



ORDINARY MEETING OF COUNCIL

HELD IN THE COUNCIL CHAMBERS,
953 SOUTH COAST HIGHWAY, DENMARK
ON TUESDAY, 18 JULY 2017.

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Ordinary Council Meeting

18 July 2017

DISCLAIMER

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1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

4.00pm – The Shire President, Cr Morrell, declared the meeting open.

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

MEMBERS:

Cr David Morrell (Shire President)
 Cr Ceinwen Gearon (Deputy Shire President)
 Cr Yasmin Bartlett
 Cr Peter Caron
 Cr Jan Lewis
 Cr Janine Phillips
 Cr Rob Whooley
 Cr Clem Wright

STAFF:

Mr Bill Parker (Chief Executive Officer)
 Mr Gilbert Arlandoo (Director of Infrastructure Services)
 Mr Cary Green (Director of Finance & Administration)
 Mrs Annette Harbron (Director of Planning & Sustainability)
 Ms Claire Thompson (Executive Assistant)
 Mr Steven Broad (Accountant)

APOLOGIES:

Mr Gregg Harwood (Director of Community & Regulatory Services)

ON APPROVED LEAVE(S) OF ABSENCE:

Cr Mark Allen (pursuant to Council Resolution No.020617)

ABSENT:

Nil

VISITORS:

Members of the public in attendance at the commencement of the meeting: 4
 Members of the press in attendance at the commencement of the meeting: 32

DECLARATIONS OF INTEREST:

Name	Item No	Interest	Nature
Cr Phillips	8.4.2 (b) (iii)	Impartiality	Cr Phillips is a proprietor of a Caravan Park and it could be perceived that her impartialness could be affected so regardless of her right to remain in the room, Cr Phillips has decided that she will exclude herself from debate and voting.
Cr Gearon	8.4.2 (b) (ii)	Financial	Cr Gearon's partner is employed by Denmark Arts and the Denmark Community Resource Centre.
Cr Lewis	8.4.2	Impartiality	Cr Lewis is the Vice President of the Riding for the Disabled who have a Memorandum of Understanding with the Denmark Equestrian Club to use the equestrian grounds.

3. ANNOUNCEMENTS BY THE PERSON PRESIDING

The Shire President announced that he noted with sadness the passing of Mrs Jean Brenton stating that the Shire appreciated her years and years of contribution to the development and management of the Parry Beach Community Camping Ground.

Cr Morrell announced that he also noted with sadness the passing of Rachael Blythe who was a founding member of the Denmark Arts Council.

4. PUBLIC QUESTION TIME

4.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

4.1.1 Ms Kelli Gillies – McNess Road Bridge

At the meeting held on 20 June 2017, Ms Gillies asked a number of questions which were taken on notice. The following written response has been provided to Ms Gillies.

“Question 1 - \$450,000 was allocated from state funds into the Shire budget for the replacement of McNess Road Bridge; can you provide the final completion cost and confirm the final amount is inclusive of the entry statement and river fencing?”

Response: The total value to replace the bridge was \$472,419.00 as per information from MRWA.

Question 2 - Can you confirm that McNess Road Bridge is located outside the Shire of Denmark road reserve and that Main Roads have been questioned by the Shire regarding this anomaly in the project?

Response: The bridge is not located within the Shire’s road reserve and MRWA have indicated that it is technically within the river reserve according to the cadastral overlay.

Question 3 - Does this bridge service a through road or is it at the end of McNess Road and at the entrance of a private property?

Response: The bridge does not service a through road.

Question 4 - Does the bridge serve as a crossover into that private property?

Response: The bridge provides access to a property.

Question 5 - Has the landowner financially contributed to the bridge and associated entry statement and fencing project?

Response: Landowners are not usually required to contribute to MRWA program.

Question 6 - Can you provide any examples where this scale of infrastructure has been provided to a service a single private property within the Shire of Denmark?

Response: Not as per our current records.

Question 7 - Could the funding have been used to upgrade Churchill Bridge or Hollings Road Bridge?

Response: Priorities are determined by MRWA.

Question 8 - Can you confirm that there is a strategic firebreak to the north of the property in question and that the firebreak is accessed from Mt Lindesay Road?

Response: The strategic fire access route is a Department of Biodiversity, Conservation and Attractions (DBCAs) track that runs through reserve land that is under their control. Council's Synergysoft system has been checked and it is not a road reserve.

DBCAs have advised that the track is only maintained when they are planning to conduct activities such as prescribed burns and that it not suitable for use during winter

It is however possible to drive (10/7/2017) in a 4wd from the end of the Mount Lindesay Rd reserve through to Nut Cracker Rd and then on to the Denmark Mount Barker Rd.

The track passes to the rear of Lot 1461 Mc Ness Rd but damage to the track and potentially the vehicle would occur if access was attempted either during or following heavy rains.

It should however be noted that the eastern end of the track that connects the Nut Cracker Rd has a street sign that reads "Mount Lindesay Rd".

4.1.2 Mr Craig Chappelle – 2015/16 Annual Report – Water Consumption

Mr Chappelle referred to the 2015/16 Annual Report and sought some clarification on water performance costs, savings and consumption. Mr Chappelle has been provided with the following written response.

"Question 1 - It's good to see that consumption fell since the previous year. Why did it? through what strategies / changes in usage patterns?"

Response: This is largely attributed to changes in use resulting from increased annual rainfall in 2016 compared to 2015. 2016 was an above average rainfall year (1176 mm) compared to a below average rainfall year in 2015 (762 mm).

Question 2 - Why is differential pricing applied and how many categories are there? What are the highest and lowest rates?

Response: The cost of water (\$/kL) does not change between assets. Assets only differ in their service charges, which depends on whether the asset is connected to the sewerage network or provides a fire service (hydrant or standpipe). Some assets also receive a discount on water service charges and/or sewerage charges (applies to regional local government facilities).

Question 3 - By three examples shown total 5,232kL, which is 29% of the shire total of 17,836kL – not 39% as suggested by adding the percentages noted in each example.

Response: The 17.836 kL total consumption included water supply at Peaceful Bay (predominantly via groundwater ie. not scheme water), so a note reflecting this should have ideally been included against this figure in the annual report. Total scheme water consumption was 13,396 kL, in which case the top 3 sites

do make up 39% of the total consumption across all Shire assets. For future annual reports this will be clearly identified.

Question 4 - By whom and for what was the remaining 71% consumed?

Response: The top 9 sites, which account for 71 % of the scheme water consumption across the Shire's assets, are listed on the relevant graphs in the annual report. The remaining 29% of consumption is spread across the Shire's remaining assets which are connected to scheme water (35 assets).

Question 5 - In relation to the Zimmerman St standpipe:

- (a) What percentage of total use was by private contractors?
- (b) What price do they pay?
- (c) Is their use of the standpipe monitored and are the amounts logged?

Responses:

- (a) 47%
- (b) \$2.20 per kL was the applicable charge as per the Shire's Schedule of Fees and Charges 2015-16; noting for the 2016-2017 financial year the charge was increased to \$3.00 per kL.
- (c) Prior to leaving the site, contractors record the amount abstracted from the standpipe at the Shire's depot. The contractor is subsequently billed for the use by the Shire.

Question 6 - How much of the annual total was used by the Shire and how much by other users?

Response: 17% of consumption is attributed to 'other users' ie. assets leased or tenanted by other organisations."

4.2 PUBLIC QUESTIONS

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

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

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

Questions from the Public

The Shire President announced that he was aware that were some members of the public wishing to address Council regarding the draft Budget and therefore he would call for all speakers wishing to discuss the budget first and then call for speakers wishing to address other matters.

Budget Questions / Comments

4.2.1 Mrs Belinda Dufall – Item 8.4.2 (Adoption of 2017/18 Annual Budget)

Mrs Dufall spoke on behalf of the Parry's Beach Voluntary Management Group regarding the proposed increase to the camping fees for Parry Beach. Mrs

Dufall provided some information for Councillors on the history of the campground, the management group volunteers and the activities that they perform at Parry Beach. Mrs Dufall provided information on the number of campers who use the campground and the income that it generated for the Shire which was generally put back into capital projects and expenses associated with running the campground. Mrs Dufall said that she believed the people's expectations of service and facility levels increased the more that they were expected to pay for a campsite and that this would increase the workload of volunteers and perhaps result in negativity from campers. Mrs Dufall expressed some disappointment that there hadn't been more consultation with the Management Group and requested that Council leave the campground fees unchanged.

4.2.2 Mrs Dee Collins – Item 8.4.2 (Adoption of 2017/18 Annual Budget)

Mrs Collins reiterated Mrs Dufall's comments on behalf of the Parry's Beach Voluntary Management Group and also expressed concern that the Management Group weren't more thoroughly consulted. Mrs Collins requested that Council not increase the fees but instead work together with the Management Group to come up with a long term strategy for the campground.

4.2.3 Mr Mark Shepherd – Item 8.4.2 (Adoption of 2017/18 Annual Budget)

Mr Shepherd stated that he had been enjoying camping at Parry Beach for over 30 years and enjoyed it because it was low cost and low key. Mr Shepherd acknowledged the tireless work that the Parry's Beach Voluntary Management Group put into the campground and expressed his disappointment that they weren't adequately consulted. Mr Shepherd requested Council to defer any fee increase until proper consultation had taken place with all stakeholders.

The Shire President apologised that the Parry's Beach Voluntary Management Group felt that they were not adequately consulted however he did not feel as though it would impact on Council's decision later in the meeting.

Cr Caron stated that he wished to clarify that whilst the Parry's Beach Voluntary Management Group wanted more extensive consultation, Council Officers had met with them to discuss the proposal.

The Director of Finance & Administration advised that he had met with the group on two occasions.

Cr Caron asked whether the Director of Finance & Administration could clarify the reasons for the proposed increase.

The Director of Finance & Administration advised that the campground was self sufficient in terms of income vs operating and capital costs and that the increase would help ensure that sufficient funds were available in the reserve for any future needs at Parry Beach.

4.2.4 Mr Chris Grain – Item 8.4.2 (Adoption of 2017/18 Annual Budget)

Mr Grain queried the \$95,000 contribution towards Denmark Tourism Inc. in the draft Budget. Mr Grain said that he owned Denmark Chocolate Company with his wife and was aware that Denmark's economy as a whole was struggling. Mr Grain said that he believed that Denmark needed to capitalise on its natural landscapes and believed that Denmark Tourism Inc.'s current management strategy for tourism in Denmark was flawed. Mr Grain said that there were peak periods when businesses couldn't cope and locals couldn't

enjoy their own town because of the numbers of people and other times where there was nothing. Mr Grain urged Council to consider other forms of tourism management which required intellect and creativity.

The Shire President advised that the Shire currently had an agreement with the Denmark Tourism Inc. for visitor servicing which would remain in place until other arrangements were made through the Lower Great Southern Economic Alliance. Cr Morrell stated that the Alliance had already engaged a consultant to determine promotion and servicing moving forward.

