

Shire of Denmark

Ordinary Council Meeting MINUTES

19 March 2019

HELD IN THE COUNCIL CHAMBERS, 953 SOUTH COAST HIGHWAY,
DENMARK ON TUESDAY, 19 MARCH 2019.



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Strategic Community Plan (snapshot)

E1.0

Our Economy

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

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

N2.0

Our Natural Environment

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

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

B3.0

Our Built Environment

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

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

C4.0

Our Community

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

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

L5.0

Our Local Government

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

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

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

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

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 Mark Allen
Cr Kingsley Gibson
Cr Jan Lewis
Cr Ian Osborne
Cr Janine Phillips
Cr Roger Seeney
Cr Rob Whooley

STAFF:

Mr Bill Parker (Chief Executive Officer)
Mr Cary Green (Director Corporate and Community Services)
Mr David King (Director Assets and Sustainable Development)
Mr Damian Schwarzbach (Manager of Recreation Services)
Ms Claire Thompson (Executive Assistant & Governance Coordinator)

APOLOGIES:

Nil

ON APPROVED LEAVE(S) OF ABSENCE:

Cr Peter Caron (Deputy Shire President) (pursuant to Council Resolution No. 010219)

ABSENT:

Nil

VISITORS:

Members of the public in attendance at the commencement of the meeting: 10
Members of the press in attendance at the commencement of the meeting: Nil

DECLARATIONS OF INTEREST:

Nil

3. ANNOUNCEMENTS BY THE PERSON PRESIDING

The Shire President paid the Council's respects and acknowledged the recent passing of Mr Scott Smith. Cr Gearon said that Mr Smith had been a teacher at the Denmark Primary School, had been a mentor to many children and was hugely admired and regarded by students and members in the community.

The Shire President acknowledged the recent shootings in Christchurch, expressing her condolences to those who had lost loved ones.

The Shire President announced that last Friday there had been a number of Denmark Senior High School students who had come to the Shire to discuss climate change. Cr Gearon said that

she had addressed the students and they seemed to be pleased with some of the actions that the Shire is already taking.

4. PUBLIC QUESTION TIME

4.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

4.2 PUBLIC QUESTIONS

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

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

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

Questions from the Public

4.2.1 Mr Murray Thornton – Developer Contributions

Mr Thornton stated that he did not believe the Shire had any authority to request developer contributions and asked the following questions;

1. What rationale and authority does the Shire of Denmark have to impose a developer contribution fee on a simple subdivision?
2. Given that SPP3.6 [*State Planning Policy 3.6*] is the enabling document to set up developer contribution schemes, through designating development contribution areas in the town planning scheme, and establishing a need and nexus relationship, why does Shire of Denmark levy this developer contribution with no such amendment and incorporation of 3.6 into the town planning scheme? The Shire of Denmark does not have a legislated heads of agreement to levy a contribution scheme. The Shire of Denmark is operating Ultra Vires in requesting these payments.
3. Why does Shire of Denmark levy a developer contribution in direct contravention of Section 73(1) of Planning and Development Regulations 2015? This makes the collection of these fees without an approved developer contribution scheme illicit and unlawful.
4. Given that the annual report presented tonight shows a closing balance of \$288,384-00 for developer contributions, and this being a transactional account with outgoings so the total collected will be more, what actions will the Shire of Denmark take to refund this illicitly gained money?
5. Given that the Shire quotes resolution 180410 as the rational for imposing this levy, why did the officer with carriage of this issue not set out a scheme amendment to incorporate SPP3.6 into TPS3 [*Town Planning Scheme No. 3*], and set up an approved WAPC developer contribution scheme. Why did engineering simply start levying a contribution around 2012, which, as noted in the Planning and Development regulations Section 73(1), is illicit?
6. Why does the Shire of Denmark use coercion by refusing to give clearance of conditions of subdivision, to enable issue of title, if the illicit developer contribution payment is not made? In the case of a simple DA [*Development Application*], the refusal to issue the DA if the illicit payment is not made?

The Shire President advised the questions would be taken on notice and responded to in writing.

4.2.2 Ms Beverley Ford – Item 8.2.3 Mid-Year Budget Review and Parry Beach Campground

Ms Ford, on behalf of the Denmark Residents and Ratepayers Association, queried the extra funds being requested for the Plane Tree Precinct in the budget review. Ms Ford said that she understood that the concept plan had been around for some time and wondered whether the Shire had considered incorporating some of the public open space principles delivered at the recent “CPR for the Denmark Town Centre” workshop.

The Chief Executive Officer said that the extra funds were predominately for the former school building on the reserve. Mr Parker advised that the project working group were already considering incorporating some of the principles learned from the workshop to provide a more contemporary and active public space.

Ms Ford stated that she couldn't find any reference in the financial statements regarding revenue received from the Parry Beach Campground. Ms Ford asked where the money was allocated and what it was used for.

The Director Corporate and Community Services responded that the money was placed into a revenue account and was used for any day to day expenses associated with running the campground. Mr Green said that any excess funds were placed into a dedicated reserve fund for the campground area.

4.2.3 Mr Brian Humphries – Heavy Vehicle Bypass, Additional River Crossing & Local Planning Strategy Review

Mr Humphries referred to the traffic study which the Shire had commissioned regarding the need for an additional river crossing. Mr Humphries noted that the document had highlighted that there was a need and that a southern crossing would be the most efficient. Mr Humphries stated that Main Roads WA had recently attended a Denmark Residents and Ratepayers Association meeting and the Association had asked when a heavy vehicle bypass would be prioritised for Denmark to which they were told that Main Roads WA were waiting for the Shire to initiate the process. Mr Humphries asked whether the Chief Executive Officer needed Council's permission to initiate the process and when that would likely be.

The Chief Executive Officer responded yes and he was not sure when.

Mr Humphries asked whether Main Roads WA will be consulted when the Shire review the Local Planning Strategy.

The Chief Executive Officer said that the Shire would be consulting with Main Roads WA. Mr Parker said that whilst the Traffic Study had identified a southern crossing as the most efficient route, it had also identified a number of other issues, particularly in relation to environmental impact. Mr Parker said that there was still a lot of work to be done.

