. One for the Unimproved Value (UV) of the rural property and one for the separately identified portion of land (split portion) that would be rated as Gross Rental Value (GRV). The GRV valuation applied on the portion of rural land used for mixed use would be rated either:

- Non-Rural Improved
- Holiday Purposes

The Shire has an option to phase in these GRV valuations on the rural properties.

It is acknowledged that due to the length of the timeline to apply split rating valuations on rural properties with mixed uses, any changes would only apply from 2022/23, pending approval from the Minister.

Timeline to process split rating valuations on assessed Rural properties:

Officers' investigation, along with direct consultation with the DLGSC, have determined that the process of introducing split rating valuation methods across rural properties with non-rural uses, would take a minimum of 12 months before they could be applied to the rating model. If approved by the Minister, split valuations on the assessed properties would apply from 2022/23.

The process includes:

- Officers' initial engagement with landowners,
- Notional valuation received from Landgate;
- Preliminary recommendation from officers;
- Ordinary Council Meeting report and consideration of ratepayers consulted - review period;
- Ministerial approval - Minister determines application to be approved / not approved;
- Interim valuation and rates notice issuing - approved valuations apply from the next financial year once approved by the Minister.

There is a risk the application to split rating of properties will not be approved by the Minister and/or the decision of the application will take longer than 12 months. In some cases, a decision on applications by the Minister can take up to two years. In formulating these risks, the following has been taken into consideration:

- It is unknown how the Minister will respond to such high submissions of split valuations on rural properties.
- Submissions from landowners are required to be sent to the Minister for consideration.
- Demonstration of equity is vital.
- Council reputation and possible ratepayer tension.

The Department recommends a phased introduction is used where there is a significant impact on the ratepayer.

Administration of the implementation of split rating valuations on rural properties

It is proposed that the administrative time taken when applying to the Minister to change the method of valuation on rural properties with non-rural uses would require an additional 0.5 Full Time Equivalent (FTE) Finance Officer to facilitate this process. The Finance Officer would also be responsible for reviewing all other rural properties for their predominant use and providing recommendations to change their method of valuation where applicable.

2021/22 Annual Budget – additional officer resource:

- Finance Officer Rates 0.5fte - \$40,000 p.a. (inc. on-costs)

### **Amendment of the differential rating model from 2021/22**

It was acknowledged that due to the extended time to implement split rating across identified rural properties with non-rural uses, and due to the rating inequity, that would continue during this period, that additional Rural Additional Use categories could be considered as part of the Differential Rating structure that forms part of the 2021/22 Annual Budget.

To establish differential rural rating categories, the following statutory obligations (as referenced earlier in the report) must be observed:

- Section 6.33 (1), (2), (3) & (4) of the Local Government Act (1995)
- Section 6.35 states that Council may impose a minimum payment for each category.

#### Proposed Differential Rate Categories – Rural Unimproved Valuations (UV)

##### **Rating Category 5 - Rural Additional Use - Holiday**

Characteristics:

All properties held or used for rural purposes but have additional Non-Rural Holiday use(s).

Non-Rural holiday use would need to be defined, pursuant to section 6.36 (3A) of the LG Act (1995), on which the Shire determines that a property is held or used and as per the purpose and intent of Town Planning Scheme 3 (TPS3).

The financial implications of introducing the proposed Rural Additional Use - Holiday rating category, at an additional 10% of the Rural base rate in the \$ would be:

20/21 Rural rate in \$: 0.005038

21/22 Proposed Rate in \$ (rural base rate plus 10%) - 0.005542

No. Of Properties: 23

Net additional general rate income from 2020/21: \$4,999

Minimum: 1,477

No. Of Properties: 5

Net additional minimum rate income from 2020/21: \$670

##### **Rating Category 6 - Rural Additional Use - Commercial**

Characteristics:

All properties held or used for Rural purposes but have additional Non-Rural Commercial use(s).

Non-Rural commercial use would need to be defined, pursuant to section 6.36 (3A) of the LG Act (1995), on which the Shire determines that a property is held or used and as per the purpose and intent of Town Planning Scheme 3 (TPS3).

The financial implications of introducing the proposed Rural Additional Use - Commercial rating category, at an additional 30% of the Rural base rate in the \$ would be:

20/21 Rural rate in \$: 0.005038

21/22 Proposed Rate in \$ (rural base rate plus 30%) - 0.006549

No. Of Properties: 19

Net additional general rate income from 2020/21: \$11,830

Minimum: \$1,746

No. Of Properties: 0

Net additional minimum rate income from 2020/21: \$0

Total net additional rate income: \$17,499

Table 1:

	2020/21 Rate Budget			2021/22 Rate Budget (proposed)				
	Rate in \$	No. of Properties	Budgeted Rate Revenue		Rate in \$	No. of Properties	Budgeted Rate Revenue	Increase in rate revenue
<b>Unimproved Valuations (UV)</b>								
<b>General rate</b>								
4. Rural	0.005038	493	1,185,583		0.005038		1,101,183	
5. Additional Use - Holiday				10%	0.005542	23	49,918	
6. Additional Use - Commercial				30%	0.006549	19	51,311	
<b>sub-total</b>			<b>1,185,583</b>				<b>1,202,412</b>	<b>16,829</b>
<b>Minimum payment</b>								
4. Rural	1,343	170	228,310		1343	165	221,595	
5. Additional Use - Holiday				10%	1477	5	7,385	
6. Additional Use - Commercial				30%	1746	0		
<b>sub-total</b>			<b>228,310</b>				<b>228,980</b>	<b>670</b>
<b>TOTAL</b>			<b>1,413,893</b>				<b>1,431,392</b>	<b>17,499</b>

Note: the above calculations exclude any increases to differential rates in the dollar and minimum payments as part of the 2021/22 Annual Budget considerations.