Cr Lewis added that she had been attending the Tourism Advisory Group meetings and was aware that there were a number of new advertising strategies planned such as billboard advertisements and television.

4.2.5 Mr Murray Thornton – Item 8.4.2 (Adoption of 2017/18 Annual Budget)

Mr Thornton referred to page 21 of the Budget papers and commended the Council on their plant reserve fund policy stating that he believed it to be logical to transfer the equivalent of the value of deemed ~~appreciation~~ depreciation for all motor vehicles and road plant each year to the reserve. Mr Thornton asked;

1. Why Council had done the opposite to their stated policy on Plant Reserves and not transferred any money to the reserve.
2. Why has Council run down the capital value of existing plant by nearly one million dollars over the past two financial years without providing for its replacement?
3. Why did Council give me an answer on page 5, Minutes of meeting of 27 September 2016, stating that the use of the reserve had changed and the words of should have been updated when they hadn't been? In the 2017/18 budget it states the same rational for the reserve.

CORRECTION TO MINUTES.
Pursuant to Council Resolution No. 010817

The Shire President advised that the questions would be taken on notice and responded to in writing however wished to note that the way that Council were managing the reserve was consistent with many other local governments. Cr Morrell added that the Councillors had received advice that there were benefits to residents and ratepayers to utilise cash reserves rather than have the funds locked away.

The Chief Executive Officer said that he would take the questions on notice however wished to note that the budget included significant funds to undertake a comprehensive Asset Management Plan. Mr Parker added that the Shire would be contracting a company to do an assessment of the Shire's entire fleet which would determine the current situation and recommendations which would inform the Council's Long Term Financial Plan. Mr Parker said that this was a holistic approach that would ensure that sufficient funds were put away for not just plant and equipment but footpaths, roads and other infrastructure.

4.2.6 Mr John Sampson – Item 8.4.2 (Adoption of 2017/18 Annual Budget)

Mr Sampson questioned the different rate increases mentioned in the budget documents stating that one referenced 4% whilst the overall rate revenue increased 4.5%.

The Director of Finance & Administration advised that there was a 4% increase in the rate in the dollar, which equated to an overall increase in rate revenue of approximately 4.5%.

Mr Sampson referred to page 11 of the Agenda which referenced a 4% rate increase overall when actually it would be a 4.5% rate increase. Mr Sampson asked whether this would be corrected.

The Shire President advised that the Director of Finance & Administration had answered the question regarding the discrepancy and he was satisfied with his answer.

Mr Sampson referred to a recent West Australian article which had showed a range of local government rate increases and that they averaged around 2.3%. Mr Sampson said that the latest CPI figures had shown that CPI had been at 0% for the last quarter with Perth at 1%. Mr Sampson stated that he believed that the local economy was doing it tough and asked what the rationale was behind the 4.5% rate increase.

The Shire President advised that the Shire had received two significant grants which they were obligated to put in matching dollars towards the projects and that this was a considerable expense. Cr Morrell said that there were a number of factors which Council had considered including the increased cost of fuel and that Council had worked hard to keep any rate increase as low as possible.

Mr Sampson referred to the projected forecast actuals on page 1 of the budget which showed a different figure to the projected forecast actuals on page 3. Mr Sampson asked why they were different figures.

The Director of Finance & Administration advised that the differences between the figures on page 1 - Nature or Type Revenue items and those on page 3 - Statement of Cash Flows, is considered normal as the Statement of Comprehensive Income on Page 1 is prepared on an accruals basis, whereas the Statement of Cash Flows on Page 3 is prepared on a cash basis. The disclosures on Page 3, are adjusted for the movements in end of year accrued balances (e.g. receivables, payables etc) so as to correctly reflect the cash flows from operations.

Mr Sampson referred to the carried forward surplus of \$592,931 noted in the Officers Report which appeared to be grants which weren't used.

The Director of Finance & Administration advised that the figure had changed and was \$692,931.

Mr Sampson referred to the rates table in the Officer's Recommendation stating he believed that it was missing values for UV properties. Mr Sampson asked whether they were all zero.

The Shire President advised that he would take the question on notice and it would be responded to in writing.

Cr Whooley stated that Councils' adopted budgets all the time and that most of them had some small errors.

The Shire President agreed with Cr Whooley and advised Mr Sampson that unless he had questions or comments regarding significant issues with the budget then he would take the rest of his questions on notice.

Mr Sampson said that he was concerned that the errors had not been picked up over the many months that Councillors had been viewing the draft documents.

The Shire President advised that Councillors predominately decided upon which projects would be included in the budget and which projects would not and that that was their main focus. Cr Morrell stated that Councillors were not accountants and relied on Officers and Auditors to ensure that the financial details were accurate and balanced.

Mr Sampson referred to the Plane Tree Development Project that was included in the 2016/17 Budget and asked what had happened to the \$269,500 grant that the Shire had received for it.

Cr Whooley called a point of order stating that he appreciated Mr Sampson's extensive knowledge of the Council's budget however he had been allowed to speak for over seven minutes when most members of the public were only allowed five. Cr Whooley said that Mr Sampson seemed to have a lot of questions and that he would suggest that the Shire President take them on notice.

The Shire President acknowledged Cr Whooley's point of order and advised Mr Sampson that he would allow one more minute. Cr Morrell asked if the Chief Executive Officer could respond to Mr Sampson's last question to which Mr Parker deferred to the Director of Planning & Sustainability.

The Director of Planning & Sustainability advised that the income was included in the 2016/17 Budget because it had been anticipated that the grant would be successful which it hadn't been. Mrs Harbron advised that a new grant application was lodged and \$200,000 had been received from the Great Southern Development Commission. Mrs Harbron advised that the grant was over two years and therefore the 2017/18 Budget provides for \$152,445 income and the remaining funds would be allocated in the 2018/19 Budget. Mrs Harbron stated that an additional Lotterywest grant application would be lodged on behalf of the Denmark RSL in due course and that this amount of \$168,800 was incorrectly shown in the Budget documents as being Tourism WA funding.

4.2.7 Mr Brian Humphries – Item 8.4.2 (Adoption of 2017/18 Annual Budget)

Mr Humphries referred to the statement in the budget of the Lime Pit's income and expenditure without the Council or the public being aware of the planned continuing operations. Mr Humphries noted that the Shire did not have approval to sell 20,000 tonnes and that the Shire had not yet received advice as to whether the Shire's insurer would be paying the \$31,000 fine which had been imposed on the Shire for past breaches. Mr Humphries expressed concern that the budget showed that the Council was locking itself into a budget based on selling all of the 20,000 tonnes and allocating \$100,000 of the projected profit to general revenue to be used for other projects. Mr Humphries noted that historically the Shire had only sold 10,000 tonnes per year and that by projecting 20,000 tonnes it could leave a hole in the Shire's revenue.

Mr Humphries expressed concern regarding the projected increase in tonnage with respect to increased traffic on Ocean Beach Road and provided some figures on the projected number of truck movements which would be required.

Mr Humphries noted the competition of trucks verses beachgoers at that time of year and the many restrictions imposed on the truck movements, such as the banned period of school pick up and drop off times and the prohibited use of Lights Road. Mr Humphries stated that he believed that Ocean Beach was in significant need of repair and that increased truck movements would only accentuate the problem.

Mr Humphries noted that the Shire had still not resolved other issues associated with the Lime Pit such as the rehabilitation and installation of fencing. Mr Humphries urged Council to reject the planned commitment to extract 20,000 tonnes of lime until all of the issues had been dealt with.

The Chief Executive Officer advised that there had been a lot of effort put in to get the Lime Pit back on track including commissioning a consultant to help determine the Shire's future obligations for the site. Mr Parker noted that the Shire would have to start to wean itself off any reliance on the Lime Pit as a source of revenue going forward. Mr Parker noted Mr Humphries concerns stating that the Shire would take them on board.

Mr Humphries asked whether the public would be consulted regarding any plans prior to the Shire making a commitment.

Mr Parker advised that he would hope to include public consultation in any decision making.

4.2.8 Mr Ian Osborne – Item 8.4.2 (Adoption of 2017/18 Annual Budget)

Mr Osborne thanked the Council for including funds in the budget for the required maintenance at the Denmark Riverside Club. Mr Osborne advised that Council Officers had met with the Club to determine the maintenance issues and it had been acknowledged that the Shire would be responsible for the external costs whilst the Riverside Club would be responsible for the internal costs.

Mr Osborne said that the Club was extremely proud of the new building which provided an attractive entry statement to the town. Mr Osborne advised that the Club had anticipated an increased membership to around 250 after the building had been completed and he was pleased to report that they now had a membership of approximately 450.

Mr Osborne advised that the Riverside Club really appreciated Council's support.

There being no further questions or comments relating to the budget, the Shire President called for speakers wishing to address other matters.

Non Budget Related Topics

4.2.9 Mr Murray Thornton – Declaration of Interests

Mr Thornton handed out an extract of the Local Government Act 1995 to Councillors and drew their attention to section 5.60A which dealt with financial interests. Mr Thornton stated that it was the individual Councillor's responsibility to declare their own interests and it was important that Councillors understood the differences between proximity, impartiality and financial.

Cr Whooley called a point of order stating that he believed Mr Thornton would be referring to Councillors declaring interests in relation to the McNess Road Bridge upgrade. Cr Whooley stated that he did not believe that Councillors had ever had to make a decision on the bridge and that Councillors were only required to declare an interest where Council is making a decision.

The Shire President overturned Cr Whooley's point of order stating he wasn't sure where Mr Thornton was going but he would permit him to continue but asked him to get to the point.

Mr Thornton stated that McNess Road went exclusively to Cr Lewis' property and that it was in last year's budget. Mr Thornton noted that Cr Lewis' had declared an interest at the meeting in 2016 when the McNess Road Bridge was considered by Council.

The Shire President stated that the correct procedure for anyone who was concerned regarding the conduct of an Elected Member was that they report the matter to the Crime & Corruption Commission.

Mr Doug Head, a member of the public, rose stating that he wished to raise a point of order to which the Shire President advised that it was not permitted.

Mr Head stated that he believed Mr Thornton had been interrupted and should be allowed to speak.

The Shire President advised that he had asked Mr Thornton to cease.

Mr Thornton advised that he would go through other processes and that he believed that the Chief Executive Officer was obligated to report any breaches.

The Shire President noted that the Chief Executive Officer had only been in office for 12 months.

4.2.10 Mrs Pauline McHenry – McNess Road Bridge

Mrs McHenry said that she had recently been contacted by the ABC about the McNess Road bridge and felt that it was important for people to remember the importance of fire access to properties. Mrs McHenry provided an example of when fire appliances had not been able to access properties and noted that a review of fire dangers in Denmark had indicated that the greatest fire risk came from the forest to the north of the Shire, near Mt Lindesay. Mrs McHenry said that the McNess Road bridge meant that there was an additional access point for fire appliances to contain fire near Mt Lindesay and in turn help contain fires before they posed a risk for the rest of the town.

