

## Ordinary Council Meeting MINUTES

16 February 2021



HELD IN THE COUNCIL CHAMBERS, 953 SOUTH COAST HIGHWAY, DENMARK ON TUESDAY, 16 FEBRUARY 2021.



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## Strategic Community Plan (snapshot)

### E1.0

#### Our Economy

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

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

### N2.0

#### Our Natural Environment

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

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

### B3.0

#### Our Built Environment

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

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

### C4.0

#### Our Community

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

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

### L5.0

#### Our Local Government

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

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

## **DISCLAIMER**

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

4.02pm – 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 Bibbulmun and Minang people.

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

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

MEMBERS:

- Cr Ceinwen Gearon (Shire President)
- Cr Mark Allen (Deputy Shire President)
- Cr Geoff Bowley
- Cr Kingsley Gibson
- Cr Jan Lewis
- Cr Ian Osborne
- Cr Janine Phillips
- Cr Roger Seeney
- Vacant

STAFF:

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

APOLOGIES

Nil

ON APPROVED LEAVE(S) OF ABSENCE

Nil

ABSENT

Nil

VISITORS

Nil

**3. DECLARATIONS OF INTEREST**

Name	Item No	Interest	Nature
Cr Phillips	9.1.1	Proximity	Relative
Cr Allen	9.2.3	Financial	Financial Interest in MCC Contractors

**4. ANNOUNCEMENTS BY THE PERSON PRESIDING**

The Shire President expressed her condolences to the family and friends of a local teenager who had lost their life in a car accident on the weekend. Cr Gearon noted that the tragedy had had a significant effect on the community.

The Shire President announced that Steve Jones had resigned as an Elected Member for the Shire of Denmark last month. Cr Gearon acknowledge Mr Jones’ service on Council and wished him well with his future endeavours.

## 5. PUBLIC QUESTION TIME

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

Nil

### 5.2 PUBLIC QUESTIONS

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

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

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

#### Questions from the Public

#### 5.2.1 Mr Nick Ayton – Item 9.1.3 (Scheme Amendment 149)

Mr Ayton spoke on behalf of the applicants thanking Shire Officers for getting the matter on the Agenda for Council's consideration. Mr Ayton said that the applicant had made significant attempts to find a tourist operator to develop the site but had not had any interest. Mr Ayton said that he believed that most of the residents were amenable to the site be rezoned from to residential.

#### 5.2.2 Mr John Xanthis – Ocean to Channel Recreation Precinct

Mr Xanthis referred to the submission that had been provided by the Wilson Inlet Restoration Group, noting that of the two options proposed and now advertised, only one of them could be viable. Mr Xanthis described the benefits of the road redesign option that the Wilson Inlet Restoration Group had provided highlighting the importance of community safety in such a congested area.

Mr Xanthis referred to Shire Officers meeting with stakeholders after the submission period closed and asked why all stakeholders weren't invited to those meetings to allow for constructive conversations.

*The Acting Chief Executive Officer advised that Shire Officers made themselves available to meet with community groups upon request and that the public consultation could lead to amended options being considered.*

#### 5.2.3 Mr Craig Chappelle – Item 9.1.2 (Scheme Amendment 148)

Mr Chappelle asked whether the Shire received the Development Application before or after the rezoning application.

*The Director Assets & Sustainable Development responded that the Shire had received both at around the same time.*

Mr Chappelle referred to the Schedule of Modifications and its reference to section 5 of the scheme relating to the environment. Mr Chappelle noted that there was no detailed information provided about section 5.

*The Manager Sustainable Development advised that the entire scheme document had not been attached due to its size however, Mr Chappelle was welcome to request a copy.*

Mr Chappelle said that he recalled that the dam on the property had been previously constructed without approval and believed that no engineer's report had been done.

**5.2.4 Dr Louise Duxbury – Scheme Amendments 147, 148 and 149**

Dr Duxbury noted that the Shire was currently reviewing its Local Planning Scheme and Strategy and also developing a tourism development strategy. Dr Duxbury acknowledged that the documents were required to inform Denmark's way forward and expressed some concern that the scheme amendments were being considered without the informing strategies.

*The Shire President noted that the items relating to the scheme amendments were for the purposing of advertising only.*

**5.2.5 Mr Steve Birkbeck – Item 9.1.2 (Scheme Amendment 148)**

Mr Birkbeck referred to the dam on his property which Mr Chappelle had alluded to noting that at the time he been advised that he did not require approval and had thought he hadn't done anything wrong.

Mr Birkbeck believed that the Shire were trying to ensure that activities that were taking place on properties in the Shire were happening on appropriately zoned land.

**5.2.6 Mr Simon Neville – Item 9.1.1 (Scheme Amendment 147)**

Mr Neville said that he didn't necessarily support more tourism activities in the William Bay area noting that the recent redevelopment of the beach access areas had been a disaster over summer, with vehicles still having to park on road verges.

Mr Neville referred to the Officer's report and said that he disagreed that there were no social implications as this was would not be the case for people that lived in the vicinity of the proposed development.