4.2.4 Mr John Davis – Item 8.2.5 Community Financial Assistance Program

Mr Davis raised some concerns with the community financial assistance program in that he believed that some community groups used the program as a “cash cow”. Mr Davis said that he hoped that Council consider any applications carefully and encourage the groups to fundraise themselves. Mr Davis said that

he felt that the Shire should be focussing on other funding priorities such as Greens Pool which is used by everyone.

The Shire President acknowledged Mr Davis' concerns and advised that the Council recognised the importance of Greens Pool. Cr Gearon said that the Shire were working with the Department of Biodiversity, Conservation and Attractions to deliver some upgrades in the next financial year.

4.2.5 Mr Craig Chappelle – Item 8.2.5 Community Financial Assistance Program

A letter was tabled from Mr Craig Chappelle regarding Item 8.2.5. Refer Attachment 4.2.5.

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.

6. CONFIRMATION OF MINUTES

6.1 ORDINARY COUNCIL MEETING – 19 FEBRUARY 2019

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 6.1
MOVED: CR SEENEY	SECONDED: CR ALLEN
That the minutes of the Ordinary Meeting of Council held on the 19 February 2019 be confirmed as a true and correct record of the proceedings.	
CARRIED UNANIMOUSLY: 8/0	Res: 010319

6.2 STRATEGIC BRIEFING NOTES – 19 FEBRUARY 2019

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 6.2
MOVED: CR GIBSON	SECONDED: CR LEWIS
That the Notes from the Strategic Briefing held on 19 February 2019 be received.	
CARRIED UNANIMOUSLY: 8/0	Res: 020319

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

Nil

8. REPORTS OF OFFICERS

8.1 DIRECTOR ASSETS AND SUSTAINABLE DEVELOPMENT

Nil

The Shire President welcomed Mr David King to the community as the Shire's new Director Assets and Sustainable Development.

8.2 DIRECTOR CORPORATE AND COMMUNITY SERVICES**8.2.1 FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 JANUARY 2019**

File Ref:	FIN.1
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	28 February 2019
Author:	Lee Sounness, Manager Corporate Services
Authorising Officer:	Cary Green, Director Corporate & 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 by management 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 are consistent with Council's adopted Strategic Plan Objectives and Goals and the Corporate Business Plan Actions and Projects in the following specific ways:

Denmark 2027

L5.4 To be fiscally responsible.

Corporate Business Plan

Nil

Sustainability Implications:

➤ **Governance:**

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

➤ **Environmental:**

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

➤ **Economic:**

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

➤ **Social:**

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

➤ **Risk:**

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 2019 total cash funds held total \$12,483,356 (Note 4).

Shire Trust Funds total \$188,282

- \$185,618 of this is invested for 6 months with the National Aust. Bank, maturing 18 March 2019 at the quoted rate of 2.47%.

Reserve Funds (restricted) total \$9,996,902

- \$5,400,892 of this has been placed on investment for 31 days with the Western Australian Treasury Corporation at the quoted rate of 1.45%,
- \$4,596,010 has been invested with the National Aust. Bank in 3 term deposits, maturing at various dates at an average rate of 2.50%

Municipal Funds (unrestricted) total \$2,298,172

- \$1,611,174 is invested with Westpac in 2 Term Deposits, maturing at various dates at an average rate of 1.60%

Key Financial Indicators at a Glance

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

- Taking into consideration the adopted Municipal Budget and any subsequent year to date budget amendments identified including the mid-year budget review (refer Note 5), the 30 June 2019 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 2019 (Statement of Financial Activity) except for building depreciation expense, which is yet to be applied this financial year.
- The Rates Collection percentage currently sits at 82.11%, is in keeping with historical collection rates (see Note 6)
- The 2018/2019 Capital Works Program is 43.62% complete utilising actual year to date figures and the total committed cost is 75.13% as at 31 January 2019 (see Note 12& 12a)
- Various transfers to and from Reserve Funds have not been made for 2018/2019 as they are generally undertaken in the latter half of the financial year, depending on the 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).

Other Information

- Depreciation Expense

Depreciation of building assets has not been calculated for the reporting period as the revaluation of the building asset class has yet to be adopted.

Voting Requirements:

Simple majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION		ITEM 8.2.1
MOVED: CR GIBSON	SECONDED: CR SEENEY	
That with respect to Financial Statements for the period ending 31 January 2019, Council;		
1. Receive the Financial Reports, incorporating the Statement of Financial Activity and other supporting documentation.		
2. Endorse the Accounts for Payment for the month of February 2019 as listed.		
CARRIED UNANIMOUSLY: 8/0		Res: 030319

8.2.2 ADOPTION OF THE SHIRE OF DENMARK SPORT AND RECREATION MASTER PLAN

File Ref:	A3035
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	26 February 2019
Author:	Damian Schwarzbach, Manager Recreation Services
Authorising Officer:	Cary Green, Director Corporate and Community Services
Attachments:	8.2.2a - Draft Shire of Denmark Sport and Recreation Master Plan 8.2.2b - Schedule of Submissions 8.2.2c - List of changes to Plan

Summary:

This report recommends that Council adopt the draft Shire of Denmark Sport and Recreation Master Plan (SRMP), prepared by ABV Consultants.

Background:

The purpose of the SMRP was to research and document current and proposed sport and recreation opportunities for the next 15 years to assist in informing future decision making for investment.

The plan assessed the efficiency and effectiveness of sport and recreation facilities whether provided by Council, not for profit or community based providers.

Part of the work included an assessment of current infrastructure to identify where facilities may be improved, rationalised or consolidated and made more suitable to the emerging needs of existing and future residents of the Shire.

A small grant CSRFF application was lodged with the Department of Sport and Recreation (now Department of Local Government, Sport & Cultural Industries). In December 2016 Council was officially notified that they had been successful with their application for a one third contribution towards the Shire of Denmark Sport and Recreation Master Plan, incorporating a Master Plan for the McLean Park Precinct and High School Oval Precinct.