Mrs McHenry said that she was thankful that Main Roads WA had upgraded the bridge on McNess Road because it provided an alternative access point for herself and other residents near Mt Lindesay.

4.2.11 Mr John Sampson – Declarations of Interest

Mr Sampson referred to the oath of declaration that all Councillors signed when they came into office and said that he was concerned if Councillors weren't abiding by the declaration, the Act and Regulations.

Mr Sampson said that all interests must be disclosed pursuant to the Act and detailed what a financial interest was.

Cr Whooley called a point of order stating that Council had never made a decision on the McNess Road bridge because it was a Main Roads decision. Cr Whooley stated that Councillors didn't have to declare any interest on decisions made by Main Roads.

The Shire President did not uphold Cr Whooley's point of order stating that it did appear as a line item in the Council's budget.

Mr Sampson said that the Act was very clear in relation to declarations and read out the section of the Act that related.

Cr Whooley called a point of order that it was up to a Councillor to determine whether they needed to declare an interest in any item and that anyone could report a Councillor to the Crime & Corruption Commission if they felt that there was any breach of the Act.

The Shire President stated that he would allow Mr Sampson to continue.

Mr Sampson reiterated section 5.65 of the Act which stated that a Councillor must disclose the nature of any interest and that ignorance was no defence. Mr Sampson stated that non-disclosure eroded community confidence in the institution of local government. Mr Sampson asked the following questions of the Chief Executive Officer;

1. Can you please outline your obligations under the act and associated regulations to report councillors for breaching the act?
2. When did you become aware that Cr Lewis had not declared a financial interest regarding the bridge on McNess Road sited at the entrance to her property? I refer to the special meeting of Council to adopt the budget held on 26 July 2016.
3. Have you reported this non disclosure to the department and Crime and Corruption Commission and, if so, when?

The Chief Executive Officer advised that he wasn't employed by the Council at the time of the meeting mentioned however noted that Cr Lewis had declared a proximity interest at the meeting. Mr Parker asked Mr Sampson where Cr Lewis' perceived financial gain was.

Mr Sampson stated that he believed it was clear that the previous bridge had been load limited and that even if there was no immediate financial gain, a Councillor had to declare a financial interest if there was to be a financial benefit in time.

4.2.12 Mr Craig Chappelle – Response to Previous Questions Taken on Notice

Mr Chappelle referred to the response provided for question 5, part c) and suggested that the word "monitored" should be placed between the word "standpipe" and "and" and asked whether this could be corrected in the Minutes.

The Chief Executive Officer agreed that it could be corrected in the Minutes.

Mr Chappelle referred to the standpipe located at Glenrowan and McNabb Road and asked whether it was still locked.

The Director of Community & Regulatory Services advised that it was.

Mr Chappelle referred to the response for question 5, part c) and the fact that usage was only indirectly monitored and asked whether a better system could be used.

The Shire President advised that it was difficult because the Shire had to also ensure that the standpipes were unlocked for firefighting purposes. Cr Morrell noted that the system did work on honesty however if there were grave discrepancies then the system would need to be reviewed.

4.2.13 Mr Craig Chappelle – Denmark East Development Project

Mr Chappelle asked whether the power line easement route was still an option being considered and if so, had any costings been done.

The Chief Executive Officer stated that it was still being considered as one of the options however the main focus had been around getting the project split rather than dedicating time towards arranging detailed costings.

Mr Chappelle asked whether the Council would undertake to consult with the community given the four months stay on the Financial Assistance Agreement.

The Chief Executive Officer advised that the four month extension would be off the table if Council agreed to split the project however if Council endorsed a particular option then he would expect a level of community consultation.

Mr Chappelle congratulated the Council on getting the project split.

4.2.14 Dr Cyril Edwards – Denmark East Development Project

Dr Edwards commended the Council for its tenacity in dealing with the Denmark East project and stated that he hoped now the Council could focus on the objectives in the 2011 Local Planning Strategy.

The Shire President advised that splitting the project had been the Minister's suggestion.

5.43pm – Cr Phillips left the room.

4.2.15 Mr Brian Humphries – Denmark East Development Project

Mr Humphries asked what the financial implications were now the project would be split.

The Chief Executive Officer advised that there was still a lot of detail to be worked out but there would likely be a funding shortfall over the entire project. Mr Parker stated that the initial focus would be on getting the Industrial Area completed, the balance would be used to obtain detailed costings for the western precinct and leverage additional funds.

5.45pm – Cr Phillips returned to the room.

4.3 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

4.4 PRESENTATIONS, DEPUTATIONS & PETITIONS

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

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

Nil.

5. APPLICATIONS FOR FUTURE LEAVE OF ABSENCE

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

5.1 Cr Phillips and Cr Gearon

COUNCIL RESOLUTION	ITEM 5.1
MOVED: CR LEWIS	SECONDED: CR BARTLETT
1. That Cr Phillips be granted leave of absence until the end of August. 2. That Cr Gearon be granted leave of absence from 14 August until 1 September 2017.	
CARRIED UNANIMOUSLY: 8/1	Res: 010717

6. CONFIRMATION OF MINUTES

6.1 ORDINARY COUNCIL MEETING

OFFICER RECOMMENDATION ITEM 6.1

That the minutes of the Ordinary Meeting of Council held on the 20 June 2017 be confirmed as a true and correct record of the proceedings.

COUNCIL RESOLUTION	ITEM 6.1
MOVED: CR WHOOLEY	SECONDED: CR GEARON
That the minutes of the Ordinary Meeting of Council held on the 20 June 2017 be confirmed as a true and correct record of the proceedings, subject to the following amendment;	
1. Page 59 – question 5, part c) - add the word “monitored” after the word “standpipe”.	
CARRIED UNANIMOUSLY: 8/0	Res: 020717

CORRECTION TO MINUTES.
Pursuant to Council Resolution No. 010817

6.2 STRATEGIC BRIEFING NOTES

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 6.2
MOVED: CR GEARON	SECONDED: CR CARON
That the Notes from the Strategic Briefing held on 20 June 2017 be received.	
CARRIED UNANIMOUSLY: 8/0	Res: 030717

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

8. REPORTS OF OFFICERS

8.1 Director of Planning & Sustainability
 Nil

8.2 Director of Community & Regulatory Services
 Nil

8.3 Director of Infrastructure Services
 Nil

8.4 Director of Finance & Administration

8.4.1 FINANCIAL STATEMENT FOR THE MONTH ENDING 31 MAY 2017

File Ref:	FIN.1
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Denmark
Disclosure of Officer Interest:	Nil
Date:	5 July 2017
Author:	Steve Broad, Accountant
Authorising Officer:	Cary Green, Director of Finance & Administration
Attachments:	8.4.1 – May Monthly Financial Report

Summary:

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

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

Background:

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

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

Consultation:

Nil

Statutory Obligations:

Local Government Act 1995 Section 5.25 (1)
Local Government (Financial Management) Regulations 1996

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

Policy Implications:

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

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

Strategic & Corporate Plan Implications:

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

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

Sustainability Implications:**➤ Governance:**

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

➤ Environmental:

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

➤ Economic:

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

➤ Social:

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

➤ **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	Accept Officer Recommendation
Financial mismanagement and/or Budget overruns.	Rare (1)	Moderate (3)	Low (1-4)	Inadequate Financial, Accounting or Business Acumen	Control through robust systems with internal controls and appropriate reporting mechanisms

Comment/Conclusion:

As at 31 May 2017 total cash funds held total \$13,352,023(Note 4).

Shire Trust Funds total \$192,636 with the amount of \$176,734 invested for 180 days with the National Bank, maturing 16 June 2017 at the quoted rate of 2.60%.

Reserve Funds (restricted) total \$10,055,058 and \$7,048,268 has been placed on investment for 30 days with the Western Australian Treasury Corporation at the quoted rate of 1.45% and \$3,006,790 has been invested with the National Bank, maturing 27 June 2017 at the quoted rate of 1.70%.

Municipal Funds (unrestricted) total \$3,104,328 with the amount of \$1,837,784 invested with the National Bank, maturing on various dates up to the 8 August 2017 at an average rate of 2.23% (refer note 4 for detail).

Key Financial Indicators at a Glance

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

- Taking into consideration the adopted Municipal Budget and subsequent mid- year budget review amendments identified (Note 5), the 30 June 2017 end of year position is estimated to be \$0 as per budget projections (Statement of Financial Activity).
- Operating revenue and expenditure is in line with that predicted for 31 May 2017 (Statement of Financial Activity).
- Rates Collection percentage of 94.79% is in keeping with historical collection rates (Note 6).
- The 2016/17 Capital Works Program is 58.14% complete utilising actual year to date figures and total committed cost is 58.62% at 31 May 2017 (Note 12).
- Various transfers to and from Reserve Funds have been made for 2016/17 with the exception of the Parry Beach Camp Ground Reserve as the final transfer amount will not be available until June 2017, depending on specific projects to which these transfers relate.
- Salaries and Wages expenditure is in keeping with budget estimates (not reported specifically in Financial Statement).

Budget Amendments and Variances (Note 5 and 5a)

As detailed in Note 5a.

Voting Requirements:

Simple majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 8.4.1
MOVED: CR CARON	SECONDED: CR WRIGHT
That with respect to Financial Statements for the month ending May 2017, Council;	
1. Receive the Financial Reports, incorporating the Statement of Financial Activity and other supporting documentation.	
2. Endorse the Accounts for Payment for May 2017 as listed.	
CARRIED UNANIMOUSLY: 8/0	Res: 040717

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

Cr Phillips is a proprietor of a Caravan Park and it could be perceived that her impartiality could be affected so regardless of her right to remain in the room, Cr Phillips has decided that she will exclude herself from debate and voting on Item 8.4.2 (b) (iii).

Cr Lewis is the Vice President of the Riding for the Disabled who have a Memorandum of Understanding with the Denmark Equestrian Club to use the equestrian grounds and as a consequence there may be a perception that her impartiality on this matter may be affected. Cr Lewis declares that she will consider this matter on its merits and vote accordingly.

With respect to Item 8.4.2 (b) (ii), Cr Gearon declares a financial interest on the basis that her partner is employed by Denmark Arts and the Denmark Community Resource Centre.

8.4.2 ADOPTION OF 2017/18 ANNUAL BUDGET	
File Ref:	FIN.1
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	18 July 2017
Author:	Cary Green, Director of Finance and Administration
Authorising Officer:	Bill Parker, Chief Executive Officer
Attachments:	8.4.2a - 2017/18 Annual Budget 8.4.2b - 2017/18 Schedule of Fees and Charges

Summary:

Each year prior to 31 August, Council must adopt an Annual Budget for the financial year, as such Council is requested to consider adoption of the Annual Budget for the 2017/18 financial year.

