

ORDINARY MEETING OF COUNCIL

HELD IN THE COUNCIL CHAMBERS,
953 SOUTH COAST HIGHWAY, DENMARK
ON TUESDAY, 20 MARCH 2018.

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Ordinary Council Meeting

20 March 2018

DISCLAIMER

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

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1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

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

Cr Gearon acknowledged the land on which the meeting was being held and the traditional custodians of the land, the Bibbulman and Minang people.

Cr Gearon stated that she would also like to show her respect for elders past, present and emerging.

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

Cr Ceinwen Gearon (Shire President)
Cr Peter Caron (Deputy Shire President)
Cr Mark Allen
Cr Kingsley Gibson
Cr Jan Lewis
Cr Ian Osborne
Cr Roger Seeney
Cr Rob Whooley

STAFF:

Mr Bill Parker (Chief Executive Officer)
Mr Martin Buczak (Manager Technical Services)
Mr Cary Green (Director Corporate and Community Services)
Mrs Annette Harbron (Director Sustainable Development)
Ms Claire Thompson (Executive Assistant)

APOLOGIES:

Cr Janine Phillips

ON APPROVED LEAVE(S) OF ABSENCE:

Nil

ABSENT:

Nil

VISITORS:

Members of the public in attendance at the commencement of the meeting: 22
Members of the press in attendance at the commencement of the meeting: 1
Cr Paul Omodei, WALGA Member Advisor

DECLARATIONS OF INTEREST:

Nil

3. ANNOUNCEMENTS BY THE PERSON PRESIDING

Nil

4. PUBLIC QUESTION TIME

4.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

4.1.1 Mr Brian Humphries – Potential Crisis in Traffic Management

At the meeting held on 19 December 2017, Mr Humphries spoke in relation to the potential of increased traffic in Denmark with the promotion of the Lower Great Southern Economic Alliance. Mr Humphries asked Council what measures were being taken, such as making Strickland Street a “T” intersection at the highway, Shadforth Road one way past the IGA and what did Main Roads recommend to better manage the anticipated increase?

Mr Humphries also asked what strategies and what preferred road alignment do Main Roads propose for the Heavy Vehicle Route?

The Shire President thanked Mr Humphries and advised that she would take the questions on notice and they would be responded to in writing. Mr Humphries has been provided with the following written response.

“Response:

The Lower Great Southern Economic Alliance is aiming to achieve 3 million visitor nights by 2021. To meet the goal of 3 million visitor nights, a growth rate of 9.1% per year is required (2.1% above the current growth rate). Increasing tourism will impact traffic in Denmark.

The Shire of Denmark is working with Main Roads WA in terms of the central business district and traffic management generally. The Shire is yet to consider Strickland Street a “T” intersection at the highway and Shadforth Road one way past the IGA.

Although the Shire has had preliminary meetings with Main Roads WA in relation to a heavy vehicle route, no formal position has been adopted.”

4.1.2 Mr Mike Travers – Management of Public Question Time

At the meeting held on the 20 February 2018, Mr Travers referred to public question time as being an opportunity for ratepayers to participate in and express view to Council however he had recently had an experience which he believed could deter people from participating.

Mr Travers stated that he had been accused by another member of the public that he had behaved in a manner which had then resulted in him receiving a Misconduct Restraining Order. Mr Travers said that he and his family had endured five months of legal action and costs defending the matter and on trial day the applicant withdrew the order.

Mr Travers noted that throughout the process he had received a lot of community support which had given him strength to carry the action to the end and for this he was thankful.

Mr Travers said that he believed public participation was essential open and accountable government and asked what measures the Council could take to ensure that public participation was managed in a safe, intimidation free environment.

Mr Travers asked the following questions;

1. Should question time be electronically recorded?
2. Should the presiding officer take a strict interpretation of public question time policy?
3. Should the CEO preside over public question time?
4. Should individuals behaving in an unacceptable manner be named?
5. Do we just accept the risk that some participants will take any opposing view as personal criticism?

The Shire President advised that the questions would be taken on notice and responded to in writing. Mr Travers has been provided with the following written response.

“Question 1 - No, under the current Standing Orders Local Law, no person is to use any electronic, visual or vocal recording device or instrument to record the proceedings of the Council without the written permission of the Council.

Question 2 - Yes, and in response the Shire President is taking a far tougher stance. The application of section 8.6 of the Standing Orders Local Law will assist in the prevention of disturbance.

Question 3 - Section 5.6 of the Local Government Act 1995 clearly outlines that the mayor or president is to preside at all meetings of the council.

Question 4 - The Shire can take appropriate action against members of the public that;

1. *Do not extend due courtesy and respect to the Council and the processes under which they operate.*
2. *Don't take direction from the person presiding whenever called upon to do so.*
3. *Create a disturbance at a meeting, by interrupting or interfering with the proceedings, whether by expressing approval or dissent, by conversing or by any other means.*

Question 5 - When groups of people of diverse backgrounds and priorities come together, disagreement and conflict inevitably occur. The Standing Orders Local Law provides mechanisms for disagreement and conflict to be resolved constructively, resulting in sound outcomes. The Shire will continue to work with the community to ensure that instances of disturbance are managed appropriately.”

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

4.2.1 Mr Brad Goode – Denmark East Development Project

Mr Goode asked whether the contract for the Denmark East Project had been awarded to Nigel Palmer Earthmoving.

The Chief Executive Officer advised that the contract had been awarded by Landcorp to a local contractor.

Mr Goode asked whether due diligence had been undertaken during the tender process including whether employees were appropriately trained and qualified from an occupational health and safety perspective.

The Chief Executive Officer stated that he had not been a part of the assessment panel however he believed that Landcorp's procurement process was very robust. Mr Parker said that he would be happy to provide Mr Goode with Landcorp's contact details should he wish to ask them directly about the process.

4.2.2 Mr Brian Humphries – Emergency Evacuation & Traffic Management

Mr Humphries referred to the response to his previous questions on notice from February 2018 and in December 2017. Mr Humphries asked where the Chief Executive Officer quoted figures for visitor nights and growth rate came from.

The Chief Executive Officer stated that the figures had come from the Churchill Report.

Mr Humphries stated that the figures stated in the Chief Executive Officer's answer were in conflict with what the Tourism Alliance had publicly advised being to increase the number of visitors per night from 1.2 million to 3.0 million within 3 years over the entire region. Mr Humphries said that the projected increase of 1.8 million visitors/night over 3 years - or 600,000 visitors/night per year - represented a targeted increase of 50% annually and not the 2% that the Chief Executive Officer had advised.