At its meeting held on 21st February 2017, Council established the Shire of Denmark Sport and Recreation Plan Working Group with the following membership (Resolution No. 090217);

Voting Rights

- 2 x Councillors (Cr Mark Allen & Cr Jan Lewis)
- Director Corporate and Community Services (Cary Green)
- Manager Recreation & Youth Services (Damian Schwarzbach)
- McLean Park User Group representative (Glen Burton)
- Department of Education representative (Ken Davies)
- 3 x Community Member Representatives (Katy Pierce, Bernie Wong and Dan Robson)

Non-Voting

- Department of Sport & Recreation Representative (Chris Thompson)
- Consultant

While there has been significant community consultation as part of the information collection and needs analysis performed by ABV Consultants, the 11 person Working Group identified that “reporting back” to the community and obtaining specific feedback on all elements identified, or not, within the Masterplan should form an integral component before reaching Council for final adoption.

At its meeting held on 19th June 2018 Council resolved (Resolution No. 080618);

“That the matter be deferred to allow;

- 1. Sufficient consultations with residents and ratepayers in the western part of the Shire for inclusion in the draft Masterplan;*
- 2. For minor corrections and amendments including but not limited to typographical errors, definitions, moving text within the report, rewording text for increased clarity, additional text relating to aboriginal heritage and removal of superfluous detail;*
- 3. The inclusion of all submissions; and*
- 4. Final consideration by the Working Group before returning the draft Masterplan to Council in July 2018.”*

This was completed by Officers during the month of June and July 2018, and presented back to Council.

At its meeting held on 17th July 2018 Council resolved (Resolution No. 070718)

“That with respect to the Shire of Denmark Sport and Recreation Masterplan, Council:

- 1. Accept the draft Shire of Denmark Sport and Recreation Masterplan report, and*
- 2. Instruct the CEO to advertise the draft Shire of Denmark Sport and Recreation Masterplan report for a period of 28 days inviting comment from the community.”*

Consultation:

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

Community consultation for this project has utilised (5) five integrated strategies to harvest the widest and most detailed level of consultation possible. This has included:

1. Shire of Denmark Sport and Recreation Masterplan Working Group.
2. Consultant meetings, briefings and public forums.
3. Shire of Denmark advertisements, messaging and announcements.

4. Harvested related Sport and Recreation feedback from community consultation from the Shire of Denmark's Strategic Community Plan – Denmark 2027.
5. Advertising calling for Public Comment
The Plan was advertised for 28 days from 9 August 2018 until 6 September 2018 inviting public comment. During this period there were 39 submissions received.

Statutory Obligations:

There are no statutory obligations.

Policy Implications:

There are no policy implications.

Budget / Financial Implications:

Implementation of the final Sport and Recreation Masterplan's recommendations may require future allocation in Council's Municipal Budget and/or external funds obtained through grants.

The consultants have determined the project priorities based on community and stakeholder feedback, current and expected usage of existing facilities, participation trends and industry knowledge, and the availability of funding, both internal and external.

Each project listed will require extensive planning, including feasibility studies, Business cases, and be linked to Council's Corporate Business Plan and 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**N2.0 Our Natural Environment**

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

N2.2 To promote and encourage responsible development.

N2.4 To acknowledge and adapt to climate change.

B3.0 Our Built Environment

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

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

B3.2 To have community assets that are flexible, adaptable and of high quality to meet the purpose and needs of multiple users.

Corporate Business Plan

B3.2.5 Support the development of a Great Southern Regional Trails Master plan through a contribution to GSCORE.

B3.2.6 Construct a mountain bike trail to provide recreation and economic development opportunities.

B3.2.7 Prepare a business case for the construction of a new Surf Life Saving Club to relocate the facility above the coastal erosion zone and increase the amenity of the area.

B3.2.8 Undertake concept design and prepare a project proposal and cost benefit analysis for the Denmark Surf Life Saving Club public realm.

B3.2.9 Relocate the gymnasium to the recreation centre function room to increase floor space, provide easier access and create a multipurpose space.

- B3.2.10 Undertake concept design and prepare a project proposal and cost benefit analysis for the development of a Youth Precinct (including a skate park) and the construction of a second oval at McLean Park.
- B3.2.12 Undertake the McLean Park redevelopment project to improve the playing surface.

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:**

Implementation of the final Sport and Recreation Master Plan's recommendations may require future allocation in Council's Municipal Budget and/or external funds obtained through grants.

➤ **Social:**

Council has recognised the significant community value of organised competitive sport and less formal passive and active recreational activities.

The positive social interaction between members, as well as the health benefits derived from the physical exercise of active participation in sport and recreation result in a sense of personal well-being / good health in each member and, collectively, within the community.

➤ **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 adopt the Shire of Denmark Sport and Recreation Master Plan	Possible (3)	Minor (2)	Moderate (5 – 9)	Not Meeting Community expectations	Accept Officer Recommendation
That Council not meet Community expectations	Likely (4)	Minor (2)	Moderate (5 – 9)	Not meeting community expectations	Risk acceptable with adequate controls, clear communication, and subject to monitoring.

Comment/Conclusion:

The Plan has undergone extensive consultation through working groups, one-on-ones, surveys and invitations for public comment.

The 39 submissions from the invite for public comment offered varied responses, but there were some common themes.

There was significant comment on the development of a snorkel trail at Greens Pool, an indoor aquatic facility and the development of trails with particular reference to mountain bike trails.

The identified priorities have been determined by the Consultants based on the analysis of the data and comment received.