Other items to be adopted include:

- a material variance threshold for the year,
- elected members fees and allowances
- Schedule of Fees and Charges

Background:

Staff commenced the preparation of the Budget in March 2017 and have provided all Councillors, staff, residents and electors the opportunity to submit projects for consideration by Council.

Advertising of the Community Financial Assistance & Cultural Development Fund 2017/18, together with a call for general Budget submissions was undertaken in the following manner:

Denmark Bulletin

Thursday, 16 March 2017

Thursday, 13 April 2017

Thursday, 27 April 2017

Walpole Weekly

Wednesday, 15 March 2017

Wednesday, 12 April 2017

Wednesday, 26 April 2017

The Shire community contact list was also written to or emailed advising details of the grant schemes, general Budget submissions, advertisement and guidelines placed on the Shire of Denmark website.

The attached Budget documents have been prepared after extensive consultation with all relevant stakeholders and a comprehensive budget workshop process involving Councillors and senior staff, which examined in detail the various budget issues with workshops/forums being held on four separate occasions. The consensus decisions made at these workshops are reflected in the attached Budget document.

The process outlined above was adopted to maximise the input into the Annual Budget by Councillors, the community and staff to promote a greater understanding of the budget document itself and to ensure it accurately reflects the priorities of the Council.

Certain assumptions have been made by staff in preparing the attached reports and supporting documentation, which are summarised as follows;

1. The aim is that the adopted 2017/18 Annual Budget will be a balanced budget in that total income equals expenditure.
2. All Councillors, staff and community organisations and individuals have been given the opportunity to make a submission.
3. A 1% rate increase equates to approximately \$60,000 in additional revenue to the Shire.
4. The budget is prepared on the basis of a 4% rate increase overall.
5. There will be no change to the intention of "Objects and Reasons" determined in the 2016/2017 Annual Budget with respect to the application of Differential Rating.

Comment:

The 2017/18 Annual Budget, as presented, is a balanced budget in that total income equals expenditure.

It is expected the Shire will commence the budget year with a surplus of \$592,931, carried forward from 2016/17. This is the result of a number of factors including:

- Carrying forward Financial Assistance Grant Funding (FAGS) of \$564,986 paid early
- Various under and over expenditures and revenues for the year.

This position has been developed over a number of months with significant input from staff, management and councillors. A full review of all budget submissions and projects was conducted and is based on recommended project inclusions/omissions.

The purpose of this meeting of Council is to formally adopt the 2017/18 Annual Budget, in the format required by the Local Government Act 1995 (as amended). Note it is a requirement of the Local Government Act 1995, section 6.2 (1) that the Annual Budget be adopted by 31 August of each year.

The advertised Differential Rating proposal was based upon an increase of 4%; the draft Municipal Budget presented to Council for consideration is based upon the same 4% increase:

The attached Annual Budget is presented in complete statutory format and consists of the following Statements, Notes and Appendices:

- Statement of Comprehensive Income by Nature or Type
- Statement of Comprehensive Income by Program
- Statement of Cash Flows
- Rate Setting Statement
- Notes to and Forming Part of the Budget
- Appendix A Detailed Statement of Comprehensive Income
- Appendix B Capital Expenditure by Program (including Funding Sources)
- Appendix C Capital Expenditure by Nature and Type
- Appendix D Plant Replacement Program
- Appendix E Schedule of Grant Revenue
- Appendix F Schedule of Job and Plant Items
- Appendix G Schedule of Fees and Charges

Consultation:

Councillors, Staff, community organisations and the general public have been invited to submit projects for consideration in the 2017/18 Annual Budget.

A Notice of Intention to Levy Differential Rates 2017/2018 was advertised for public comment for 4 consecutive weeks from 8 June 2017 to 29 June 2017 in the Denmark Bulletin, including on public notice boards and the Shire of Denmark website. Advertisements were also placed in the Walpole Weekly, Albany Advertiser and the Shire of Denmark Facebook page for the benefit of a wider readership.

Submissions closed on 29 June 2017 and no submissions were received.

The differential rates were advertised for public comment with an anticipated increase in total rating revenue to be raised in 2017/2018 of 4%.

Statutory Obligations:

Local Government Act 1995.

Local Government (Financial Management) Regulations 1996.

Policy Implications:

Nil

Budget / Financial Implications:

The adoption of the 2017/18 Annual Budget determines the financial operations of the Shire for the 2017/18 financial year.

The rates imposed will result in revenue of approximately \$6,187,580 being raised at rates billing.

Strategic Implications:

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

Sustainability Implications:

➤ **Environmental:**

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

➤ **Economic:**

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

➤ **Social:**

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

Voting Requirements:

Absolute Majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION		ITEM 8.4.2 (a)
MOVED: CR BARTLETT		SECONDED: CR CARON
That Council,		
1. <u>Differential Rates</u>		
Adopts the following differential rating categories, rates in the dollar and minimum payments for the 2017/18 financial year.		
Differential General Rate Category	Rate in \$ (cents/\$ of valuation)	Minimum Payment
Gross Rental Value Land		
1. GRV Residential Developed	9.8072	1024.00
2. GRV Business/ Commercial Developed	10.5248	1139.00
3. GRV Lifestyle Developed	9.8384	1050.00
4. GRV Rural Developed	10.5560	1050.00
5. GRV Holiday Use Developed	10.9720	1128.00
6. GRV Residential Vacant	19.5520	931.00
7. GRV Business/ Commercial Vacant	13.8736	1035.00
8. GRV Rural Vacant	14.8720	1035.00
9. GRV Lifestyle Vacant	18.5120	952.00
Unimproved Value Land		
10. UV Base	0.4940	1253.00
11. UV Additional Use 1	0.5434	1379.00
12. UV Additional Use 2	0.5928	1504.00
13. UV Additional Use 3	0.6422	1629.00
14. UV Additional Use 4	0.6916	1754.00
2. <u>Instalment Administration Fee and Interest Charge</u>		
Imposes a rate payment instalment fee of \$12.00 per instalment in accordance with section 6.45 (3) of the Local Government Act 1995.		
Imposes an interest rate of 5.5% per annum on rates paid by instalments in accordance with section 6.45 (3) of the Local Government Act 1995.		
3. <u>Penalty Interest</u>		
Imposes an interest rate of 11% per annum on all outstanding rates in accordance with section 6.51 (1) of the Local Government Act 1995.		
An interest rate of 11% per annum on all sundry debtors that remain outstanding longer than 35 days after the due date in accordance with section 6.13 (6) of the Local Government Act 1995.		

4. Payment Options
 In accordance with regulation 64(2) of the Local Government (Financial Management) Regulations 1996, adopts the following Instalment options:

- Option 1 - Payment in full by a single instalment (within 35 days of the issue date of the annual rates notice)
 1st - 9 September 2017
- Option 2 - Payment in full by two instalments
 1st - 9 September 2017
 2nd - 11 November 2017
- Option 3 - Payment in full by four instalments
 1st - 9 September 2017
 2nd - 11 November 2017
 3rd - 13 January 2018
 4th - 17 March 2018

CARRIED UNANIMOUSLY AND BY AN ABSOLUTE MAJORITY: 8/0 Res: 050717

OFFICER RECOMMENDATION

ITEM 8.4.2 (b)

That Council;

1. 2017/18 Annual Budget
 Adopt the 2017/18 Annual Budget as presented in accordance with section 6.2 (1) of the Local Government Act 1995.
2. Material Variance Reporting for 2017/18
 For the purposes of Local Government (Financial Management) Regulation 34 regarding levels of variances for financial reporting, adopt a variance of 10% or greater of the annual budget for each program area in the budget, as a level that requires an explanation or report, with a minimum dollar variance of \$10,000;
3. Councillors Fees and Charges

Councillor Annual Sitting Fee	\$10,000
Shire President’s Sitting Fee	\$10,000
Shire President’s Allowance	\$11,000
Deputy Shire President’s Allowance	\$2,750
Councillor Telecommunications and Information Technology Allowance	\$2,400

3. Schedule of Fees and Charges
 Adopts the 2017/18 Schedule of Fees and Charges included in Attachment 2.

The Director of Finance & Administration advised that prior to the meeting he had been informed by Cr Phillips and Cr Gearon that they would be declaring interests in certain aspects of the budget but would like to vote on the items that they do not have interests in. The Director of Finance & Administration has provided the following Amended Officer Recommendations.

COUNCIL RESOLUTION & AMENDED OFFICER RECOMMENDATION	ITEM 8.4.2 (b) (i)										
MOVED: CR CARON	SECONDED: CR PHILLIPS										
That Council;											
1. <u>2017/18 Annual Budget</u>											
Adopt the 2017/18 Annual Budget as presented in accordance with section 6.2 (1) of the Local Government Act 1995 excluding the following budget items;											
a) Donations to the Denmark Arts Council (GL1151132) of \$88,000;											
b) Rental Denmark Arts Council (GL1152112) of \$32,000;											
c) Rental Denmark Community Resource Centre (GL1152102) of \$50,400; and											
d) Denmark Community Resource Centre Building Maintenance (GL1152002) of \$10,000.											
2. <u>Material Variance Reporting for 2017/18</u>											
For the purposes of Local Government (Financial Management) Regulation 34 regarding levels of variances for financial reporting, adopt a variance of 10% or greater of the annual budget for each program area in the budget, as a level that requires an explanation or report, with a minimum dollar variance of \$10,000;											
3. <u>Councillors Fees and Charges</u>											
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Councillor Annual Sitting Fee</td> <td style="width: 30%; text-align: right;">\$10,000</td> </tr> <tr> <td>Shire President's Sitting Fee</td> <td style="text-align: right;">\$10,000</td> </tr> <tr> <td>Shire President's Allowance</td> <td style="text-align: right;">\$11,000</td> </tr> <tr> <td>Deputy Shire President's Allowance</td> <td style="text-align: right;">\$2,750</td> </tr> <tr> <td>Councillor Telecommunications and Information Technology Allowance</td> <td style="text-align: right;">\$2,400</td> </tr> </table>	Councillor Annual Sitting Fee	\$10,000	Shire President's Sitting Fee	\$10,000	Shire President's Allowance	\$11,000	Deputy Shire President's Allowance	\$2,750	Councillor Telecommunications and Information Technology Allowance	\$2,400	
Councillor Annual Sitting Fee	\$10,000										
Shire President's Sitting Fee	\$10,000										
Shire President's Allowance	\$11,000										
Deputy Shire President's Allowance	\$2,750										
Councillor Telecommunications and Information Technology Allowance	\$2,400										
CARRIED UNANIMOUSLY AND BY AN ABSOLUTE MAJORITY: 8/0											
Res: 060717											

6.03pm - Cr Gearon left the room.