Mr Humphries advised that he had spoken with a number of key people involved in providing short stay accommodation who had advised that, contrary to the Chief Executive Officer's advice of the current increase being 7% visitors/night, the actual numbers were either flat-lining or considerably below historical trends. Mr Humphries asked the Chief Executive Officer to please advise where his quoted 7% figure came from noting that there were no figures to show the actual profiles for Denmark itself but it assumed a comparable and proportionate projected increase.

Mr Humphries explained his interest in these issues was related to the consequential potential increase in vehicle numbers that are needed to be considered for the GHD Traffic Management Study into emergency evacuation planning and he asked what figures GHD were using.

The Chief Executive Officer advised that he hadn't seen a draft report yet but would look at the figures they used once the document was received.

Mr Humphries stated that he believed that the anomalies must be resolved before the Traffic Management Study concluded or else the Shire could be

criticised for advising GHD of inappropriate, hypothetical and unsubstantiated figures which could heighten community anxiety, potentially waste time and ratepayer expense that could be avoided.

The Shire President agreed to take the questions on notice and stated that actual figures may vary to a report that was prepared some time ago.

4.2.3 Mrs Beverley Ford – Tourism Advisory Group

Mrs Ford spoke as a member of the Lower Great Southern Economic Alliance's Tourism Advisory Group, stating that they had recently attended a meeting to provide their input.

Mrs Ford stated that the destination marketing organisation seemed only to be about marketing however she believed that there was also a need to focus on product development and infrastructure development. Mrs Ford said that she felt it was important that Denmark form their own working group to provide local input into the destination marketing organisation.

Cr Caron advised that he, Cr Lewis and Cr Gearon had attended many Tourism Advisory Group meetings and assured Mrs Ford that they were being quite vocal for Denmark's interests. Cr Caron stated that he believed that the intention was for local advisory groups to be established for each region and noted that the Alliance did not have the authority to make any decisions, as any decisions would be decided upon by the individual Councils of the Alliance.

Cr Lewis asked the Chief Executive Officer whether Mrs Ford could have a copy of the Churchill Report to provide her with more information.

The Chief Executive Officer said that he would request that.

Cr Whooley asked Mrs Ford to clarify what she meant by product development and infrastructure development.

Mrs Ford responded that product development was about assisting people establish ideas or growth in new or existing tourism or business products, such as the new camel ride proposal. Mrs Ford stated that infrastructure development would encompass any additional infrastructure which may be required to cater for the projected increase in visitor numbers, such as signage and car parking. Mrs Ford added that there could also be safety implications such as at William Bay where there was currently only one road in and one road out.

The Shire President stated that the Council took emergency management very seriously and that the current situation at William Bay was something that they were working on.

4.2.4 Mrs Lydia Kenyon – Item 8.4.2 (Consideration of Special Meeting of Electors Decisions)

Mrs Kenyon referred to the Officer Recommendation expressing her commendation for part 1 and asked the Shire President whether she had received her request for an additional page of signatories to be added to the Minutes of the Special Electors Meeting.

The Shire President deferred to the Chief Executive Officer who advised that he had written to Mrs Kenyon declining the request as it was difficult to include extra names after the fact.

Mrs Kenyon referred to a five point plan which the Save East River Forest group had submitted some time ago to the Chief Executive Officer and Councillors noting that they had never received a response.

The Shire President stated that she believed that all Councillors had received a copy of the plan.

Mrs Kenyon referred to part 3 of the Officer Recommendation noting that Council was already taking steps to obtain more information and hopes that the reports would be diligent. Mrs Kenyon asked whether there was a Council Resolution which had determined that a traffic management study should be undertaken.

The Chief Executive Officer advised that there wasn't and that the need for the study had been based on a discussion with the elected group.

Mrs Kenyon referred to part 4 and suggested that perhaps the wording could be amended to acknowledge the attendees request for the funding to be returned.

The Shire President thanked Mrs Kenyon for her comments noting that the Officer had made it clear in their report that returning the funds would be premature at this stage.

4.2.5 Mr Miguel Pez – Item 8.4.2 (Consideration of Special Meeting of Electors Decisions)

Mr Pez expressed his disappointment that only two Councillors had responded to the letter which he had sent and stated that he did not believe that there was any evidence based study which had determined that Denmark needed a second bridge.

Mr Pez said that there was a lot of discussion on where the location of a second bridge would be but no evidence to suggest that a second bridge was even required in the first place.

The Shire President responded stating that there was work being undertaken which would provide information on whether a second bridge is required and, if so, where it should be built. Cr Gearon said that she understood that there were some people who believed a second bridge was required and some that didn't.

4.2.6 Mr Mike Travers – Item 8.4.2 (Consideration of Special Meeting of Electors Decisions)

Mr Travers referred to comments made at the Special Meeting of Electors regarding the need to retain any project funding to satisfy business expectations for a reliable flow of funding which benefits local businesses. Mr Travers referred to the Langouant report which was critical of the Royalties for Regions project selection and stated that he believed the report also explained why there was so much opposition to the poorly defined and lack of measurable outcomes for the bridge project, stating that he believed it to be a case of special interests over common sense.

Mr Travers asked how long the special interests have been the driver of Shire projects and does it explain why so many special interests have so much say over project selection. Mr Travers asked what measures the Council had in place to ensure that the necessary rigour, due diligence and objective measures were applied to project selection prior to funding being sought.

The Shire President responded stating that she couldn't comment on the past but could comment on the future which she reassured Mr Travers that the Council were committed to vigorous engagement processes. Cr Gearon advised that the Council had set up a process to assess individual projects which would also link them to the Strategic Community Plan.

Cr Lewis wished to note that the comments made at the Special Meeting of Electors were not those of a current Councillor.

Cr Caron wished to note that whilst he had previously put forward Option 3B for a bridge alignment, he had an open mind regarding the matter and looked forward to receiving the additional information coming in.

4.2.7 Mr Geoff Bowley – Item 8.4.2 (Consideration of Special Meeting of Electors Decisions)

Mr Bowley said it would be wrong to give back the money whilst Council were in the process of obtaining additional information to enable them to make a more informed decision. Mr Bowley said that he had heard a comment that the Council had got the money and were now deciding what to do with it and said that he did not believe it to be true. Mr Bowley stated that the Local Planning Strategy had stated a bridge in the vicinity initially looked at and then a business case had been prepared to apply for funding to build the bridge.

Cr Whooley asked Mr Bowley what evidence he had that due diligence had been applied in developing the business case.

Mr Bowley stated that he was not aware of the process that had been undertaken however it was what it was.

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.

Nil.

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 February 2018 be confirmed as a true and correct record of the proceedings, subject to the following correction;

- a) Page 26 – Resolution No. 050218, Advice Note f), correct the number “13” to “12”.