Changes to the document from the submissions received included;

- Adding a *Pilot Snorkel Trail at Greens Pool as a Short-term Priority*. There were 16 submissions supporting the trail and no submissions against. Since the Plan has been submitted there has been an announcement prohibiting fishing in Greens Pool which assists with the implementation of a pilot trail in this area.
- Adding the *Development of the Clubhouse, change rooms and general amenities at McLean Park as a medium-term priority* and In Section 9 Consultation – Under the Theme, “Sports Amenities”, adding *McLean Oval Club Rooms, Change rooms and general amenities require future planning*.
- In Section 9 Consultation – Under the Theme, “Mountain Bike Trails”, adding *with reference to the Great Southern Outdoor Recreation Strategy as a guiding document and in consultation with Environmental groups*.
- At the end of Section 10, Facility Condition & Use adding *The Draft Report was advertised for public comment from the 9th August 2018 until September 6th 2018. During this period there were 39 submissions received. A summary of the feedback is attached. There was significant comment on the development of a snorkel trail at Greens Pool, an indoor aquatic facility and the development of trails with particular reference to mountain bike trails*.
- In Section 11, Options & Needs Analysis under the heading of Aquatic Centre adding in the Shire supported studies;
2009 Needs Assessment into a Sustainable Indoor Heated Aquatic Facility
2010 Feasibility Study for a Sustainable Indoor Heated Aquatic facility
2011 Shire of Denmark Financial Assessment – Aquatic Facility Feasibility report
 And DACCI funded studies;
2012 Denmark Aquatic Centre – Alternate Models
2013 Concept Plan
2013 Opinion of Probable
2013 Pool Energy Analysis for Denmark Aquatic Centre
 This was included to recognise the significant amount of research that has been undertaken in this area.
- In Section 16 Appendix 2, Consultation Summary, a summary of DACCI's comments was added to reflect their meeting with the Consultants. These comments were;
The Recreation Centre and future aquatic facility must be viewed as an integrated Leisure Centre supporting both wet and dry activities and operated by a multi-skilled staff base. DACCI believe the formation of an Aquatic Centre Development Steering Committee with representatives from the Shire and DACCI working together to update existing plans is the way forward.
This documentation would be reviewed so that it remained current and able to be utilised if a funding opportunity arose.

Conclusion

The recommendation for Council to adopt the Plan is due to it being well-researched, has undertaken extensive consultation and has sound reasoning for the identified priorities.

The Plan identifies opportunities for Council to upgrade, develop new and/or co-locate facilities.

This Plan provides Council with a guiding document for the future planning and maintaining of Sport and Recreation assets.

Voting Requirements:

Simple majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 8.2.2
MOVED: CR ALLEN	SECONDED: CR LEWIS
That Council note the 39 submissions received and adopt the Shire of Denmark Sport and Recreation Master Plan.	
CARRIED UNANIMOUSLY: 8/0	Res: 040319

COUNCIL RESOLUTION	
MOVED: CR LEWIS	SECONDED: CR GIBSON
That Standing Orders be suspended to allow discussion on item 8.2.3.	
CARRIED UNANIMOUSLY: 8/0	Res: 050319

COUNCIL RESOLUTION	
MOVED: CR GIBSON	SECONDED: CR PHILLIPS
That Standing Orders be resumed.	
CARRIED UNANIMOUSLY: 8/0	Res: 060319

8.2.3 ADOPTION OF 2018/2019 BUDGET REVIEW

File Ref:	FIN.9
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	28 February 2019
Author:	Lee Sounness, Corporate Services Manager
Authorising Officer:	Cary Green, Director Corporate and Community Services
Attachments:	8.2.3a – 2018/2019 Statement of Budget Review 8.2.3b – Summary of Budget Review Spreadsheet

Summary:

To consider and adopt the Budget Review as presented in the attached Statement of Budget Review for the period 1 July 2018 to 31 January 2019.

Background:

Council adopted its 2018/2019 Municipal Budget at its meeting held 31 July 2018. 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 2018/2019 Municipal Budget was adopted with an estimate of a zero surplus at year end. Council has considered and agreed to the following amendment of the budget since its original adoption as follows:

1. November 2018 – Council resolution to reallocate \$40,000 from expense account number 1420312 Office Layout (Administration Building) to account number 1076002 Hardy Street Remediation

Budget Review Items Requiring Additional Funds from Reserves

1. Purpose built canopy for Rangers vehicle – additional funds of \$12,000 to be funded from Plant Replacement Reserve.
 - Original budget of \$52,000 was for purchase of a Dual Cab ranger's vehicle with standard canopy.
 - To satisfy OSH requirements, a purpose built canopy was purchased for \$15,798 to sit on new Extra Cab vehicle with the canopy having a life expectancy of 10 years and a provision that the canopy can be transferred to replacement ranger's vehicle every 3 years
 - Whole of Life cost savings achieved by replacing Extra Cab vehicle only and transferring purpose built canopy at vehicle replacement date
2. Waste Services Review - additional \$10,000 consultancy fees for Waste Services Review to be funded from Waste Services Reserve.

Additional funds requested for consultant to:

- Assess and include recommendations that inform the Shire's Long Term Financial Plan
- Provide content for Shire of Denmark Asset Management plans in relation to Peaceful Bay and McIntosh Road Transfer stations

3. a) Denmark East Development Project – additional project funds of \$180,000 to complete Denmark East Development Project to be funded from Denmark East Development Reserve.

b) Denmark East Development Project – funds of \$250,000 for Main Roads to complete the intersection on the Denmark East Development Project to be funded from Denmark East Development Reserve.
4. a) McLean Oval Redevelopment Project – additional funds of \$70,000 to complete works associated with this project to be funded from the Land and Buildings Reserve.

b) Plane Tree Precinct Upgrade – additional funds of \$120,000 allocated towards the anticipated costs of completing this project to be funded from the Land and Buildings Reserve.

Council should note that the recommended transfers from the Land and Buildings Reserve listed under item 4 above will result in a projected balance for that Reserve Fund of approximately \$210,000 as at 30 June 2018.

Other Items to Note from the Budget Review Process:

1. Contribution to Works – A recent review of a number of developer contributions currently held by Council and dating back many years have not been recognised as revenue by Council as required under the Australian Accounting Standards. When a full review of the history of these contributions is completed by the administration they will need to be recognised as revenue in the current 2018/19 financial year. Due to a change in the Accounting Standards relating to such matters which takes effect from 1 July 2019 a number of these contributions will attract a matching contract liability but others will have had that pre-existing liability extinguished. This process will be dealt with administratively as part of end of financial year adjustments. Further to this a request has been lodged with the State Planning Minister for approval to use Public Open Space (POS) Development contributions currently held as a trust bond to assist in offsetting costs for the redevelopment of McLean Oval which, if approved, will result in these funds being recognised as revenue.