COUNCIL RESOLUTION & AMENDED OFFICER RECOMMENDATION	ITEM 8.4.2 (b) (ii)
MOVED: CR BARTLETT	SECONDED: CR LEWIS
That Council adopt the following budget allocations as detailed in the 2017/18 Annual Budget as presented in accordance with section 6.2 (1) of the Local Government Act 1995;	
a) Donations to the Denmark Arts Council (GL1151132) of \$88,000;	
b) Rental Denmark Arts Council (GL1152112) of \$32,000;	
c) Rental Denmark Community Resource Centre (GL1152102) of \$50,400; and	
d) Denmark Community Resource Centre Building Maintenance (GL1152002) of \$10,000.	
CARRIED UNANIMOUSLY AND BY AN ABSOLUTE MAJOIRTY: 7/0	
Res: 070717	

6.04pm - Cr Phillips left the room.

6.05pm - Cr Gearon entered the room.

COUNCIL RESOLUTION & AMENDED OFFICER RECOMMENDATION ITEM 8.4.2 (b) (iii)
 MOVED: CR MORRELL SECONDED: CR CARON

That Council adopts the 2017/18 Schedule of Fees and Charges included in Attachment 2.

AMENDMENT
 MOVED: CR LEWIS SECONDED: CR GEARON

That with respect to the Parry Beach Campground, the daily rate be \$8.50 per adult per site per night and the weekly rate be \$50.00 per person per site per week.

6.18pm – *The Director of Infrastructure Services left the room.*

CARRIED: 4/3 Res: 080717

Pursuant to Resolution No.031115 all Councillors' votes on the above resolution are recorded as follows;

FOR: Cr Lewis, Cr Gearon, Cr Bartlett and Cr Caron.

AGAINST: Cr Whooley, Cr Morrell and Cr Wright.

AMENDED MOTION

That Council adopts the 2017/18 Schedule of Fees and Charges included in Attachment 2, subject to the following amendment;

1. That with respect to the Parry Beach Campground, the daily rate be \$8.50 per adult per site per night and the weekly rate be \$50.00 per person per site per week.

THE AMENDED MOTION BECAME THE SUBSTANTIVE MOTION WHICH WAS PUT AND CARRIED: 5/2 Res: 090717

Pursuant to Resolution No.031115 all Councillors' votes on the above resolution are recorded as follows;

FOR: Cr Lewis, Cr Gearon, Cr Wright, Cr Bartlett and Cr Caron.

AGAINST: Cr Morrell and Cr Whooley.

6.21pm – *Cr Phillips returned to the room.*

COUNCIL RESOLUTION & OFFICER RECOMMENDATION ITEM 8.4.2 (c)
 MOVED: CR GEARON SECONDED: CR WRIGHT

That Council resolve to waive 100% of the 2017/2018 local government rate charge, including any and all future interim adjustments to the aforesaid charge, for the following property assessments in accordance with section 6.47 of the Local Government Act 1995, noting that the herein listed amounts totalling \$48,735.00 are subject to final confirmation during the 2017/2018 rate billing process:

Denmark Boating & Angling Club		
A5585	- Lease of Part Lots 304 and 307 Parry Road, Parryville	1,379.00
	- Boating and angling shed and land at Parry Beach	
Denmark Boating & Angling Club, and Denmark Sea Rescue Group		
A5587	- 891B (Lease of Part Lot 556) Ocean Beach Road, Ocean Beach	1,379.00
	- Ocean Beach sea rescue, boating, and angling hall and sheds	
Denmark Clay Target Club		
A3565	- Lease of Whole Lot 7399, Sunny Glen Road, Hay	1,379.00
	- Clay target shooting range, leased from Department of Parks and Wildlife	

Denmark Cottage Crafts Inc.		
A5584	– Lease of Part Lot 41 Mitchell Street, Denmark - Craft Hall and Denmark Family Centre Church building	1,139.00
Denmark Country Club Inc.		
A3088	– 925 (Lease of Whole Lots 154, 155, 156, 157, 158, 159, 1072, and 1073) South Coast Highway, Hay - Denmark Golf Course and tennis courts and facilities	3,580.00
Denmark Environment Centre Incorporated		
A2622	– 1/35 (Strata Lot 1) Strickland Street, Denmark	1,139.00
A3747	– 4/35 (Strata Lot 4) Strickland Street, Denmark - Environment Centre shop and administration centre	2,600.00
Denmark Machinery Restoration Group Inc.		
A5599	– 2 (Lease of Part Lot 952) Inlet Drive, Denmark - Machinery restoration shed and displays in heritage precinct	1,139.00
Denmark Occasional Day Care Centre Inc. and Denmark Playgroup		
A3179	– 81 (Lease of Whole Lot 500) South Coast Highway, Denmark - Day care and playgroup building next to Denmark Visitor Centre	1,139.00
Denmark Pistol Club		
A3167	– 223 (Lease of Whole Lot 7441) Churchill Road, Scotsdale - Pistol shooting range	1,379.00
Denmark Equestrian Club Inc.		
A3189	– 73 (Lease of Whole Lot 1004) Beveridge Road, Denmark - Horse racing track and facilities	1,139.00
Denmark Riverside Club		
A5601	– Lease of Part Lot 1002 Bambrey Road, Denmark	1,139.00
A3069	– 3 (Lease of Whole Lot 1110) Morgan Road, Denmark - Denmark bowling green, and canoeing, kayaking, and dragon boating launching site and facilities	2,211.00
Denmark Surf Lifesaving Club		
A5588	– 891A (Lease of Part Lot 556) Ocean Beach Road, Ocean Beach - Denmark Surf Lifesaving Clubrooms and facilities at Ocean Beach	1,379.00
Denmark Tourism Incorporated		
A3186	– 73 (Lease of Lot 501) South Coast Hwy, Denmark - Denmark Visitor Centre	6,052.00
Green Skills Inc.		
A5590	– 46 (Lease of Part Lot 326) McIntosh Road, Hay - Green Skills Recycling Centre and Tip Shop at McIntosh Road Transfer Station	1,379.00
Kentdale Community Hall Committee Inc.		
A5593	– 518 (Lease of Part Lot 300) Parker Road, Kentdale - Kentdale Hall	1,379.00
Lions Club of Denmark Inc.		
A5600	– 2 (Lease of Part Lot 952) Inlet Drive, Denmark - Lions Lair at Denmark Heritage Railway Precinct	1,139.00
Nornalup Residents and Ratepayers Association		
A5591	– 3 (Lease of Part Lot 2368) Riverside Drive, Nornalup	1,139.00

- Nornalup Community Hall, west end		
Parry's Beach Voluntary Management Group Inc.		
A5592	- 2830 (Lease of Part Lot 5393) South Coast Highway, William Bay	1,379.00
- Parryville Hall		
Peaceful Bay Progress Association Inc.		
A5615	- 30 (Lease of Whole Site 300) First Avenue, Peaceful Bay	1,139.00
A5616	- 3 (Lease of Whole Site 302) West Avenue, Peaceful Bay	1,139.00
- Peaceful Bay Community Hall and Les Carpenter Fire Station (former fire shed)		
Peaceful Bay Returned Services League (RSL) Sub Branch		
A5596	- 28 (Lease of Whole Site 400) First Avenue, Peaceful Bay	1,139.00
- RSL Clubrooms in Peaceful Bay		
Peaceful Bay Sea Rescue Group Inc.		
A5595	- Lease of Whole Lots 401 and 402 Old Peaceful Bay Road, Peaceful Bay	1,139.00
- Peaceful Bay Sea Rescue facilities		
Scout Association of Australia		
A5597	- 53 (Lease of Part Lot 1087) Brazier Street, Denmark	1,139.00
- McLean Park Scout Hall and facilities		
- Denmark Historical Museum		
The Returned & Services League of Australia WA Branch Incorporated		
A3097	- 54 (Lease of Whole Lot 40) Strickland Street, Denmark	1,139.00
- RSL Hall in Denmark		
Tingledale Hall Committee Inc.		
A5594	- 976 (Lease of Part Lot 2381) Valley of the Giants Road, Tingledale	1,379.00
- Tingledale Hall and Community Centre		
Trustees: Richard John Marshall and Richard William Mumford and Eric Rose		
A3041	- 891 (Lot 583) Scotsdale Road, Scotsdale	1,379.00
- Scotsdale Hall and tennis courts		
Denmark Community Resource Centre Inc.		
A5729	- 2 (Lease of Part Lot 228) Strickland Street, Denmark	1,139.00
- Morgan Richards Community Centre		
Denmark Over 50s Association Inc.		
A5730	- 2 (Lease of Part Lot 228) Strickland Street, Denmark	1,139.00
- Morgan Richards Community Centre		
Denmark Arts Council Inc.		
A5731	- 2 (Lease of Part Lots 228 and 1093) Strickland Street, Denmark	1,139.00
- former Frail Aged Lodge		
Denmark Historical Society Inc.		
A3256	- 16 (Lease of Whole Lot 1021) Mitchell Street, Denmark	1,139.00
- Denmark Historical Museum		
Total		48,735.00
CARRIED UNANIMOUSLY AND BY AN ABSOLUTE MAJORITY: 8/0		Res: 100717

The Chief Executive Officer thanked all of the Staff who had been involved in the Budget preparation and in particular the Mr Cary Green and Mr Steven Broad.

COUNCIL RESOLUTION

MOVED: CR GEARON

SECONDED: CR LEWIS

That the meeting be adjourned for a short break, the timing being 6.24pm.

CARRIED UNANIMOUSLY: 8/0

Res: 110717

6.35pm – The meeting resumed with all Councillors and Staff who were present prior to the adjournment, including the Director of Infrastructure Services.

2nd PUBLIC QUESTION TIME

Mr Geoff Bowley – Denmark East Development Project

Mr Bowley congratulated the Council on getting to the stage where the project could be split but urged Council to still pursue a second bridge across the Denmark River. Mr Bowley said that he was pleased to hear that any residual funds could be used to leverage other funding opportunities.

Mrs Linda Humphries – Denmark Cemetery

Mrs Humphries wished to acknowledge the “Cemetery Fairies” who had recently undertaken a project to redo the lettering on the granite headstones which had been provided by Bill Pinniger many years ago to mark all the unmarked graves. Mrs Humphries congratulated Mrs Bev McGuinness and Mr Ross McGuinness for driving the initiative. Mrs Humphries noted that whilst they had been doing the work they had noticed one particular headstone which had been placed the wrong way round and asked if this could be rectified.

The Shire President acknowledged the good work of the “Cemetery Fairies”. Cr Morrell stated that he also wished to acknowledge the Executive Assistant who had put in a lot of work at the Cemetery and whose Mother had been involved in the project to identify all of the unmarked graves.

The Chief Executive Officer advised that Officer’s had received a request to rectify the headstone mentioned by Mrs Humphries and that it had already been turned around.

Mrs Humphries also acknowledged the recent installation of an Eco Toilet at the Cemetery.

Mr Brian Humphries – Item 8.5.2 (Review of Delegations, Authorisations and Appointments)

Mr Humphries referred to the Town Planning Scheme delegation and urged Council to consider amending it so that any retrospective planning issues must go to Council.