COUNCIL RESOLUTION

ITEM 6.1

MOVED: CR SEENEY

SECONDED: CR GIBSON

That the minutes of the Ordinary Meeting of Council held on the 20 February 2018 be confirmed as a true and correct record of the proceedings, subject to the following correction;

- a) Page 26 – Resolution No. 050218, Advice Note f), correct the number “13” to “12”; and
- b) Correct page 32 of Attachment 8.4.2 by correcting the percentage of “111%” to “52%”.

CARRIED UNANIMOUSLY: 8/0

Res: 010318

REASONS FOR CHANGE

Council added part b) to correct Attachment 8.4.2.

RESCISSION: Resolution No. 010318 was rescinded, pursuant to Council Resolution No. 030518

6.2 STRATEGIC BRIEFING NOTES

COUNCIL RESOLUTION & OFFICER RECOMMENDATION

ITEM 6.2

MOVED: CR GIBSON

SECONDED: CR WHOOLEY

That the Notes from the Strategic Briefing held on 20 February 2018 be received.

CARRIED UNANIMOUSLY: 8/0

Res: 020318

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

Nil

8. REPORTS OF OFFICERS

8.1 Director Sustainable Development

8.1.1 SCHEME AMENDMENT 139 – REMOVING “AGRICULTURAL RESEARCH STATION” DENOTION ON LOT 7648 KERNUTTS ROAD, HAY

File Ref:	TPS3/SA139
Applicant / Proponent:	Veris on behalf of Landcorp (on behalf of State of Western Australia)
Subject Land / Locality:	Lot 7648 Kernutts Road, Hay
Disclosure of Officer Interest:	Nil
Date:	13 March 2018
Author:	Annette Harbron, Director Sustainable Development
Authorising Officer:	Annette Harbron, Director Sustainable Development
Attachments:	8.1.1a – Advertised Scheme Text Provisions and Zoning Map 8.1.1b – Schedule of Submissions

Summary:

In November 2017 Council resolved to initiate Scheme Amendment 139 to Town Planning Scheme No. 3 (TPS No. 3) to remove the “Agricultural Research Station (AR)” denotation that is associated with the “Public Use” local scheme reservation over Lot 7648 Kernutts Road, Hay.

Scheme Amendment No. 139 was advertised for public comment, with six (6) submissions received.

It is recommended that Council grant final approval to Scheme Amendment No. 139 and refer the document to the Western Australian Planning Commission/Minister for Planning for final approval.

Background:

At the Ordinary Meeting of Council held on 21 November 2017, Council considered initiating Scheme Amendment No. 139 wherein they resolved the following (Res No:051117):

That with respect to the request to initiate a Scheme Amendment to remove the “Agricultural Research Station” denotation on Lot 7648 Kernutts Road, Hay, Council:

1. *Acknowledges the advice received from the Western Australian Planning Commission that Scheme Amendment 139 is not deemed to be a ‘Basic Amendment’.*
2. *Pursuant to Section 75 of the Planning and Development Act 2005 initiate Town Planning Scheme No. 3 Amendment No. 139 by:*
Amending the Scheme Map to remove the “Agricultural Research Station (AR)” denotation over Lot 7648 Kernutts Road, Hay.
3. *Determines that Town Planning Scheme No. 3 Scheme Amendment No. 139 is a ‘Standard Amendment’ as per the provisions of the Planning and Development (Local Planning Schemes) Regulations 2015 for the following reasons:*
 - a) *It is an amendment relating to the “Public Use” reservation that is consistent with the objectives identified in the scheme for that reserve;*
 - b) *It is an amendment that is consistent with a local planning strategy that has been endorsed by the Western Australian Planning Commission;*
 - c) *It is an amendment that would have minimal impact on land in the scheme area that is not the subject of the amendment;*
 - d) *It is an amendment that does not result in any significant environmental, social, economic or governance impacts on land in the scheme area; and*
 - e) *Is not a complex or basic amendment.*

4. Notes that Town Planning Scheme No. 3 Scheme Amendment No. 139 has been referred to the Environmental Protection Authority in accordance with Section 81 of the Planning and Development Act 2005.
5. Resolves to proceed to advertising of Town Planning Scheme No. 139 as per Regulation 47 of the Planning and Development Act (Local Planning Schemes) Regulations 2015.

Consultation:

Public advertising of Scheme Amendment No. 139 (refer Attachment 8.1.1a for the advertised Scheme Text provisions and Zoning Map) commenced on 12 December 2017 and closed on 7 February 2018 (being 57 days; statutory requirement is minimum 42 days). During the advertising period the following consultation took place:

- Advertising notice in the Denmark Bulletin on 14 December 2017 inviting public comment;
- Referral of the Scheme Amendment documentation to the following government departments/servicing authorities inviting comment:
 - Department of Biodiversity, Conservation and Attractions (Parks & Wildlife Service)
 - Department of Fire and Emergency Services (Great Southern Region)
 - Department of Planning, Lands & Heritage (Heritage Projects)
 - Department of Water and Environmental Regulation
 - Main Roads WA
- Referral to twelve (12) landowners generally within 1km radius of the subject lot inviting comment; and
- Scheme Amendment documentation was available for viewing at the Shire Administration Office and on the Shire's website.

At the close of the advertising period, a total of six (6) submissions were received – all received from government departments/servicing authorities. Attached as Attachment 8.1.1b is the Schedule of Submissions – with all submissions received being entered into the schedule as verbatim. Column 4 of the Schedule of Submissions represents Planning Services comments/response to the submissions and any modifications recommended as a result of submissions received (noting no modifications are recommended arising from submissions).

Statutory Obligations:

- *Planning and Development Act 2005* – TPS No. 3 is an operative Local Planning Scheme under the Act;
- Town Planning Scheme No. 3 – Lot 7648 Kernutts Road is currently reserved as “Public Use – Agricultural Research Station”; and
- *Planning and Development (Local Planning Schemes) Regulations 2015* – The Regulations set the procedure for amending a town planning scheme.

Policy Implications:

There are no policy implications.

Budget / Financial Implications:

Fees associated with the amendment have been paid as per Council's operative Fees and Charges Schedule.

Strategic & Corporate Plan Implications:

The subject land is designated in the adopted Local Planning Strategy as ‘Public Use’ – a designation that reflects the current scheme reservation in Town Planning Scheme No. 3. Due regard has been given to the relevant Local Planning Strategy provisions within Scheme Amendment No. 139, namely Part 1 Section 4.7 Natural Resource Management

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

Denmark 2027

N2.0 Our National Environment

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

N2.1 To preserve and protect the natural environment.

N2.2 To promote and encourage responsible development.

Corporate Business Plan

3.2.2 Work with other Government bodies on Local and State regional planning and development issues.

Sustainability Implications:

➤ **Governance:**

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

➤ **Environmental:**

Reservation of the land in the Scheme, and subsequent transfer of the land parcels to the adjoining Denmark Catchment State Forest, is an appropriate environmental outcome for the subject land.