A provision of \$116,000 has been included in the budget review as a revenue estimate from this funding source. This is a conservative estimate because Minister Approval is not assured for the POS transfer and the full history of some other contributions needs further research before being finalised. It is however considered likely that the final revenue total will exceed the provision contained in the budget review by at least \$150,000. Should that be the case any year end surplus amount as at 30 June 2019 determined at that time can be used to replenish Reserve Funds, particularly the Land and Buildings Reserve as part of the 2019/2020 budget adoption process.

2. Additional funds requested for a \$7,000 invoice, which is for a 50% contribution towards a security fence between the cemetery and the Ag College. This is an unbudgeted expense, seeking council endorsement. The 50% requested contribution is considered reasonable as the application is for public safety, by providing fencing between the cemetery and the Ag College's girls dormitories.

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

Denmark 2027

L5.4 To be fiscally responsible

Corporate Business Plan

Nil

Sustainability Implications:➤ **Governance:**

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

➤ **Environmental:**

There are no known significant environmental 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, loss on sale of assets 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.

OFFICER RECOMMENDATION

ITEM 8.2.3

1. That Council adopt the 2018/2019 Budget Review, including endorsement of proposed amendments to the 2018/2019 Municipal Budget as detailed in the attached Statement of Budget Review.
2. Endorse the purchase of the custom canopy for the Rangers vehicle with \$12,000 additional funding to be sourced from the Plant Replacement Reserve.
3. Approve an additional \$10,000 in consultancy costs for the Waste Services Review to be funded by the Waste Services Reserve.
4. a) Approve an additional \$180,000 of project funding to complete Denmark East Development Project, to be funded by the Denmark East Development Reserve.
b) Approve an additional \$250,000 of project funding for Main Roads to complete the intersection on Denmark East Development Project, to be funded by the Denmark East Development Reserve.
5. a) Approve an additional \$70,000 of project funding to complete the McLean Park Redevelopment Project, to be funded from the Land and Buildings Reserve.
b) Approve an additional \$120,000 of project funding for the Plane Tree Precinct Project, to be funded from the Land and Buildings Reserve.
6. Approve the release of \$7,000 funding to the Denmark Ag College on satisfactory completion of the fencing works at the Denmark Ag College/Cemetery site.

DEFERRAL

ITEM 8.2.3

MOVED: CR GIBSON

SECONDED: CR LEWIS

That Council;

1. Call a Special Council Meeting for the purpose of considering the mid-year budget review on Tuesday, 26th March 2019, commencing at 4.00pm; and
2. Defer consideration of the mid-year budget review until this Special Council Meeting.

CARRIED: 7/1

Res: 070319

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

FOR: Cr Osborne, Cr Lewis, Cr Phillips, Cr Gearon, Cr Seeney, Cr Gibson and Cr Allen.

AGAINST: Cr Whooley.

8.2.4 CONSTRUCTION OF NEW FIRE SHED FOR OCEAN BEACH FIRE BRIGADE

File Ref:	A3848
Applicant / Proponent:	Not applicable
Subject Land / Locality:	No. 540 Ocean Beach Road (Reserve 46782), Ocean Beach
Disclosure of Officer Interest:	Nil
Date:	7 March 2019
Author:	David Schober, Manager Community Services
Authorising Officer:	Cary Green, Director, Corporate and Community Services
Attachments:	8.2.4 - WALGA Evaluation Report – CONFIDENTIAL to Councillors

Summary:

This report recommends that Council accept the Western Australian Local Government Association (WALGA) tender Evaluation Report and approve its recommendation to appoint Weststruct Pty Ltd to build a new fire shed at the current location on Ocean Beach Road, Denmark (Reserve 46782).

The report also recommends a preferred supplier, WB and HL Miller, for the demolition and removal of the current Ocean Beach fire shed.

Background:

Throughout this report reference is made to the Local Government Grant Scheme Manual for Capital and Operating Grants, referred to hereon in as the “Manual”.

The current Ocean Beach fire shed which was funded by the Shire and constructed 26 years ago in 1993. Current replacement policy, as per the 2017/2018 Manual, for buildings and heavy duty fire appliances, is based on a minimum period of 25 years and 16 years respectively.

In the 2013/2014 Manual, the Indicative Program for ‘2016/17 to 2019/20’ earmarked replacement appliances for the Ocean Beach, Peaceful Bay and Nornalup Bush Fire Brigades. The replacement appliances known as the ‘3.4 Urban Tanker Crew Cab appliance’ (3,000L water capacity, 4-wheel drive) are more capable with the following reasoning given;

- The profile of Ocean Beach, Nornalup and Peaceful Bay Brigades is Urban Defensive. The Brigades are located in an Outer Urban area.
- Brigades are required to respond to residential structural fires in addition to bushfire fighting. Appliances are equipped with more hoses, larger capacity pump-set and a ladder.
- The appliances ability to carry additional crew above the minimum of three to facilitate enhanced management of crew fatigue.

When the Shire received this program, along with the associated vehicle and building replacement program paperwork in December 2013, Department of Fire and Emergency Services (DFES) was advised that the current fire shed at Ocean Beach would not be large enough to accommodate the new appliance. The response to this at the time was ‘*we can resolve this issue nearer delivery time*’ due to the proposal being some 2-3 years away.

In December 2016, the Manual indicated that the first of the new 3.4 appliances had been allocated to Peaceful Bay for that financial year. Just prior to this in November 2016, the Ocean Beach truck sustained significant damage whilst working on a fire ground and subsequently was written off by the Shire’s insurers. As a result of these circumstances, a request was put through to DFES proposing that the Peaceful Bay appliance be re-badged as Ocean Beach. Given the fact that the Ocean Beach Brigade were now without a heavy duty fire appliance, this request was granted.

In March 2017, a capital grant application was made to DFES for a new shed for Ocean Beach, as per the previous verbal agreement with DFES, in that when the delivery of the new appliance was imminent the request for a new shed would be made.