The Chief Executive Officer advised that the Shire had recently contracted a consultant to undertake a comprehensive review into the Shire’s development processes and that any review to Delegations or Policies would be considered in light of the results from the review.

Mr Adrian Bear

Mr Bear said that there was a half sunk boat near the Rivermouth Caravan Park which had been there for quite some time and asked whether there was anything being done about it.

The Director of Community & Regulatory Services advised that they had looked into it and it was an abandoned boat. Mr Harwood advised that given the boat was in the water, the Department of Transport had taken charge of its removal.

8.5 Chief Executive Officer

8.5.1 SPIRIT OF PLAY COMMUNITY SCHOOL – REQUEST FOR LEASE EXTENSION

File Ref:	A5598
Applicant / Proponent:	Spirit of Play Community School
Subject Land / Locality:	No. 2 (Lot 952) Inlet Drive, (Reserve 30277)
Disclosure of Officer Interest:	Nil
Date:	16 June 2017
Author:	Claire Thompson, Executive Assistant
Authorising Officer:	Bill Parker, Chief Executive Officer
Attachments:	8.5.1a – Spirit of Play Proposal 8.5.1b – Denmark Railway No. 3 Station Heritage Precinct Concept Plan

Summary:

The Spirit of Play Community School have requested an extension to their lease term for an additional 12 months and 20 days, to expire in December 2019, to provide them with sufficient time to secure and relocate to an alternative school site.

Background:

The Spirit of Play Community School (formerly known as the Wilgie View Learning Centre Inc.) have leased a portion of Shire of Denmark managed Reserve 30277 since 2003. The initial lease was for a five (5) year term.

In May 2006, the Lessee approached Council and requested a further five (5) year term to enable an increased play area for the School. Council approved the request at its meeting held on 27 June 2006 (Resolution No. 188/06). Subsequently, in September 2006 the Lessee advised that they did not want to make any changes to their current lease or lease area and therefore there were no changes made.

At its meeting held on 24 June 2008, Council approved a new lease for a period of five (5) years (Resolution No. 130608), which resulted in a new expiration of 2013.

At its meeting held on 25 September 2012, Council approved an extension to the lease area to incorporate an approved additional storage building, existing septic tanks and adequate area for sufficient soft fall sand under the swing set (Resolution No. 160912).

In 2013, under clause 4.6 (Further Term) of the Lease, the Lessee exercised their option for a further five (5) year term by written request to the Chief Executive Officer. A new valuation was undertaken in October 2013 by a licensed valuer which formed the basis of their annual lease fee from 1 December 2013 to 30 November 2018.

At its meeting held on 27 May 2014, Council adopted the Denmark Historic Railway Precinct Concept Plan with respect to Reserve No. 30277. The resolution was as follows (Resolution No. 240514);

“That with respect to the draft Denmark Historical Railway Station Precinct at the Denmark No. 3 Railway Station Reserve, Council;

1. *Adopt the Concept Plan with amendments as shown in Attachment 8.5.1d;*
2. *Initiate the public advertising process regarding closure of the three (3) unmade road reserves being at the west and south side of Lot 1083 and at the south, western side of Reserve 30277;*
3. *Request the Minister for Lands to excise Lot 1083 from Reserve 14376 and amalgamate it into Reserve 30277;*

4. *Request the Minister for Lands to excise a portion of Lot 1086 from Reserve 15513 and amalgamate it into Reserve 30277 and adjust the road reserve to match the existing built road alignment;*
5. *Provide a copy of the final Concept Plan to all current Lessees and known Stakeholders;*
6. *Advise the Spirit of Play that it has amended the plan such that the label of the building that they currently lease is titled "Old Post Office Building" so as to provide clarity that it is Council's view that an expanded community school at the site is not a long term complementary use at the Heritage Precinct."*

At its meeting held on 22 March 2016, Council approved the addition of a temporary classroom which involved an extension of the lease area (Resolution No. 160316). This resulted in a relative increase in the annual lease fee, based on the 2013 valuation.

Consultation:

Consultation has been undertaken with the two other leaseholders of portions of Reserve No. 30277 being the Denmark Lions Club and the Denmark Machinery Restoration Group. In addition, comments have been sought from the Denmark Historical Society, given the heritage nature of the Reserve, and the Denmark Woodturners who have expressed an interest in relocating to the Spirit of Play site following their pending departure.

Denmark Machinery Restoration Group (DMRG)

The DMRG support the extension until 2019 but are concerned that this is ongoing and they keep asking for extensions and have been adding extra rooms to the site. They are aware that the Spirit of Play have indicated they are demountable and can be moved but are concerned on the impact on the site as they are becoming more entrenched. The DMRG noted that they hope that when the Spirit of Play finally vacate that restoration of the site is included in their lease agreement.

The DMRG are concerned about the Woodturners as they believe they are looking elsewhere as they are tired of waiting when they would be a valuable asset to the site.

The DMRG stated in their letter that, as previously indicated, they do not believe that it is a suitable site for a school because not everyone who wanders along the track or uses the other buildings in the reserve have Working with Children or Police Clearances. Whilst they do not believe that the children are at risk, they are concerned that the site is open to all comers and therefore sadly in this day and age definitely not suitable for a school.

Denmark Lions Club

The Denmark Lions Club does not have any objections to the Spirit of Play extending their lease to give them time to re-establish.

Denmark Historical Society

The Denmark Historical Society's members agreed that the Spirit of Play please be extended to not beyond 2019.

Denmark Woodturners

The Denmark Woodturners wrote that it was correct to state that they have previously expressed concern surrounding the delays associated with their proposed move to the Heritage Precinct, especially as there was pressure on them to make the move and there did appear at one stage to be a risk of losing their current lease on the Denmark Visitor Centre Workshop area. They now

believe that there is no pressure on their club to move away from the DVC workshop in the near future.

The Denmark Woodturners did wish to express their concern and annoyance at the continued delays in their move and extensions to the School however they understand that in the current case the School does appear to have solved their own problems in regard to a future site and they may have a date for a move themselves.

The Denmark Woodturners advise that whilst they are unhappy about the extension they feel powerless to try to intervene in the proposed schedule despite the fact that the club is very keen to expand their workspace in order to accommodate growth in areas of turning, furniture making and other endeavours. In terms of their growing needs, they have arranged to meet with Council Officers in coming weeks to see if they can make some changes to their current arrangements at the Denmark Visitor Centre in terms of storage and maximum use of the existing space.

The Officer has considered the Community Engagement Policy and Framework and does not believe that any further consultation is required.

Statutory Obligations:

Section 3.58 of the Local Government Act 1995 – Disposal of Property.

Regulation 30 (2) (b) of the Local Government (Functions and General) Regulations 1996 – Dispositions of property excluded from Act s.3.58.

The Lease has no additional provision for a further term however should Council wish to grant an extension of time, Clause 4.5 (Holding Over) could be used instead of drawing up a new Lease for 12 months and 20 days.

“4.5 Holding Over

If the Lessee remains in possession of the Leased Premises with the express or implied permission of the Lessor after the expiration or sooner determination of the Term the Lessee will hold the Leased Premises as a monthly tenant at a monthly rent equal to the Rent paid or payable by the Lessee for the last month of the Term preceding such termination and subject to all the covenants and conditions contained in this Lease as far as they are applicable to a monthly tenancy and the tenancy so constituted may be terminated by one month’s notice given by either party which notice may be given so as to expire at any time.”

Policy Implications:

There are no policy implications.

Budget / Financial Implications:

Based on the valuation dated 29 November 2013 the annual rental fee was \$10,500 (plus GST) until March 2016 when the lease area was extended. The current rental fee is \$13,679.44 per annum.

Strategic & Corporate Plan Implications:

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

Strategic Community Plan

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

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

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

Corporate Business Plan

1.3.1 *Develop partnerships with educational institutions to create an ‘environment of learning’.*

Sustainability Implications:

➤ **Governance:**

Appropriate and effective use of Shire of Denmark managed reserves needs to be considered.

➤ **Environmental:**

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

➤ **Economic:**

The School operates as a local business, utilising local services and tradespeople and employs a number of local teachers and teaching aids.

➤ **Social:**

The Spirit of Play Community School provides alternative schooling options to the public education system.

➤ **Risk:**

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That Council does not support an extension to the Lease term.	Rare (1)	Moderate (3)	Low (1-4)	Not Meeting Community expectations	Accept Officer Recommendation

Comment/Conclusion:

The Spirit of Play have advised that they have located a potential new site for the School which is in a proposed subdivision however they are concerned that the site may not be ready for them to move to by the end of 2018 when their current lease expires. They have been advised by the developers that they would be likely to obtain a title for their preferred site by early 2019. The Spirit of Play have advised that should Council not agree to an extension it could place the future of the School in significant jeopardy.

Given that the Spirit of Play have made significant headway and shown a commitment to relocating from the Heritage Precinct, which will also enable them to expand, and that the stakeholders have generally accepted the proposal, the Officer has recommended Council support the requested extension.

Voting Requirements:

Simple majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 8.5.1
MOVED: CR WHOOLEY	SECONDED: CR BARTLETT
That with respect to the Lease between the Shire of Denmark and the Spirit of Play Community School Council, pursuant to Clause 4.5 of the Lease, grant permission for the Lessee to continue occupation of the Leased Premises as a monthly tenant for a period not exceeding 21 December 2019.	
CARRIED UNANIMOUSLY: 8/0	Res: 120717

8.5.2 REVIEW OF DELEGATIONS, AUTHORISATIONS AND APPOINTMENTS

File Ref:	Delegations Register
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	11 July 2017
Author:	Claire Thompson, Executive Assistant
Authorising Officer:	Bill Parker, Chief Executive Officer
Attachments:	8.5.2 – Delegations Register (marked up with proposed amendments)

Summary:

Pursuant to section 5.18 of the Local Government Act 1995, Delegations of Authority granted by Council under the Local Government Act 1995 and certain sections of the Planning & Development Act 2005 are to be reviewed every year.

This report recommends a number of amendments to some Delegations / Authorisations / Appointments and the addition of some new Delegations, pursuant to the Public Health Act 2016 and the Health (Miscellaneous Provisions) Act 2011.

Background:

To assist in the effective administration of the Shire, Council has granted various delegations, authorisations and appointments. Delegations made under the Local Government Act 1995 (as opposed to some other Acts) can generally only be made to the Chief Executive Officer (CEO) or Council Committees. Where appropriate, the CEO can on-delegate to other Council employees, with conditions as specified, unless the delegation to the CEO specifically removes this right of sub-delegation.

Consultation:

Senior Council Officers and the Executive Assistant.

Statutory Obligations:

The Local Government Act 1995 relates to most delegations, specifically, Sections 5.42 to 5.46 which relate to Council delegations to the CEO and the CEO’s power to sub-delegate if not removed specifically by Council.