Further consultation will be required to inform the relevant ratepayers if an additional rating category is to be introduced. In addition, under S6.36 of the LG Act (1995), the Shire will be required to give public notice before imposing any differential rates and minimum payments applying to each differential rate category under section 6.35(6).

**Voting Requirements:**

Absolute majority.

OFFICER RECOMMENDATION	ITEM 9.2.5
<p>That Council:</p> <ol style="list-style-type: none"> <li>1. ENDORSE the application of split valuations on assessed rural rated properties containing distinctly non-rural uses.</li> <li>2. ACKNOWLEDGE the Chief Executive Officer will build an allocation within the 2021/22 Annual Budget to resource the administration of recommendation 1.</li> <li>3. ENDORSE the inclusion of a:             <ol style="list-style-type: none"> <li>a) Rating Category 5 - <i>Rural Additional Use – Holiday</i> differential rating category and minimum payment, and;</li> <li>b) Rating Category 6 - <i>Rural Additional Use – Commercial</i> differential rating category and minimum payment;</li> </ol> <p style="margin-left: 40px;">to the Shire of Denmark’s Rating System and 2021/22 Municipal Budget.</p> </li> <li>4. AUTHORISE the Chief EO to finalise the rate in the dollar, minimum payment amounts, characteristics, objects and reasons for each category of the Shire of Denmark’s Rating System, including the new rating categories 5 and 6, as part of the 2021/22 Municipal Budget Process and advertise the Notice of Intention to Levy Differential Rates for a period of 21 days.</li> </ol>	

\* Absolute majority required.



## 9.2.6 REVISED POLICY P040125 – COMMUNITY FINANCIAL ASSISTANCE PROGRAM

<b>File Ref:</b>	PBR.10
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Not applicable
<b>Date:</b>	29 April 2021
<b>Author:</b>	Renee Wiggins, Acting Manager Community Services
<b>Authorising Officer:</b>	Lee Sounness, Acting Director Corporate & Community Services
<b>Attachments:</b>	9.2.6a - Revised Policy P040125 9.2.6b - Original Policy P040125

### Summary:

The purpose of this report is to request that Council adopt an amended Community Grants Policy P040125 to replace the Community Financial Assistance Program (CFAP) Policy P040125.

The revised policy seeks to align to the objectives of the Shire of Denmark's Sustainability Strategy, remove procedural information and provide direction on co-funding opportunities from external parties.

### Background:

The overall objective of the Community Financial Assistance Program (CFAP) was to provide financial assistance for community groups and organisations (or individuals) for projects and initiatives which benefited the community. CFAP was separated into two classifications; Minor and Major Community Grants, with applicants able to apply for the following funding categories:

- Cultural Development Arts
- Sporting
- Environment
- Historical
- Events

The program seeks to minimise out of budget, ad hoc requests from community organisations.

Applications are assessed on;

- Alignment with the Strategic Community Plan;
- Demonstrated need or community benefit with achievable objectives and outcomes;
- Capacity of the applicant, financial and otherwise;
- Completeness of application including budgetary details, risk assessment and supporting information (e.g., quotes or letters of support);
- Assessment of the applicant in regards to previous CFAP submissions and project delivery history;
- Whether matching funding has been applied for / given from other organisations;
- The funding will be spent largely or wholly within the Shire of Denmark and will be largely or wholly for the benefit of the residents of the Shire of Denmark;
- The group applying is based within the Shire of Denmark.

Officers have revised the current Community Financial Assistance Program Policy with a view to align it to the objectives of the Shire's recently adopted Sustainability Strategy, remove procedural information, consolidate the grant classifications and to improve the effectiveness of the administration of the fund for both Council and community.

### 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.

Consultation was conducted with staff and Councillors have been briefed on the Policy review intent.

**Statutory Obligations:**

Nil

**Policy Implications:**

P040125 – Community Financial Assistance Program Policy  
renamed  
P040125 – Community Grants Policy

**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 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

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*

N2.3 *To reduce human impact on natural resources, reduce waste and utilise renewable energy.*

N2.4 *To acknowledge and adapt to climate change*

Corporate Business Plan

N2.1.10 Implement actions from the Sustainability Strategy to support the achievement of environmental objectives

C4.1.3 Support local community groups and sporting clubs through the Community Financial Assistance Program

C4.1.2 Review the administration of the Community Financial Assistance Program to improve the selection criteria and process and make it user-friendly to apply.

**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 purpose of reviewing the current CFAP Policy P040125 is to align the renamed Community Grants Policy P040125 to the objectives of the Shire’s recently adopted Sustainability Strategy, remove procedural information, consolidate the grant classifications and to improve the effectiveness of the administration of the fund for both Council and community.

Officers have drafted an amended policy to address each of the issues that were identified throughout the review and outlined above. The proposed changes to the policy will make it easier for community groups to apply and access funds as well as streamlining the shires administrative processes.

Based on the outcome of the review and in consultation with Councillors at briefing sessions, it is recommended that Council adopt the amended policy and endorse renaming it – Community Grants Policy P040125.

**Voting Requirements:**

Simple majority.

OFFICER RECOMMENDATION	ITEM 9.2.6
<p>That Council ADOPT the amended Community Financial Assistance Program Policy P040125, as per Attachment 9.2.5a, and CHANGE the title of the Policy to Community Grants Policy.</p>	

**9.3 CHIEF EXECUTIVE OFFICER**

Nil

**10. COMMITTEE REPORTS AND RECOMMENDATIONS**

Nil

**11. MATTERS BEHIND CLOSED DOORS**

Nil

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

Nil

**13. CLOSURE OF MEETING**