Mr Neville said he had a number of concerns and believed that Council should not support the application at this time.

**5.2.7 Mr Jesz Fleming – Item 9.3.7 (BBRF Application – Mount Bike Trails)**

Mr Fleming referred to the stages listed in the Officers Report and asked when the proposal would be brought back to Council.

*The Acting Chief Executive Officer advised that the purpose of the report was to enable the Council Delegates to provide the Council's feedback to the South Coast Alliance in order to progress, or not, the project for the purposes of consultation.*

Mr Fleming asked whether there was any detailed design available.

*The Acting Chief Executive Officer said that the detail had not yet been developed and it would be considered by the Council further if the funding application was successful.*

**5.2.8 Mr Tony Pedro – Fire Mitigation Work, Heritage Trail**

Mr Pedro noted that in accordance with the Shire's Bushfire Management Plan the Heritage Trail had been identified as a strategic fire route. Mr Pedro said that in order to provide better access, the Shire was currently clearing vegetation to widen the trail and he was concerned about the machinery that

was being used to do the work. Mr Pedro said that the vegetation was being devastated and it could be done more carefully.

*The Shire President advised that she would need to clarify what was actually going on with Shire Officers and the Acting Chief Executive Officer would get back to Mr Pedro regarding his concerns.*

*Cr Lewis asked that Mr Pedro's concerns be taken on notice and the response provided in the next Agenda.*

*The Shire President agreed and took Mr Pedro's concerns on notice.*

#### **5.2.9 Mr Neil Blake – Item 9.1.1 (Scheme Amendment 147)**

Mr Blake said that he endorsed the comments made by Dr Duxbury and Mr Neville and referred to Mr Chappelle's concerns regarding the fact that the entire scheme amendment documentation was not made available to the public.

*The Manager Sustainable Development acknowledged that what had been provided was an extract from the documentation however the members of the public were allowed to request a copy of the entire document.*

Mr Blake asked whether there had been any conversation regarding ground water extraction at the site.

*The Manager Sustainable Development advised that there had not as, at this stage, Council were asked to provide their support to initially advertise the proposed scheme amendment.*

*Cr Lewis asked whether Council Officers could clarify the process for rezoning applications for the benefit of the public.*

*The Director Assets & Sustainable Development advised that the first step was for Council to initiate the scheme amendment which is the subject of the Council items in the Agenda.*

*The next steps involved referral to the Environmental Protection Authority and the Western Australian Planning Commission for their endorsement to advertise to the community. This would then be followed by a minimum 60 day advertising period seeking submissions or comments.*

*Following these formal referrals and advertising, Council will need to formally consider, at a future Council meeting, support for the scheme amendments prior to them being sent to the WAPC and Minister for formal approval.*

#### **5.2.10 Mr Simon Neville – Scheme Amendments**

Mr Neville noted the process and said that he felt compelled to highlight potential future issues with the proposed development.

#### **5.2.11 Mr Paul Phillips – Item 9.1.1 (Scheme Amendment 147)**

Mr Phillips, one of the applicants, said that they believed that there would be a need in the future for more caravan and camping areas and he was already seeing more campers visiting Denmark. Mr Phillips said that they weren't looking to rush the development and were mindful that it needed to be a controlled environment.

**5.2.12 Mr Mike Travers – Scheme Amendments**

Mr Travers suggested that the scheme amendments applications should wait until the Shire had adopted a tourism development strategy.

*The Shire President advised that at this stage the Council were only being asked to provide support for the purposes of advertising.*

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

Nil.

**5.4 PRESENTATIONS, DEPUTATIONS & PETITIONS**

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

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

**5.4.1 WA FORESTRY ALLIANCE**

Ms Beckerling from the WA Forest Alliance made a presentation regarding no logging of old growth forests.

*The Shire President thanked Ms Beckerling for her presentation and the information therein.*

**5.48pm – Second Public Question Time**

*The Shire President stated that the second public question time would commence & called for questions from members of the public.*

**1. Mr Mike Travers – Tourism Development Strategy**

Mr Travers asked who had been contracted to develop the Shire’s tourism strategy.

*The Acting Chief Executive Officer advised that the Great Southern Centre for Outdoor Excellence had been commissioned.*

**COUNCIL RESOLUTION**

MOVED: CR BOWLEY

SECONDED: CR SEENEY

That the meeting be adjourned for a short break, the time being 5.53pm.

CARRIED UNANIMOUSLY: 8/0

Res: 010221

*6.03pm – The Shire President resumed the meeting. All Elected Members and Shire Officers who were present prior to the adjournment were in attendance.*

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

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

**6.1 Cr Gearon**

**COUNCIL RESOLUTION**

6.1

MOVED: CR ALLEN

SECONDED: CR LEWIS

That Council grant Cr Gearon leave of absence for the Ordinary Council Meeting in March 2021.