The new appliance (now badged 'Ocean Beach 3.4') was delivered in August 2017; and as the truck was knowingly too big to go in the shed it was mutually agreed to swap the new appliance with Peaceful Bay for two reasons;

- Firstly, the new appliance would fit in the Peaceful Bay shed and the Peaceful Bay truck would fit in the Ocean Beach shed; and
- Secondly, the new appliance could be under cover.

In August 2017, the Shire received notification that the application for funding for a new shed for Ocean Beach was granted. The sum of \$285,135 ex GST is being offered. This includes all associated works to construct a new shed, but does not include demolition and site preparation. Site preparation would include removal of the existing concrete slab and preparation of earthworks to accommodate the new concrete pad. The new concrete pad itself will form part of the \$285,135 project costs.

In November 2018 a Procurement Plan developed by WALGA was approved by the Shire CEO. This led to a Request For Tender (RFT) being advertised in the West Australian newspaper on 17 November 2018, Denmark Bulletin on 13 December 2018 and the Tendering Portal (Tenderlink) on 17 November 2018.

The Request For Tender was extended to 15 January 2019 to allow a greater response over the Christmas period. Six (6) submissions were received by closing date which included the following companies:

- Akron Pty Ltd (Northam)
- Colab Construction Pty Ltd (Albany)
- Creation Homes (Albany)
- Hacer Pty Ltd (Eastern States, WA branch)
- MCZ Construction Pty Ltd (Perth)
- Weststruct Pty Ltd (Denmark)

Each submission was assessed by WALGA and Shire Officers. The details of each assessment and methodology for selection of the preferred candidate, including Regional Price Preferencing, are included in the Evaluation Report attached.

With respect to demolition and removal of the current Ocean Beach fire shed an Expression of Interest notice was placed in the Denmark Bulletin on January 17, 2019 and posted as a Public Notice on the Shire's website on January 8, 2019. Demolition of the existing shed and removal of the concrete pad is a separate project to the construction of the new fire shed. Three (3) submissions were received for demolition and removal of the fire shed.

Removal of the existing concrete pad is the responsibility of the Shire and will be funded as part of the \$285,135 grant allocation from DFES.

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.

The members of the Ocean Beach Bush Fire Brigade have participated in all elements of planning and design to ensure all operational requirements are met.

Statutory Obligations:

Development approval has been obtained with consideration made to the suitability of the site for fire shed purposes, the functionality of the proposed building and construction and configuration according to the major fire risk associated with adjoining the Mount Hallowell reserve. Construction standards will apply to the new building in order to meet such requirements.

Should Council accept this report, and recommendations, the successful Tenderer will then lodge a Building Permit application with the Shire.

Policy Implications:

There are no policy implications.

Budget / Financial Implications:

The financial implications of the recommendation have been allocated in the 2018/19 Annual Budget, as shown below: (all monetary figures stated are ex GST):

- Capital expense account (Job No. 55221) - (\$285,135) (ex GST)
- Income account (GL1540113) - \$285,135 (ex GST)

The project is expected to take up to six (6) months to complete. Should it continue into the 2019/20 financial year any unspent funds at 30 June 2019 will be re-budgeted into the 2019/20 financial year.

Strategic & Corporate Plan Implications:

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

Denmark 2027**B3.0 Our Built Environment**

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

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

B3.2 *To have community assets that are flexible, adaptable and of high quality to meet the purpose and needs of multiple users*

B3.4 *To manage assets in a consistent and sustainable manner*

C4.0 Our Community

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

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

Corporate Business Plan

E1.1.1. Continue to provide a regional price preference for local businesses (up to 10%) on tenders to maximise the use of local goods, services and works

C4.1.16 Support the community in fire and emergency management planning through Street Meets and other engagement activities

B3.1.27 Undertake capital works to improve our buildings.

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 accept the WALGA Evaluation Report and recommendation	Unlikely (2)	Minor (2)	Low (1-4)	Business Disruption	Accept Officer Recommendation
That the Builder declines the offer to construct	Rare (1)	Minor (2)	Low (1-4)	Business Disruption	Accept Risk
Project budget exceeds grant funding	Unlikely (2)	Minor (2)	Low (1-4)	Business Disruption	Manage by monitoring
Complaints from unsuccessful tender applicants	Unlikely (2)	Minor (2)	Low (1-4)	Business Disruption	Manage by communicating
Appointed Builder goes into liquidation	Rare (1)	Minor (2)	Low (1-4)	Business Disruption	Accept risk through WALGA's assessment

Comment/Conclusion:

Shire staff, Denmark Chief Bush Fire Control Officer and Ocean Beach Fire Control Officer have met regularly over the past 12 months to ensure operational requirements are maintained during the construction period. Construction should commence in April 2019, which coincides with the back end of the current fire season. The Ocean Beach Bush Fire Brigade will remain operational during the demolition and construction phase of the project by relocating fire appliances to nearby private residences and/or the Shire Depot.

It is expected that the demolition and removal of the existing fire shed and subsequent construction of the new fire shed will take less than six (6) months to complete. This will ensure the new Ocean Beach fire shed is operational for the 2019/20 fire season.

The Project Manager on behalf of the Shire will be the Technical Officer, Assets and Maintenance with support from the Community Emergency Services Manager.

The Expression of Interest for the removal of the existing fire shed by WB and HL Miller represents great value for the Shire, compared to the other two submissions received. Due diligence will

need to exercised to ensure all appropriate demolition licenses, insurances and permits are obtained prior to commencement.

The construction of the new fire shed is a terrific opportunity for the Ocean Beach Bush Fire Brigade to have a contemporary and fit for purpose facility. The Ocean Beach Brigade is a strategically important Brigade as it offers both an urban and rural bushfire response capacity for the Denmark community. The Officer seeks endorsement to realise the project utilising the DFES funding available.