➤ **Economic:**

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

➤ **Social:**

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

➤ **Risk:**

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That the WAPC/Minister for Planning do not support the Amendment proposal.	Unlikely (2)	Minor (2)	Low (1-4)	Not Meeting Community expectations	Accept Officer Recommendation

Comment/Conclusion:

Scheme Amendment No. 139 proposes to remove the “Agricultural Research Station (AR)” denotation that is associated with the “Public Use” local scheme reservation over the subject land on the basis that the land is no longer required by the Department of Primary Industries and Regional Development (Agriculture and Food) for this purpose and is proposed to be included, along with adjoining Lot 7576, into the adjoining Denmark Catchment State Forest for conservation purposes (noting this land currently has a “Public Use” scheme reservation in place).

Voting Requirements:

Simple majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 8.1.1
MOVED: CR GIBSON	SECONDED: CR SEENEY
That with respect to the request to Scheme Amendment No. 139 to remove the “Agricultural Research Station” denotation on Lot 7648 Kernutts Road, Hay, Council:	
<ol style="list-style-type: none"> 1. Notes the submissions received. 2. Adopts Scheme Amendment No. 139 for final approval (with no modifications) by: <i>Amending the Scheme Map to remove the “Agricultural Research Station (AR)” denotation over Lot 7648 Kernutts Road, Hay.</i> 3. Authorises the Shire President and Chief Executive Officer to execute the documentation for forwarding to the Western Australian Planning Commission seeking final approval by the Minister for Planning. 4. Advises the submitters of Council’s resolution. 	
CARRIED UNANIMOUSLY: 8/0	Res: 030318

8.2 Director Infrastructure and Assets
Nil

8.3 Director Corporate and Community Services

8.3.1 FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 JANUARY 2018	
File Ref:	FIN.1
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Denmark
Disclosure of Officer Interest:	Nil
Date:	9 March 2018
Author:	Scott Sewell, Acting Accountant
Authorising Officer:	Cary Green, Director Corporate and Community Services
Attachments:	8.3.1 – January 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 by legislation to undertake a mid year review of the Municipal Budget to ensure that income and expenditure is in keeping with budget forecasts. It should be noted that the budget is monitored on a monthly basis in addition to the requirement for a mid year review.

The attached financial statements and supporting information are presented for the consideration of Elected Members.

Background:

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

- Reconciliation of all bank accounts.
- Reconciliation of the 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 adopted a variance of 10% or greater of the annual budget for each program area in the budget, as a level that requires an explanation or report, with a minimum dollar variance of \$10,000.

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

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

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

Budget / Financial Implications:

There are no significant trends or issues to be reported.

Strategic & Corporate Plan Implications:

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

Denmark 2027

L5.0 Our Government

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

L5.4 To be fiscally responsible.

Corporate Business Plan

4.4.12 Provide Statutory and other relevant information to internal and external stakeholders on a timely basis.

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 January 2018 total cash funds held total \$14,441,936 (Note 4).

Shire Trust Funds total \$202,314.

- \$181,179 of this is invested for 6 months with the National Bank, maturing 18 June 2018 at the quoted rate of 2.40%.

Reserve Funds (restricted) total \$10,744,938

- \$7,117,162 of this has been placed on investment for 28 days with the Western Australian Treasury Corporation at the quoted rate of 1.45%,
- \$3,036,345 has been invested with the National Bank, maturing 24 March 2018 at the quoted rate of 2.35% and
- \$591,432 has been invested with the National Bank, maturing 3 May 2018 at the quoted rate of 2.45%.

Municipal Funds (unrestricted) total \$3,494,684

- \$2,716,107 of this is invested with the National Bank, maturing on various dates up to the 22 March 2018 at an average rate of 2.26% (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 any subsequent year to date budget amendments identified (Note 5), the 30 June 2018 end of year position is estimated to be \$0 which is in line with budget projections (Statement of Financial Activity).
- Operating revenue and expenditure is generally in line with year to date budget predictions for 31 January 2018 (Statement of Financial Activity).

- The Rates Collection percentage currently sits at 80.64% and is in keeping with historical collection trends (Note 6).
- The 2017/18 Capital Works Program is 17.78% complete utilising actual year to date figures and the total committed cost is 28.69% as at 31 January 2018 (Note 12).
- Various transfers to and from Reserve Funds have not been made for 2017/18 as they are generally undertaken in the latter half of the financial year, depending on specific projects to which the transfers relate.
- Salaries and Wages expenditure is generally in line with year to date budget estimates (not reported specifically in Financial Statement).

Budget Amendments and Variances (Note 5 and 5a)

Refer to more detailed information contained in Note 5a of the attachment.

Voting Requirements:

Simple majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION		ITEM 8.3.1
MOVED: CR GIBSON		SECONDED: CR ALLEN
That with respect to Financial Statements for the period ending 31 January 2018, Council;		
1. Receive the Financial Reports, incorporating the Statement of Financial Activity and other supporting documentation.		
2. Endorse the Accounts for Payment for January 2018 as listed.		
CARRIED UNANIMOUSLY: 8/0		Res: 040318

8.3.2 ADOPTION OF 2017/18 BUDGET REVIEW	
File Ref:	FIN.9
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	9 March 2018
Author:	Cary Green, Director Corporate and Community Services
Authorising Officer:	Bill Parker, Chief Executive Officer
Attachments:	8.3.2 – 2017/18 Statement of Budget Review

Summary:

To consider and adopt the Budget Review as presented in the attached Statement of Budget Review for the period 1 July 2017 to 31 January 2018.

Background:

Council adopted its 2017/2018 Municipal Budget at its meeting held 18 July 2017. It is now both appropriate and a legislative requirement that a review of the Budget be put before Council for consideration.

A summary of the recommended changes is included within this Report.

Consultation:

Direct consultation has occurred with the Chief Executive Officer and all Directors with input from Managers.

Statutory Obligations:

Local Government Act 1995 section 6.2 Municipal Budget
 Local Government (Financial Management) Regulations 1996 Regulation 33A

Regulation 33A. Review of budget

- (1) Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year.*
- (2A) The review of an annual budget for a financial year must —*
 - a) consider the local government's financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and*
 - b) consider the local government's financial position as at the date of the review; and*
 - c) review the outcomes for the end of that financial year that are forecast in the budget.*
- (2) Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.*
- (3) A council is to consider a review submitted to it and is to determine* whether or not to adopt the review, any parts of the review or any recommendations made in the review.*

**Absolute majority required.*
- (4) Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.*

Policy Implications:

There are no policy implications.