5.42. Delegation of some powers and duties to CEO

- (1) A local government may delegate* to the CEO the exercise of any of its powers or the discharge of any of its duties under —
 - (a) this Act other than those referred to in section 5.43; or
 - (b) the Planning and Development Act 2005 section 214(2), (3) or (5).

* Absolute majority required.

- (2) A delegation under this section is to be in writing and may be general or as otherwise provided in the instrument of delegation.

5.43. Limits on delegations to CEO

A local government cannot delegate to a CEO any of the following powers or duties —

- (a) any power or duty that requires a decision of an absolute majority or a 75% majority of the local government;
- (b) accepting a tender which exceeds an amount determined by the local government for the purpose of this paragraph;
- (c) appointing an auditor;
- (d) acquiring or disposing of any property valued at an amount exceeding an amount determined by the local government for the purpose of this paragraph;
- (e) any of the local government's powers under section 5.98, 5.98A, 5.99, 5.99A or 5.100;
- (f) borrowing money on behalf of the local government; hearing or determining an objection of a kind referred to in section 9.5;
- (ha) the power under section 9.49A(4) to authorise a person to sign documents on behalf of the local government;
- (h) any power or duty that requires the approval of the Minister or the Governor;
- (i) such other powers or duties as may be prescribed.

5.44. CEO may delegate powers and duties to other employees

- (1) A CEO may delegate to any employee of the local government the exercise of any of the CEO's powers or the discharge of any of the CEO's duties under this Act other than this power of delegation.
- (2) A delegation under this section is to be in writing and may be general or as otherwise provided in the instrument of delegation.
- (3) This section extends to a power or duty the exercise or discharge of which has been delegated by a local government to the CEO under section 5.42, but in the case of such a power or duty —
 - (a) the CEO's power under this section to delegate the exercise of that power or the discharge of that duty; and
 - (b) the exercise of that power or the discharge of that duty by the CEO's delegate, are subject to any conditions imposed by the local government on its delegation to the CEO.
- (4) Subsection (3)(b) does not limit the CEO's power to impose conditions or further conditions on a delegation under this section.
- (5) In subsections (3) and (4) —
conditions includes qualifications, limitations or exceptions.

5.45. Other matters relevant to delegations under this Division

- (1) Without limiting the application of sections 58 and 59 of the Interpretation Act 1984 —
 - (a) a delegation made under this Division has effect for the period of time specified in the delegation or where no period has been specified, indefinitely; and
 - (b) any decision to amend or revoke a delegation by a local government under this Division is to be by an absolute majority.

(2) *Nothing in this Division is to be read as preventing —*

(a) *a local government from performing any of its functions by acting through a person other than the CEO; or*

(b) *a CEO from performing any of his or her functions by acting through another person.*

5.46. Register of, and records relevant to, delegations to CEO and employees

(1) *The CEO is to keep a register of the delegations made under this Division to the CEO and to employees.*

(2) *At least once every financial year, delegations made under this Division are to be reviewed by the delegator.*

(3) *A person to whom a power or duty is delegated under this Act is to keep records in accordance with regulations in relation to the exercise of the power or the discharge of the duty.*

Policy Implications:

Council's Delegation Register will be updated accordingly following this review. Some delegations are cross referenced to Council Policy and where this is the case it is noted on the individual delegation or authorisation.

The Delegation relating to Staff Relocation Expenses has been flagged during the consultation process as operational and will be the subject of a future report to Council with a recommendation that it be converted to a Council Policy and removed as a delegation.

Budget / Financial Implications:

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

Strategic Implications:

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

Strategic Community Plan

GOVERNANCE GOAL

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

Corporate Business Plan

4.2.3 *Develop the skills and information required for Councillors and senior staff to represent the interests of the Shire and provide ongoing training that emphasises the role of corporate governance.*

4.2.5 *Maintain a safe working environment, ensuring legislative and internal compliance.*

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:**

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That Council not review its delegations.	Rare (1)	Minor (2)	Low (1-4)	Failure to meet Statutory, Regulatory or Compliance Requirements	Accept Officer Recommendation

Comment/Conclusion:

Delegations made by the Council under legislation other than the Local Government Act 1995 or Sections 214(2), (3) or (5) of the Planning & Development Act 2005 sometimes delegate powers or duties direct to a class of persons eg. Citizenship (these cannot be altered by the Council). In most cases the power or duty under legislation is provided to the local government and the delegation of these powers or duties are at the discretion of the Council.

A copy of the existing Delegations Register with the proposed amendments is attached (refer Attachment 8.5.2) which has been marked up to see where and what the proposed recommended changes are.

The index pages have not been marked up at this stage and will be amended following Council’s endorsement.

The table below provides a summary of the changes within the attached ‘marked up’ document. Changes to State Government Departments, pursuant to advice from the Public Sector, have been made but not formally noted in the table.

Reference Number	Title	Officer Recommended Amendment / Addition / Repeal
D040101	Donations	Moved part 6 to Recording Requirements. Added condition that exclude donations towards the hire fees for Council facilities which are already subsidised.

D040102	Financial Reports	Repealed. Suitable for acting through. Required under Section 6.4 of the Local Government Act 1995.
D040105	Annual Report	Repealed. Suitable for acting through, delegation not required.
D040106	Council and Committee Meetings	Repealed. Suitable for acting through. Required under Regulation 12 of the Local Government (Administration) Regulations 1996.
D040107	Public Inspection of Documents relating to Council and Committee Minutes	Repealed. Suitable for acting through. Required under Regulation 13 and 14 of the Local Government (Administration) Regulations 1996.
D040109	Code of Conduct – Complaints Officer	Correct title. Complaints officer applies to the Local Government (Rules of Conduct) Regulations 2007 as well as the Code of Conduct. Local Government (Official Conduct) Amendment Act 2007 has been compiled into the Rules of Conduct Regulations (Aug 2007)
D040110	Public Interest Disclosure – Investigations Officer	Amended to reflect correct wording under the Public Interest Disclosure Act 2003 and reference to Declaration required by the Public Sector Commission.
D040111	Freedom of Information – Coordinator	Add “Review Officer” to title. Remove reference to Sections 9 & 94 (glossary of terms).
D040112	Equal Employment Opportunity – Implementation Officer	Correct title and wording to align with the Equal Opportunity Act 1984.
D040202	Disputes, Arbitrations & Industrial	Repealed. CEO has statutory role under Section 5.41 (g) of the Local Government Act 1995 in staff matters.
D040204	Insurance	Change title to “Claims Against the Local Government”. Remove first sentence, CEO has statutory role under Section 5.41 (d) of the Local Government Act 1995 to manage the day to day operations of the local government, including ensuring appropriate insurances are in place. Delegation amended to refer to accepting or denying liability on behalf of the Council, with conditions.
D040205	Disposal of Surplus Equipment, Materials, Tools Etc..	Repealed. Covered under Delegation D040212.
D040207	Telephones (Private) – Use by Employees for Council Business	Repealed. Not required. Employees who require a telephone service for work are provided with a mobile phone.
D040208	Staff – Conferences, Seminars & Training Courses	Repealed. Not required. Guidance covered under Policy P040209.
D040212	Property – Acquisition & Disposal	Removed reference to 5.43(d). Amended recording requirements to ensure that evidentiary documents are retained.

D040213	Local Laws	Repealed. Not required – process is determined under legislation.
D040214	Executive Functions – Duties	Added reference to legislation and included clarification from legislation on parts 5, 6 and 7.
D040216	Copies of Information	Repealed. Not required – covered under legislation.
D040217	Tenders for Providing Goods & Services	Converted part c) to a condition and referenced related legislation. Removed reference to Delegation D120201.
D040221	Payment of Accounts	Corrected numbering. Added sub-delegation.
D040223	Grants & Subsidies	Added exclusion of projects that are included in the Municipal Budget.
D040226	Debts – Write Off, Waiver or Concessions	Increase value of individual amounts from \$200 to \$500. Reference legislation that relates. Remove reference to register as it is not required by legislation nor has one been established by the Shire.
D040229	Business Continuity & Recovery Plan	Repealed. Not required by legislation. Function of CEO under Section 5.41 (d) of the Local Government Act 1995.
D050101	Burning of Shire Controlled Reserves	Remove reference to “Shire of Denmark” Pre-Burn Checklist – the checklist used may be one created by the Department of Fire & Emergency Services.
D050301	Certain Things to be done in Respect of Land	Clarify legislative power – 3.24 relates to local government power to authorise. 3.25 relates to what is delegated. Amended recording requirements to refer to use of delegation. Written advice of Delegations already required under Section 5.42 (2) of the Local Government Act 1995.
D050305	Enforcement & Legal Proceedings	Providing clarification on sections that relate. 9.10 for power to appoint authorised persons. A person who is authorised under 9.16 cannot be an authorised person for the purposes of sections 9.17, 9.19 and 9.20.
D050307	Spear Guns Control Act 1955 – Appointment of Inspectors	Repealed. Act was repealed as at 29 November 2016.
D050308	Fines, Penalties and Infringement Notices Enforcement Act 1994 – Appointment of Prosecution Officers	Removed Senior Town Planner.
D070401	Health Act 1911 – Local Government Appointed Officers	Repealed. Replaced with Delegation D070407 to reflect new Public Health Act 2016.
D070402	Itinerant Food Vendors	Amend “Health Act 1911” to Public Health Act 2016 and Health (Miscellaneous Provisions) Act 2011. Added reference to Policy P070404.
D070404	Grant or Removal of a Liquor Licence – Certificate of Local Government	Amend “Health Act 1911” to Health (Miscellaneous Provisions) Act 2011.

D070406	Health Local Law – Appointment of Authorised Persons	Changed title to reflect new Act (head of power) and detail of delegation to reflect Section 26 of the Health (Miscellaneous Provisions) Act 1911.
D070407	Public Health Act 2016 – Environmental Health Officer Appointments, Enforcement and Authorised Officers	Added new Delegation (replacing Delegation D070407) given the new Public Health Act 2016.
D070408	Food Act 2008 – Authorised Officers, Prohibition Orders and Registrations	Added new Delegation in relation to Authorised Officers, Prohibition Orders and Registration.
D100201	Installation & Removal of Rubbish Bins	Added sub-delegation to the Director of Infrastructure Services.
D100202	Refuse Site Charges – Free Disposal for Not-For-Profit Community Groups	Removed reference to the financial year.
D100601	Town Planning Scheme	Updating of legislative power. Added sub-delegations of amended preamble to authorised persons.
D100603	Issuing of Infringements for Alleged Breaches of the Town Planning Scheme.	Amended title and preambles to clarify the purpose of the Delegation.
D110701	Applications for Use of Land Under Section 18 of the Aboriginal Heritage Act 1972	Added Designated Senior Employees as authorised persons.
D120102	Events on Roads	Added reference to Regulation No. that relates.
D120201	Light Vehicles – Replacement	Repealed. Covered under Delegation D040217.
D130204	Caravan Parks & Camping Grounds – Appointment of Authorised Persons	Correct recording requirements to be consistent with legislation wording. Removed CEO from authorised person under Sections 22 & 23 (2) as persons authorised to issue infringements are not permitted to withdraw or modify.
D130308	Building Licence Fees – Refunds & Exemptions	Change “licence” to “permit”.
D130312	Building Act 2011	Included Customer Service Officers with respect to Section 131 (2). Added Principal Building Surveyor with respect to Section 140 (2).