Voting Requirements:

Simple majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 8.2.4
MOVED: CR SEENEY	SECONDED: CR ALLEN
That with respect to the Ocean Beach Volunteer Bush Fire Brigade Shed, Council;	
1 Accept WB and HL Miller's Expression of Interest to demolish and remove the existing Ocean Beach Fire Shed for a payment of \$500 to the Ocean Beach Volunteer Bushfire Brigade;	
2 Accept the WALGA Evaluation Report and appoint Weststruct Pty Ltd to construct the new fire shed; and	
3 Authorise the Chief Executive Officer to execute the contract documentation, subject to minor modifications.	
CARRIED UNANIMOUSLY: 8/0	Res: 080319

COUNCIL RESOLUTION	
MOVED: CR GIBSON	SECONDED: CR PHILLIPS
That Standing Orders be suspended to allow discussion on Item 8.2.5.	
CARRIED UNANIMOUSLY: 8/0	Res: 090319

COUNCIL RESOLUTION	
MOVED: CR GIBSON	SECONDED: CR SEENEY
That Standing Orders be resumed.	
CARRIED UNANIMOUSLY: 8/0	Res: 100319

8.2.5 COMMUNITY FINANCIAL ASSISTANCE PROGRAM (PO40125) & CULTURAL DEVELOPMENT FUND (P110702)

File Ref:	ADMIN.2
Applicant / Proponent:	Not Applicable
Subject Land / Locality:	Not Applicable
Disclosure of Officer Interest:	Nil
Date:	6 March 2019
Author:	Lee Sounness, Manager Corporate Services
Authorising Officer:	Cary Green, Director Corporate and Community Services
Attachments:	8.2.5a – Community Financial Assistance Program Policy (amended) 8.2.5b – Community Financial Assistant Program Guidelines

Summary:

The purpose of this report is to request that Council adopt a new Community Financial Assistance Program (CFAP) Policy including the amalgamation of Policy P110702 Cultural Development Fund.

Background:

Council requested Officers to review of the current Community Financial Assistance Program (CFAP) with a view to improving the effectiveness of the administration and processing of the fund for both the Council and community. In doing so Officers also reviewed the Cultural Development Fund (CDF) to ensure there was no duplication or double handling of the two policies.

The overall purpose of the Community Financial Assistance Program (CFAP) and the Cultural Development Fund (CDF) was to provide financial assistance for community groups and organisations (or individuals) for projects and initiatives which benefited the community.

The CFAP and the CDF funds are advertised annually and applications are assessed as part of Council's annual budget process, in accordance with the policy guidelines. The current application process involves community not for profit organisations to submit an application form with attached supporting information under 2 categories:

- Minor Grants - \$201 to \$5,000
- Major Grants - over \$5,000

At its meeting held on 19 February 2019 Council deferred consideration of the item to allow for further discussion on the matter. Resolution No. 190219.

Consultation:

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

Consultation was conducted with the staff and a workshop was conducted with the Elected Group.

Statutory Obligations:

There are no statutory obligations with respect to adopting or reviewing the Community Financial Assistance Program Policy and Cultural Development Policy.

Policy Implications:

P110702 – Cultural Development Fund Policy would be repealed upon adoption of the amended P040125 – Community Financial Assistance Program Policy.

Budget / Financial Implications:

The Officer has recommended that Council consider an annual amount of \$35,000 in the Annual Budget, being \$25,000 for the Community Financial Assistance Program and \$10,000 towards the Christmas parade. The amount of \$35,000 would be included in each year of the 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

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

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

Corporate Business Plan

C4.2.1 - Review the administration of the Community Financial Assistance Grants to improve the selection criteria and process and make it user friendly to apply.

Sustainability Implications:**➤ Governance:**

Having an updated Policy that is clear and concise is considered essential to promote transparency and provide guidance to Shire Officers and the Community.

➤ 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 without clear Policy, community expectations may exceed Council's ability to meet them.	Possible (3)	Minor (2)	Moderate (5-9)	Not Meeting Community expectations	Accept Officer Recommendation

Comment/Conclusion:

The purpose of reviewing the current CFAP and CDF policies was to come up with a policy that was easy to administer whilst still capturing the original intent, which was to provide financial assistance to community groups or individuals to facilitate projects that benefit the community.

The review of the two current funding programs identified the following issues:

1. There was no predetermined amount allocated in the Annual Budget for the programs;
2. The current guidelines and policy were outdated and didn't align to the Strategic Community Plan;
3. The CFAP and CDF objectives overlapped, creating confusion for the community;
4. Advertising for the programs were too late, which created pressure during budget preparation;
5. The administration and assessment of the programs was conducted by Shire Officers without Elected Member involvement until the budget workshops; and
6. The assessment criteria were not well defined in the guidelines, which created inconsistencies.

An overview of the applications received and various amounts of money previously granted under the programs is outlined below:

CFAP

Year	2014-15	2015-16	2016-17	2017-18	2018-19
Applications Received	18	14	18	13	17
Applications Successful	11	12	12	5	6
Approved Budget	\$27,580	\$31,817	\$47,106	\$10,000	\$16,370
\$ granted	\$14,161	\$23,015	\$45,837	\$8,886	\$16,370

CDF

Year	2014-15	2015-16	2016-17	2017-18	2018-19
Applications Received	10	5	12	6	7
Applications Successful	7	5	9	4	3
Approved Budget	\$10,000	\$11,000	\$16,315	\$9,458	\$6,000
\$ granted	\$8,000	\$6,500	\$11,135	\$9,848	\$6,000

Officers have drafted an amended policy to address each of the issues that were identified throughout the review. The proposed changes to the policy have been made with the purpose to make it easier to understand, apply for, access and administer.

Conclusion

Based on the outcome of the review, it is recommended that Council adopt the new policy with the following changes:

1. Amalgamate the CFAP and CDF into one consolidated CFAP policy P040125 to reduce duplication and double handling.
2. Update the guidelines to assist with the assessment process and align with the Strategic Community Plan. To provide consistency through the assessment & administration process.
3. Advertise the CFAP early in February and promote through the Shire media communications, to take the pressure of the budget process;
4. Consider a total annual contribution of \$35,000 for the CFAP, including \$10,000 specifically for the annual Christmas parade.

Voting Requirements:

Simple majority.