Budget / Financial Implications:

The 2017/18 Municipal Budget was adopted with an estimate of a zero surplus at year end. Council has considered and agreed to three amendments to the budget since its original adoption as follows:

1. October 2017 – Acceptance of a Bushfire Risk Management Program grant of \$124,356 and agreeing to incur matching costs in relation to the employment of an officer to undertake bushfire risk management activities. This project is underway but it is unlikely that all funds will be expended prior to 30 June 2018 so provision will need to be made in the 2018/19 budget for the expense of any remaining unspent funds. As mentioned in the original report where Council accepted the grant the extension of the program may also be dependent on continued State Government funding and support.
2. December 2017 – Acceptance of a DFES Local Government Grant scheme offer of \$285,135 for the construction of a new fire shed for Ocean Beach Volunteer Bush Fire Brigade. Council needs to spend the funds for the agreed purpose in addition to funding the demolition of the existing shed including all associated earthworks. Council has already approved minor amendments to the budget to meet those funding conditions.
3. February 2018 – Approval to purchase of an emergency response trailer to support the Denmark Bush Fire Brigades with funding of \$10,750 to be sourced from the Bush Fire Services Trust Account.

Should Council accept the Officer recommendation to amend the budget as per the attached summary, the overall net impact on the end of year position is NIL as it maintains the assumption of a zero year end surplus brought forward.

Strategic & Corporate Plan Implications:

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

Denmark 2027

L5.0 Our Government

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

L5.4 To be fiscally responsible.

Corporate Business Plan

4.4.12 Provide Statutory and other relevant information to internal and external stakeholders on a timely basis.

Sustainability Implications:

➤ **Governance:**

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

➤ **Environmental:**

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

➤ **Economic:**

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

➤ **Social:**

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

➤ **Risk:**

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
Not meeting Statutory Compliance	Rare (1)	Moderate (3)	Low (1-4)	Failure to meet Statutory, Regulatory or Compliance Requirements	Consider Budget Review and accept Officer Recommendation or alternate Council Resolution
Financial mismanagement and/or Budget overruns.	Rare (1)	Moderate (3)	Low (1-4)	Inadequate Financial, Accounting or Business Acumen	Accept Officer Recommendation

Comment/Conclusion:

The budget review has been prepared to include information required by the Local Government Act 1995, Local Government (Financial Management) Regulations 1996 and Australian Accounting Standards. Council adopted a variance of 10% or greater of the annual budget for each program area in the budget, as a level that requires an explanation or report, with a minimum dollar variance of \$10,000.

The material variance is calculated by comparing 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 figure is to be used in the Statements of Financial Activity the Annual Budget Review which is to be undertaken after the first six months of the financial year to assess how the budget is progressing and to estimate the end of the financial year position.

Whilst the mid-year budget review performed by the administration identified some variances in year to date depreciation costs, as well as internal allocations of administration costs and overheads the attached schedule of proposed amendments makes no recommendation to change the budgets for these items. This is because they are all non-cash expenses and therefore have no impact on the final surplus year end position estimate, it is also quite usual for a disjoint to occur in redistribution of internal costs in the early to midyear period which generally evens out closer to year end.

The Officer recommends that Council adopt the Budget Review as presented and retains the estimated Budget Surplus position carried forward estimate of zero.

Voting Requirements:

Absolute majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION		ITEM 8.3.2
MOVED: CR GIBSON		SECONDED: CR CARON
That with respect to the 2017/18 Budget review, Council;		
1. Adopt the 2017/18 Budget Review, including endorsement of proposed amendments to the 2017/18 Municipal Budget as detailed in the attached Statement of Budget Review.		
2. Approve the purchase of a new floor scrubber for the Recreation Centre up to a value of up to \$14,000 with funding to be sourced from the Recreation Reserve.		
CARRIED UNANIMOUSLY AND BY AN ABSOLUTE MAJORITY: 8/0		Res: 050318

8.3.3 DRAFT AGREEMENT FOR THE PROVISION OF LICENSING SERVICES	
File Ref:	FIN.1
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Denmark
Disclosure of Officer Interest:	Nil
Date:	13 March 2018
Author:	Cary Green, Director Corporate and Community Services
Authorising Officer:	Bill Parker, Chief Executive Officer.
Attachments:	8.3.3a – Draft agreement for the provision of Licensing Services. 8.3.3b – Draft agreement for the provision of non-road law functions

Summary:

Council is requested to endorse the draft agreement for the provision of Licensing Services under Section 11 of the Road Traffic (Administration) Act 2008 and the draft agreement for the provision of Non-Road law functions in the Shire of Denmark

These agreements deal with the provision of licensing services currently provided by the Shire at the Shire Administration building.

Background:

The Department of Transport has written to the Shire requesting that new agreements be entered into between the parties being the Department of Transport and Shire of Denmark. The term of the existing agreements expires on 31 March 2018, unless otherwise terminated under the terms and condition of the agreement.

The new agreements are for an initial term expiring on 31 December 2020, and includes a set of business rules applicable for the Shire to undertake the licensing services, in accordance with the relevant legislation.

The primary function of the agreements is for the Shire to collect the prescribed fees payable for transaction relating to Licensing Services, including fees for:

- Driving instructor's
- Maritime collections
- Off road vehicle registration
- Photo card.

Under the agreement the Department pay the Shire a commission to the value of the services performed in accordance with the Schedule of Service Fees as outlined in the Schedule 2 – "Fees per transaction paid by the Department for the services provided".

Consultation:

Consultation has occurred with internal staff, including CEO and other officers. The Western Australian Local Government Association (WALGA) was also consulted.

Statutory Obligations:

Road Traffic (Administration) Act 2008.

Policy Implications:

There are no policy implications.

Budget / Financial Implications:

There will be no material financial implications on the current Budget, and any implications on future budgets will be accounted for during the upcoming budget process.

Strategic & Corporate Plan Implications:

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

Denmark 2027

L5.0 Our Government

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

L5.4 To be fiscally responsible.

Corporate Business Plan

4.4.12 Provide Statutory and other relevant information to internal and external stakeholders on a timely basis.

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 does not endorse the draft agreement.	Unlikely (2)	Moderate (3)	Moderate (5-9)	Not Meeting Community expectations	Accept Officer Recommendation

Comment/Conclusion:

The ongoing provision of Licensing Services within the Shire of Denmark benefits all residents by negating the need to travel outside of the Shire to perform licensing functions. The closest Licensing location would be Albany.

The revenue received from the provision of Licensing Services enable the Shire to subsidise the salaries of the Customer Services staff who perform the functions, thus providing local employment opportunities.