Voting Requirements:

Absolute majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 8.5.2
MOVED: CR GEARON	SECONDED: CR WRIGHT
That Council adopt the Delegations, Authorisations & Appointments Register with additions, deletions and amendments as per Attachment 8.5.2.	
CARRIED UNANIMOUSLY AND BY AN ABSOLUTE MAJORITY: 8/0	Res: 130717

8.5.3 DENMARK EAST DEVELOPMENT PRECINCT PROJECT – PROJECT SPLIT

File Ref:	PLN.74
Applicant / Proponent:	Shire of Denmark
Subject Land / Locality:	East River Road (west), Denmark
Disclosure of Officer Interest:	Nil
Date:	11 July 2017
Author:	Bill Parker, Chief Executive Officer
Authorising Officer:	Bill Parker, Chief Executive Officer
Attachments:	8.5.3 – Letter Minister

Summary:

In March 2017, Council resolved to seek a 4 month extension to the milestones contained within the Financial Assistance Agreement (FAA) to further investigate alternative options as possible crossing points of the Denmark River.

Since this time, the Shire of Denmark has been working with the former Department of Regional Development to finalise a variation to the FAA to reflect the extension of time. Additionally, the Shire has met with the Minister for Regional Development and has also undertaken a further financial analysis in relation to the project.

Based on the Minister’s feedback and the further financial analysis completed to date, it is recommended that the Denmark East Development Precinct Project (DEDPP) is split into mutually exclusive components being;

1. Eastern Precinct (a series of connector roads that will service a new industrial area); and
2. Western Precinct (a bridge over the Denmark River).

Background:

In October 2016, Council decided on an alignment for the eastern component of the DEDPP from Denmark-Mt Barker Road to McIntosh Road that included the proposed industrial area. Work has subsequently commenced on this part of the project.

In December 2016, Council resolved to suspend work associated with the Western Precinct of the DEDPP and request a 12-month extension to determine the best route for an additional bridge across the Denmark River taking into consideration a detailed traffic analysis, bushfire evacuation planning, financial due diligence, further consultation with the community and a review of all alternatives.

The Department of Regional Development declined the Council’s request for the 12 month extension. In an effort to avoid termination of the Financial Assistance Agreement (FAA), Council considered a further item in January 2017 to decide on a preferred crossing point of the Denmark River. At this meeting, Council was unable to decide on a preferred crossing point.

Council is currently undecided between options 3B and 3E as contained within the Options Analysis Report prepared by GHD. Both options have been presented to Council, with each being narrowly defeated.

The FAA that has been executed between the State of Western Australia and the Shire of Denmark outlines a series of milestones or obligations that are required to be completed by certain dates. Section 4.3 of the FAA outlines these milestones;

Obligations (Deliverables)	Milestone	Status
1. Consultancy team engaged	30 July 2016	Complete
2. Final road and bridge alignments confirmed and requisite approvals for alignment lodged with agency	31 March 2017	Incomplete
3. Construction approvals in place and eastern precinct roadworks commenced	31 March 2017	Complete
4. Approvals in place and tenders opened for industrial area and bridge construction	1 September 2017	Incomplete
5. Practical construction completion for the light industrial area and lots released to the market	30 May 2018	Incomplete
6. Practical construction completion for the East River Road Bridge, western precinct access road and intersection upgrades	30 June 2018	Incomplete
Project completion	31 December 2018	

Previous decisions of Council suggest that neither option 3B nor 3E is acceptable to the Elected Group. Since the January meeting, the Shire of Denmark has been working with Landcorp to assess all options and also consider variations to the routes presented within the Options Analysis Report, whilst also being consistent with the requirements under the Local Planning Strategy and FAA.

In response to being unable to decide on a preferred crossing point of the Denmark River, Council considered an item in March 2017. At this meeting, Council resolved;

That in relation to the Denmark East Development Precinct Project, Council authorise the Chief Executive Officer to write to the new Minister for Regional Development to;

1. *Request a 4 month extension to the milestone dates to further investigate alternative options as possible crossing points of the Denmark River.*
2. *Ascertain if additional project funding is available through Royalties for Regions (Growing Our South Initiative) as highlighted in the Denmark Bulletin by the former Minister for Regional Development, Hon Terry Redman MLA.*

In response to this resolution, the Shire of Denmark received confirmation that the Minister had approved a 4 month extension. The Shire has subsequently been working with the Department for Regional Development to deliver a variation to the FAA and has also undertaken a comprehensive financial review of the project. In addition to the work being undertaken with the Department, the Shire also met with the new Minister for Regional Development, Hon Alannah MacTiernan.

The financial analysis undertaken has identified a number of additional costs that now questions the viability of the entire project. It would appear that the project is now well beyond the financial capacity of the Shire. To deliver the project the Shire would require significant financial assistance.

The Government has confirmed that no further Royalties for Regions (R4R) Funding is available and that any additional costs associated with the project will need to be funded external to the Royalties for Regions Program.

Consultation:

Although consultation has occurred for this project, the proposal to split the project has not been subject to community consultation.

Statutory Obligations:

There are no statutory obligations that relate to this item.

Policy Implications:

There are no Policy Implications that relate to this item.

Budget / Financial Implications:

The overall project has significant implications for the Shire of Denmark. These implications have been addressed in the draft 2017/18 Budget and draft 10 Year Financial Plan that is currently being prepared.

In requesting the 4 month extension, the Shire of Denmark commissioned a comprehensive review of the project financials. The review has highlighted a number of additional costs including the relocation of Telstra infrastructure and power poles and an increase in the project contingency.

Most of these additional costs are associated with the Eastern Precinct and therefore impact significantly on the entire project budget regardless of what option Council pursues as a preferred alignment over the Denmark River.

At this stage and prior to completion of detailed design, the Shire estimates that an additional \$2-3m will be required to complete the entire project.

Strategic & Corporate Plan Implications:

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

Strategic Community Plan

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

Corporate Business Plan

Finalise the Demark East Development Precinct industrial land subdivision works.

3.4.6 Implement and manage the construction phases of the Denmark East Development Precinct project.

The Shire's LPS provides implementation recommendations relating to the bridge crossing point and associated neighbourhood connector roads.

The "Denmark East Development Precinct" project is strategically aligned with the Great Southern Region Investment Blueprint – being a key criteria in the Shire receiving the grant funding for this project.

Sustainability Implications:➤ **Governance:**

There are no known governance implications.

➤ **Environmental:**

A significant environmental assessment has been completed for this project including a Flora and Fauna Survey Report and Arborist Report.

➤ **Economic:**

A majority of the expenditure is external expenditure and will have a positive impact on the Shires local economy. The Shire has received a letter of support from the Denmark Chamber of

Commerce expressing support for the project based on the level of investment benefit to Denmark. The Chamber has requested that local procurement should be a key consideration in awarding construction contracts.

➤ **Social:**

The amenity enjoyed by residents adjacent to Riverbend Lane and East River Road (west) will be affected by the project.

➤ **Risk:**

The risks associated with this item have been adequately addressed in the report.

Comment/Conclusion:

As outlined within the body of this report, Council has been unable to make a decision on the road alignment and preferred crossing point of the Denmark River. Since January 2017, the Shire has been working with Landcorp to investigate alternative options that complement the objectives as outlined within the Local Planning Strategy and FAA (crossing point in the general vicinity of the stretch of river from Reserve 12995 north to Riverbend Lane).

Given the additional financial costs that have been identified, the entire project is at risk. To ensure that the industrial area and eastern precinct are completed, Council will need to consider splitting the project into mutually exclusive components being;

1. Eastern Precinct (a series of connector roads that will service a new industrial area);
2. Western Precinct (a bridge over the Denmark River).

The Eastern Precinct is currently progressing very well, with road construction commencing and the industrial area in the final stages of rezoning. The Western Precinct has been a very combative issue with Council unable to decide on an alternative crossing point over the Denmark River.

On 11 July 2017, the Shire received written confirmation that the Minister is prepared to split the project into two separate components, each supported by a single financial assistance agreement. Under this arrangement, the Eastern Precinct would continue as planned and would essentially mirror the current program of works. At the same time that the industrial area proceeds, Council would continue working on the Western Precinct under a separate FAA that would progress this component of the project to detailed design. At this point, Council can determine the financial shortfall and potentially pursue alternative funding arrangements to complete the Western Precinct, using the remaining funding as leverage.

The new FAAs would require a redistribution of the project budget allocations (section 4.4 of the existing FAA) to ensure that the Eastern Precinct is fully completed.

Voting Requirements:

Simple majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 8.5.3
MOVED: CR MORRELL	SECONDED: CR GEARON
That in relation to the Denmark East Development Precinct Project, Council agree;	
<ol style="list-style-type: none"> 1. To split the project into mutually exclusive components under two separate Financial Assistance Agreements (FAA) being; <ol style="list-style-type: none"> a. Eastern Precinct (Service roads and a new industrial area); and b. Western Precinct (Bridge over the Denmark River). 2. To a redistribution of the project budget allocations (section 4.4 of the existing FAA) to ensure that the Eastern Precinct is fully completed, using the remaining allocations as leverage to complete the Western Precinct. 3. To immediately recommence construction of the Eastern Precinct with the assistance and support of Landcorp. 4. Continue working on the Western Precinct to determine a preferred crossing point of the Denmark River. 	
AMENDMENT	
MOVED: CR WHOOLEY	
That part 4 be removed.	
LAPSED FOR WANT OF A SECONDER	
THE ORIGINAL MOTION WAS THEN PUT AND CARRIED: 7/1 Res: 140717	
<i>Pursuant to Resolution No.031115 all Councillors' votes on the above resolution are recorded as follows;</i>	
<i>FOR: Cr Morrell, Cr Gearon, Cr Lewis, Cr Wright, Cr Phillips, Cr Bartlett and Cr Caron.</i>	
<i>AGAINST: Cr Whooley.</i>	

9. COMMITTEE REPORTS & RECOMMENDATIONS

Nil

10. MATTERS BEHIND CLOSED DOORS

Nil

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

Nil

12. CLOSURE OF MEETING

7.00pm – There being no further business to discuss the Shire President, Cr Morrell, declared the meeting closed.

<p>The Chief Executive Officer recommends the endorsement of these minutes at the next meeting.</p> <p>Signed: _____ <i>Bill Parker – Chief Executive Officer</i></p> <p>Date: _____</p> <p>These minutes were confirmed at a meeting on the _____.</p> <p>Signed: _____ <i>(Presiding Person at the meeting at which the minutes were confirmed.)</i></p>
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