OFFICER RECOMMENDATION

ITEM 8.2.5

That with respect to the Community Financial Assistance and Cultural Development Grants Programs, Council:

- 1 Repeal P110702 Cultural Development Fund Policy;
- 2 Amend the Community Financial Assistance Program Policy P040125 as per Attachment 8.2.5a) and endorse the Guidelines as per Attachment 8.2.5b); and
- 3 Consider including a total amount of \$35,000 in the 2019/20 Annual Budget (\$25,000 Community Financial Assistant Program and \$10,000 for the annual Christmas Parade);

Amended Officer Recommendation

Following the publication of the Agenda, Council Officers have been made aware of some errors in the draft policy and guidelines. The corrections required are as follows;

1. In Conditions and requirements re-word dot point 3 to read as follows, noting it is the same intent.
“Where changes to the scope of the approved project changes applicants are to contact the Director Corporate and Community Services, prior to commencement, who will determine if the changes are deemed to be “substantial” and if reconsideration of the grant funding is required.”
2. Removed the error in what can be funded “Applications where grant funds are to promote political purposes, unethical or profit making purposes that benefit an individual.” This was a typographical error that was already listed in what is not funded and has been corrected.

The following Amended Officer Recommendation has been provided to include these corrections.

AMENDED OFFICER RECOMMENDATION

ITEM 8.2.5

That with respect to the Community Financial Assistance and Cultural Development Grants Programs, Council:

1. Repeal P110702 Cultural Development Fund Policy;
2. Amend the Community Financial Assistance Program Policy P040125 as per Attachment 8.2.5a) and endorse the Guidelines as per Attachment 8.2.5b); noting the changes:
 - a. Where changes to the scope of the approved project changes applicants are to contact the Director Corporate and Community Services, prior to commencement, who will determine if the changes are deemed to be “substantial” and if reconsideration of the grant funding is required;
 - b. Removed the error in what can be funded “Applications where grant funds are to promote political purposes, unethical or profit making purposes that benefit an individual.”
3. Consider including a total amount of \$35,000 in the 2019/20 Annual Budget. (\$25,000 Community Financial Assistant Program and \$10,000 for the annual Christmas Parade);

DEFERRAL

ITEM 8.2.5

MOVED: CR GIBSON

SECONDED: CR PHILLIPS

That the matter be deferred to the April 2019 Ordinary Council Meeting in order to allow time to correct errors and anomalies and make necessary changes in the policy document and the guidelines.

CARRIED UNANIMOUSLY: 8/0

Res: 110319

8.3 CHIEF EXECUTIVE OFFICER

Nil

9. COMMITTEE REPORTS & RECOMMENDATIONS

9.1 AUDIT ADVISORY COMMITTEE - DRAFT 2018 COMPLIANCE AUDIT RETURN

File Ref:	GOV.8A
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	12 March 2019
Author:	Claire Thompson, Executive Assistant & Governance Coordinator
Authorising Officer:	Bill Parker, Chief Executive Officer
Attachments:	9.1 - Draft 2018 Compliance Audit Return

Summary:

Council are asked to consider the recommendation from the Audit Advisory Committee and adopt the 2018 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 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, 12 March 2019 and resolved as follows;

That the Audit Advisory Committee recommend that Council endorse the 2018 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 2019.

Consultation:

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

Statutory Obligations:

- Section 7.13 (1) (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

Nil

Sustainability Implications:**➤ Governance:**

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

➤ Environmental:

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

➤ Economic:

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

➤ Social:

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

➤ Risk:

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 Council not adopt the 2018 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 2018 Compliance Audit Return is attached for Council's consideration.

Areas of non-compliance have been identified as follows;

Disclosure of Interest		
Number 7	Reference: s5.75(1) of LGA Admin Reg 22 Form 3	Comment: One employee was on leave prior to the date their Annual Return was due. The employee submitted an Annual Return upon their return 25 September 2018. Pursuant to section 28 of the Corruption & Crime Act 2003, the CEO reported the failure to lodge an Annual Return prior to the 31 August 2018. The Department of Local Government have noted the breach and suggested no further action be taken.
Finance		
Number 15	Reference: Audit Reg 17	A review of the effectiveness and appropriateness of the local government's systems and procedures in accordance with regulation 17 has not been completed. A consultant has been appointed to undertake the review which is expected to be concluded by 30 June 2019.
Integrated Planning & Reporting		
Number 5	Reference: s5.56 of LGA	Comment: A draft Asset Management Plan has been prepared and is due for adoption prior to 30 June 2019.
Number 6	Reference: s5.56 of LGA	Comment: A draft Long Term Financial Plan has been prepared and is due for adoption prior to 30 June 2019.
Number 7	Reference: s5.56 of LGA	Comment: A draft Workforce Plan has been prepared and is due for adoption prior to 30 June 2019.

Voting Requirements:

Simple majority.

COMMITTEE RECOMMENDATION

ITEM 9.1

That the Audit Advisory Committee recommend that Council endorse the 2018 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 2019.

OFFICER RECOMMENDATION

ITEM 9.1

That Council support the Audit Advisory Committee's recommendation, adopt the 2018 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 2019.

COUNCIL RESOLUTION

ITEM 9.1

MOVED: CR GIBSON

SECONDED: CR PHILLIPS

That Council;

1. Note the Audit Advisory Committee's recommendation;
2. Adopt the 2018 Compliance Audit Return; and
3. 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 2019.

CARRIED: 7/1

Res: 120319

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

FOR: Cr Osborne, Cr Lewis, Cr Phillips, Cr Gearon, Cr Seeney, Cr Gibson and Cr Allen.

AGAINST: Cr Whooley.

REASONS FOR CHANGE

Council believed that the word "support" in the Officer Recommendation was incorrect because the Audit Advisory Committee had recommended that Council "endorse" the Compliance Audit Return whereas Council were required to adopt it.

10. MATTERS BEHIND CLOSED DOORS

Nil

11. NEW BUSINESS OF AN URGENT NATURE

Nil

12. CLOSURE OF MEETING

5.08pm – 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.)