Voting Requirements:

Simple majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 8.3.3
MOVED: CR LEWIS	SECONDED: CR SEENEY
That Council authorise the Chief Executive Officer to execute the following:	
1. Agreement for the provision of Licensing Services under Section 11 of the Road Traffic (Administration) Act 2008; and	
2. Agreement for the provision of Non-Road law functions in the Shire of Denmark.	
CARRIED UNANIMOUSLY: 8/0	Res: 060318

8.4 Chief Executive Officer

8.4.1 DENMARK CRAFTY QUILTERS 2018 EXHIBITION – REQUEST FOR SPONSORSHIP

File Ref:	PBR.10 & A3032
Applicant / Proponent:	Denmark Crafty Quilters
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	13 March 2018
Author:	Claire Thompson, Executive Assistant
Authorising Officer:	Bill Parker, Chief Executive Officer
Attachments:	Nil

Summary:

Council are requested to consider a request from the Denmark Crafty Quilters to use the Council Chambers and Reception Room for their 2018 Exhibition and for Council to sponsor the event by donating the cost of hire.

Background:

The Denmark Crafty Quilters exhibition has been held since the early 1990s and in the Council Chambers / Reception Room since 2007. Council has previously exempted the hire fees associated with the event however when the request was made in 2012 and 2015 (Resolutions 300212 and 080315 respectively), Council donated the hire charge in exchange for sponsorship rights to the event and a contra journal entry was made.

Consultation:

The Officer has considered the requirement for consultation and/or engagement with persons or organisations that may be unduly affected by the proposal and considered Council’s Community Engagement Policy P040123 and the associated Framework and believes that no additional external/internal engagement or consultation is required.

Statutory Obligations:

Section 6.12 of the Local Government Act 1995 relates and reads as follows;

1. *Subject to subsection (2) and any other written law, a local government may —*
 - a) *when adopting the annual budget, grant* a discount or other incentive for the early payment of any amount of money; or*
 - b) *waive or grant concessions in relation to any amount of money; or*
 - c) *write off any amount of money, which is owed to the local government.*

** Absolute majority required.*
2. *Subsection (1)(a) and (b) do not apply to an amount of money owing in respect of rates and service charges.*
3. *The grant of a concession under subsection (1)(b) may be subject to any conditions determined by the local government.*
4. *Regulations may prescribe circumstances in which a local government is not to exercise a power under subsection (1) or regulate the exercise of that power.*

Policy Implications:

Policy P040120 – Use of Council Chamber/Reception Room relates and reads as follows;

“Objective

To ensure this meeting venue is available for Council purposes at the times and dates required.

Policy

That the Council Chamber and/or Reception Area be used only for meetings of the Council, Council Committees and/or approved regular events (refer also Policy P110711 – Woodturners of Denmark Annual Exhibition) and otherwise at the discretion of the Shire President or the Chief Executive Officer.”

Policy P110711 relates to the use of the rooms by the Woodturners for their annual exhibition and reads as follows;

“Woodturners of Denmark Annual Exhibition

Council authorises the Woodturners of Denmark Inc. to hold their annual Excellence in Woodcraft Exhibition in the Council Chambers & the Reception Area free of charge in exchange for sponsorship rights to the event, subject to the event not conflicting with Council meeting days or times.”

Budget / Financial Implications:

The options available to Council are as follows;

1. Decline the request to waive or donate the hire fee; or
2. Waive the bond and the hire fee, resulting in a nil impact on Council's budget, by
 - a) Decreasing GL1410602 (Donated Use of Council Facilities) by \$2,860, resulting in a net account balance of \$2,060.47;
 - b) Increase GL1410103 (Reception Room Hire) by \$2,860, resulting in a net account balance of (\$3,640).

Strategic & Corporate Plan Implications:

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

Denmark 2027

E1.0 Our Economy

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

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

C4.0 Our Community

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

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

Corporate Business Plan

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

SOCIAL GOALS

1.2.7 Consider arts and culture in all relevant areas of urban and social planning.

1.2.8 Support, encourage and advocate for the hosting of local events and festivals.

ECONOMIC GOALS

3.7.4 *Work to further develop Denmark’s iconic tourism product and its marketing to prospective visitors, and support the growth of a dynamic arts and creative sector with links to the tourism industry.*

3.7.5 *Promote and support local and regional tourism initiatives.*

Sustainability Implications:

➤ **Governance:**

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

➤ **Environmental:**

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

➤ **Economic:**

The Exhibition is scheduled to be held over the long weekend in September 2018, this coincides with the first week of the School Holidays and the Southern Art & Craft Trail, which adds to the diversity of local art and craft on display for visitors to the region during this time.

➤ **Social:**

The Quilting Exhibition provides an opportunity for local quilters and small crafts people to display their work to residents and visitors.

The public profile over the Exhibition period could potentially provide opportunities for interested residents to make contact with a craft focused organisation which may then become a social activity/group that they then become involved in.

Any of the proceeds that the organisation raises throughout the year is donated to a number of locals, clubs and charity organisations which have included the Denmark Animal Carer’s Group, Denmark Primary School, Blue Wren Lodge, Hawthorn House and the Royal Flying Doctor Service.

The Denmark Crafty Quilters make community quilts and donate them to Solaris Care in Albany for patients undergoing chemotherapy treatment.

➤ **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 decline the request to waive the hire fee.	Possible (3)	Insignificant (1)	Low (1-4)	Not Meeting Community expectations	Accept Risk

Comment/Conclusion:

The Denmark Crafty Quilters were established 24 years ago and advise in their letter that the Council Chambers and Reception Room provide them with an excellent venue for their 40 plus members to showcase their quilts and small crafts to the public and an opportunity to raise some funds for local charities. The Exhibition is open to the public to attend for a gold coin donation and all proceeds (less costs, including public liability insurance) is donated back to local charity organisations.

The organisation investigated alternative venues such as the Denmark Community Resource Centre Gallery, the Recreation Centre Function Room and other local community halls however the venues were either booked out or not big enough.

The Officer recommends that Council waive the bond and donate the hire fee (as sponsorship) for the following reasons;

- It is a not-for-profit local organisation of 40 plus local members who share a common interest and the group provides for an important social connection between its members and others who share similar interests;
- The event is not-for-profit and facilitated voluntarily by its members;
- Any funds raised, over and above the events expenses are donated back to local charitable organisations;
- The event is held every three years and is held over the same long weekend each time; and
- The Denmark Craft Quilters undertake a number of charitable and altruistic activities throughout the year for the benefit of others both within our community and beyond.

Council Officers have had no concerns with their use of the venue in the past and the Denmark Crafty Quilters have been diligent in ensuring that they do not impede on Council’s day to day business.

Voting Requirements:

Simple majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 8.4.1
MOVED: CR GIBSON	SECONDED: CR ALLEN
That with respect to the Denmark Crafty Quilters request to use the Council Chambers and Reception Area from Thursday, 20 September 2018 to 24 September 2018, Council;	
1. Waive the \$110 bond;	
2. Donate the hire cost for the Council Chambers and Reception Room as a form of in-kind sponsorship towards the event to the value of \$2,860 (ex GST) in exchange for the Shire of Denmark being acknowledged at the event and on any promotional material; and	
3. Journal the sum of \$2,860 (ex GST) from Account 1410602 (Donated Use of Council Facilities) to Account 14101030 (Council Reception Room Hire).	
CARRIED UNANIMOUSLY: 8/0	Res: 070318

8.4.2 CONSIDERATION OF SPECIAL MEETING OF ELECTORS DECISIONS

File Ref:	ELC.4 & PLN.74
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	13 March 2018
Author:	Bill Parker, Chief Executive Officer
Authorising Officer:	Bill Parker, Chief Executive Officer
Attachments:	No

Summary:

This report considers the decisions from the Special Meeting of Electors held on 19 February 2018.

Background:

At the Special Meeting of Electors held on 19 February 2018, the following decisions were made:

DECISION 1

1. That this Special Electors Meeting request the Denmark Shire Council to register the objections of the signatories below to any allocation of Roads to Recovery money towards the proposed East River Road Bridge Project; and
2. That the Meeting advise the Council that it believes that, for the purpose of better general traffic flows and better ingress and egress during emergency response scenarios, the maintenance and upgrade of existing roadway infrastructure should be the foremost expenditure priority.

DECISION 2

That Draft Motion 2 be split into parts 1 and 2.

DECISION 3

That this Meeting request that the suspension on the Royalties for Regions funding, allocated to the East River Bridge Project, be continued until the following have been completed.

- a) a full Denmark Emergency Response Plan, with traffic flow study;
- b) the Asset Management Plan; and
- c) the Denmark Integrated Planning and Reporting Framework, with resultant redraft of the Local Planning Strategy.

DECISION 4

That should it not be possible to continue this suspension, the Meeting requests Council to resolve to return the Royalties for Regions funding for this road bridge project.

Consultation:

The Officer has considered the requirement for consultation and/or engagement with persons or organisations that may be unduly affected by the proposal and considered Council's Community Engagement Policy P040123 and the associated Framework and believes that no additional external/internal engagement or consultation is required.

Statutory Obligations:

Section 5.33 of the *Local Government Act 1995* relates as follows:

5.33 Decisions made at electors' meeting

- 1) All decisions made at an elector's meeting are to be considered at the next ordinary council meeting or, if that is not practicable –
 - a) at the first ordinary council meeting after that meeting; or
 - b) at a special meeting called for that purpose, whichever happens first.
- 2) If at a meeting of the council a local government makes a decision in response to a decision made at an electors' meeting, the reason for the decision are to be recorded in the minutes of the council meeting.

Policy Implications:

There are no policy implications.

Budget / Financial Implications:

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

Strategic & Corporate Plan Implications:

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

Denmark 2027

L1.0 Our Local Government

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

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

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

Corporate Business Plan

4.1 *Planning – work with other relevant authorities and agencies to develop and implement planning policies and decisions that not only reflect the wishes of the community, but also provide the region with appropriate development options.*

Sustainability Implications:➤ **Governance:**

The Local Government Act 1995 provides guidance in relation to Special Electors Meetings and the requirement for all decisions made at an electors meeting to be considered at the next ordinary council meeting.

➤ **Environmental:**

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

➤ **Economic:**

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

➤ **Social:**

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

Comment/Conclusion:

Decision 1 from the meeting comprises two parts. The first part seeks to recognise the objections of the signatories towards contributing Roads to Recovery Funding towards the East River Road Bridge. The second part of the first decision seeks to advise Council that future expenditure should be limited to the existing road network.

Given the existing project budget and allocations required from the Shire of Denmark, not contributing Roads to Recovery Funding towards the project would leave a funding shortfall. In terms of the way that the resolution is worded, Council is limited to acknowledging or noting the decision from the meeting.

Decision 2 was in relation to splitting the final question into two parts.

In relation to Decision 3, Council has essentially suspended the project whilst further information is obtained. The information requested by Council relates to a traffic management study and completion of the asset management plans as part of the Integrated Planning and Reporting Framework. The Shire is aiming to have all components of the Framework completed by 30 June 2018.

The Shire has only just commenced a recruitment process for a staff member to join the organisation to redraft the local planning strategy. This element will take a significant period of time to complete and will therefore not be available to inform the decision making process.

Decision 4 referred to returning the Royalties for Regions Funding should it not be possible to continue with the project's suspension. This motion appears premature until the traffic

management study and other components are completed. Adopting such a position will limit Council's options moving forward.

Voting Requirements:

Simple majority.

<p>COUNCIL RESOLUTION & OFFICER RECOMMENDATION MOVED: CR CARON</p>	<p>ITEM 8.4.2 SECONDED: CR GIBSON</p>
<p>That in relation to the decisions of the Special Meeting of Electors held on 19th February 2018, Council;</p>	
<ol style="list-style-type: none"> 1. Notes the objections of the signatories to any allocation of Roads to Recovery Funding towards the proposed East River Road Bridge Project. 2. Notes the decision of the meeting that the maintenance and upgrade of existing roadway infrastructure should be a priority. 3. Acknowledges the progress made towards completing the traffic management study and all other components of the Integrated Planning and Reporting Framework. 4. Notes that a new Local Planning Strategy will not be available to inform the decision on a preferred crossing point of the Denmark River. 5. Declines the request to return the Royalties for Regions Funding should it not be possible to continue the project's suspension. 	
<p><i>Cr Caron requested his words be recorded which were as follows;</i></p>	
<p><i>"I would like to thank the Chief Executive Officer for his report. It clearly explains the rationale for his recommendation. I'd also like to thank the community members who have shown interest and provided input to this item.</i></p>	
<p><i>I acknowledge the request that Roads to Recovery money is not used. However, the western precinct cannot be proceed without it. We need to wait for the results of ongoing work – including the traffic management study – to determine if the project is required, as the project could be vital for future growth and in case of emergency.</i></p>	
<p><i>I would like to point out that if the western precinct goes ahead and Roads to Recovery money is used, that does not mean that maintenance and upgrade of roads elsewhere in the Shire would halt. Road maintenance has occurred during the eastern precinct construction, with approximately \$1.1m spent since 30 June 2017. Road maintenance would also occur if the western precinct goes ahead. General renewal work would still occur using a combination of Council funding and external funding provided by Main Roads WA. For example, the reseal of Churchill Road, Mount Lindsay Road and William Bay Road and the reconstruction of McLeod Road will all occur this final year despite Roads to Recovery funding being spent on the eastern precinct. Additionally, the upgrade of the Horsley Road bridge and the Churchill Road bridge are future Main Roads projects that would not be influenced by Road to Recovery spend.</i></p>	
<p><i>I'd also like to take the opportunity to dispel the myth that ratepayers would be paying for a \$2-3 million shortfall if the western precinct proceeds. If Council decides to proceed with the project later in the year, it is most likely that we would lobby for the required funds. It is important that Council remains in contract and moving forward while we wait for the results of ongoing work. That work will inform the decision to be made later in the year. I thank the community once again for their input, and urge Councillors to vote in favour of the officer recommendation."</i></p>	
<p>AMENDMENT MOVED: CR WHOOLEY</p>	<p>SECONDED: CR LEWIS</p>
<p>Amend part 5 by replacing the word "Declines" with the word "Notes".</p>	

THE AMENDMENT WAS PUT AND TIED: 4/4

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

FOR: Cr Lewis, Cr Whooley, Cr Gibson and Cr Allen.

AGAINST: Cr Seeney, Cr Gearon, Cr Osborne and Cr Caron.

THE SHIRE PRESIDENT WAS THEN REQUIRED TO EXERCISE HER CASTING VOTE.
 THE SHIRE PRESIDENT USED HER CASTING VOTE AND VOTED FOR THE MOTION WHICH WAS THEN CARRIED: 5/4 Res: 080318

AMENDED MOTION

That in relation to the decisions of the Special Meeting of Electors held on 19th February 2018, Council;

1. Notes the objections of the signatories to any allocation of Roads to Recovery Funding towards the proposed East River Road Bridge Project.
2. Notes the decision of the meeting that the maintenance and upgrade of existing roadway infrastructure should be a priority.
3. Acknowledges the progress made towards completing the traffic management study and all other components of the Integrated Planning and Reporting Framework.
4. Notes that a new Local Planning Strategy will not be available to inform the decision on a preferred crossing point of the Denmark River.
5. Notes the request to return the Royalties for Regions Funding should it not be possible to continue the project's suspension.

THE AMENDED MOTION BECAME THE SUBSTANTIVE MOTION WHICH WAS PUT AND CARRIED UNANIMOUSLY: 8/0 Res: 090318

9. COMMITTEE REPORTS & RECOMMENDATIONS

9.1 AUDIT ADVISORY COMMITTEE - ADOPTION OF DRAFT 2017 COMPLIANCE AUDIT RETURN

File Ref:	GOV.20B
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	7 March 2018
Author:	Claire Thompson, Executive Assistant
Authorising Officer:	Bill Parker, Chief Executive Officer
Attachments:	Draft 2017 Compliance Audit Return

Summary:
 Council are requested to consider the recommendation from the Audit Advisory Committee and adopt the draft 2017 Compliance Audit Return.

Background:
 Each year a local government is required to carry out a compliance audit for the period 1 January to 31 December against the requirements of the Compliance Audit Return (CAR) provided by the Department of Local Government, Sport and Cultural Industries.

The information derived from the CAR is retained by the Department for future reference.

The Audit Advisory Committee considered the draft document at the meeting held on Tuesday, 13 March 2018 and resolved as follows;

“That the Audit Advisory Committee recommend that Council endorse the 2017 Compliance Audit Return and submit a certified copy to the Director General of the Department of Local Government, Sport and Cultural Industries by 31 March 2018.”

Consultation:

- Internal consultation with relevant employees.
- Department of Local Government, Sport and Cultural Industries.
- Audit Advisory Committee.

Statutory Obligations:

- Section 7.13 (i) of the Local Government Act 1995 requires that the audit of compliance is to be carried out in a prescribed manner and in a form approved by the Minister.
- Regulation 13 sets out the prescribed manner and form of a compliance audit return, which has been approved by the Minister.
- Regulation 14 refers to the compliance audit period, the format and states that the compliance audit return is to be reviewed by the local government’s audit committee and that the audit committee must report the result of that review to Council. The audit committee’s report must be presented to and adopted by the Council.
- Regulation 15 refers to the requirement that a certified copy of the compliance audit return is presented to the Director General of the Department by 31 March.

Policy Implications:

There are no policy implications.

Budget / Financial Implications:

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

Strategic & Corporate Plan Implications:

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

Denmark 2027

L5.0 Our Local Government

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

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

Corporate Business Plan

4.4.12 Provide statutory and other relevant information to internal and external stakeholders on a timely basis.

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 the Audit Advisory Committee not review the 2017 Compliance Audit Return.	Rare (1)	Minor (2)	Low (1-4)	Failure to meet Statutory, Regulatory or Compliance Requirements	Accept Officer Recommendation

Comment/Conclusion:

The draft 2017 Compliance Audit Return is attached for the Council’s consideration.

Areas of non-compliance have been identified as follows;

Disclosure of Interest		
Number 4	Reference: s5.75(1) of LGA Admin Reg 22 Form 2	Comment: One Primary Return received 3 days late and one Primary Return received 10 days late. Reported to the Crime & Corruption Commission. CCC advised no further action to be taken.
Integrated Planning & Reporting		
Number 2	Reference: s5.56 of LGA Admin Reg 19DA (6)	Comment: Following the major review of the Strategic Community Plan in December 2017, a new Corporate Business Plan will be adopted by Council prior to 30 June 2018.
Number 4	Reference: s5.56 Admin Reg 19C (7)	Comment: No modifications have been required as a new Strategic Community Plan was adopted by Council in December 2017, following a major review.
Number 5	Reference: s5.56 of LGA	Comment: Council adopted an Asset Management Policy and an Asset Management Strategy in October 2017. Four Asset Management

		Plans will adopted by Council prior to 30 June 2018.
Number 6	Reference: s5.56 of LGA	Comment: A draft Long Term Financial Plan has been prepared and will be adopted by Council prior to 30 June 2018.
Number 7	Reference: s5.56 of LGA	Comment: A draft Workforce Plan is being prepared and will be adopted by Council prior to 30 June 2018.

Voting Requirements:
Simple majority.

COMMITTEE RECOMMENDATION

ITEM 9.1

That the Audit Advisory Committee recommend that Council endorse the 2017 Compliance Audit Return and submit a certified copy to the Director General of the Department of Local Government, Sport and Cultural Industries by 31 March 2018.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 9.1
MOVED: CR GIBSON	SECONDED: CR ALLEN
That Council support the Audit Advisory Committee’s recommendation, endorse the 2017 Compliance Audit Return and authorise the Chief Executive Officer to submit a certified copy to the Director General of the Department of Local Government, Sport and Cultural Industries by 31 March 2018.	
CARRIED UNANIMOUSLY: 8/0	Res: 100318

10. MATTERS BEHIND CLOSED DOORS
Nil

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

12. CLOSURE OF MEETING

5.48pm – *There being no further business to discuss the Shire President, Cr Gearon, declared the meeting closed.*

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

Signed: _____
Bill Parker – Chief Executive Officer

Date: _____

These minutes were confirmed at a meeting on the _____.

Signed: _____
(Presiding Person at the meeting at which the minutes were confirmed.)