CARRIED UNANIMOUSLY: 8/0

Res: 020221

## 7. CONFIRMATION OF MINUTES

### 7.1 ORDINARY COUNCIL MEETING – 15 DECEMBER 2020

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	ITEM 7.1
MOVED: CR BOWLEY	SECONDED: CR GIBSON
That the minutes of the Ordinary Meeting of Council held on the 15 December 2020 be CONFIRMED as a true and correct record of the proceedings.	
CARRIED UNANIMOUSLY: 8/0	Res: 030221

### 7.2 STRATEGIC BRIEFING NOTES – 15 DECEMBER 2020

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	ITEM 7.2
MOVED: CR GIBSON	SECONDED: CR SEENEY
That the Notes from the Strategic Briefing Forum held on the 15 December 2020 be RECEIVED.	
CARRIED UNANIMOUSLY: 8/0	Res: 040221

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

### 8.1 DONATION TO LORD MAYOR'S DISTRESS RELIEF FUND

The following Notice of Motion was received by the Chief Executive Officer in writing from Cr Gibson on the 5 February 2021 and therefore complies with the Shire of Denmark Standing Orders Local Law clause 3.9.

Officer Comment:

P050303      DONATION OF FUNDS TO EMERGENCY SERVICES AND DISASTER RECOVER

In considering financial assistance to various emergency and disaster relief efforts and to accommodate funding for such unforeseen requests during a budget year the following budget provisions be made;

- Allowance for 1 x annual Local and State Emergency/Disaster - up to \$10,000; and
- Allowance for 1 x annual National Emergency/Disaster – up to \$5,000; and
- International Emergency/Disaster - Nil and the CEO be authorised to advise proponents of requests for international disaster relief that Council's Policy is to refer such requests to State & Federal Governments, whose jurisdiction includes international relations.

In addition to the above considerations, the Australia Day Breakfast will raise funds for the Royal Flying Doctor Service by requesting a voluntary donation from attendees. The donation is in recognition of the critical emergency service that it provides for rural and regional Western Australia, including the Denmark Community.

If the amount raised is less than the budgeted amount under GL1530292, the Shire will contribute the difference.

The Acting Chief Executive Officer supports the Councillors motion.

<b>COUNCIL RESOLUTION &amp; CR GIBSON'S MOTION</b>	<b>ITEM 8.1</b>
MOVED: CR GIBSON	SECONDED: CR PHILLIPS
That Council;	
1. AUTHORISE payment of \$4,000, in accordance with Policy P050303, to the Lord Mayor's Distress Relief Fund (Wooroloo and Hills Bushfire Appeal 2021) from account number 1530262 titled Local and State Emergency Disaster Relief.	
2. DIRECT the CEO to execute payment pursuant part 1 above with a letter of support on behalf of Council.	
CARRIED UNANIMOUSLY: 8/0	Res: 050221

**9. REPORTS OF OFFICERS**

**9.1 DIRECTOR ASSETS AND SUSTAINABLE DEVELOPMENT**

*Cr Phillips declared a proximity interest on the basis that she is a relative.*

*6.10pm - Cr Phillips left the room and did not participate in discussion or vote on the matter.*

**9.1.1 SCHEME AMENDMENT 147 – PROPOSED TOURIST ZONE AND LOCAL DEVELOPMENT PLAN: LOT 3 (No. 2446) SOUTH COAST HIGHWAY, WILLIAM BAY**

<b>File Ref:</b>	TPS3/SA147
<b>Applicant / Proponent:</b>	Williams Consulting on behalf of JPL Superfund
<b>Subject Land / Locality:</b>	Lot 3 (No. 2446) South Coast Highway, William Bay
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	28 January 2021
<b>Author(s):</b>	Steve Thompson, Consultant Planner David King, Director Assets and Sustainable Development
<b>Authorising Officer:</b>	David King, Director Assets and Sustainable Development
<b>Attachments:</b>	9.1.1a – Location Plan 9.1.2b – Extract of Scheme Amendment 147 Report including Local Development Plan 9.1.3c – Suggested modifications to amendment documentation

**Summary:**

The Shire has received a request to initiate an Amendment to Town Planning Scheme No.3 (TPS No. 3) for rezoning Lot 3 (No. 2446) South Coast Highway from 'Rural' to 'Tourist'.

Council is presented with the proposal for consideration.

**Background:**

The site is located approximately 13km west of the Denmark townsite as shown in Attachment 9.1.1a. The site is located on a major tourist route and is within close proximity to major tourist attractions and activities.

The site is zoned 'Rural' in the *Shire of Denmark Town Planning Scheme No. 3*. (TPS No. 3).

The *Shire of Denmark Local Planning Strategy (2011)* designates the site as 'General Agriculture'.

To the north of the site is the Rural Multiple Occupancy (R1) zone. To the south of the site, on the southern side of South Coast Highway is land zoned Special Rural (SR7). Land to the west and east is zoned Rural.

The site has an area of 11.98 hectares and is predominantly cleared. The landowner has approval for the establishment of a shed (which is intended to become a café if this proposal progresses), orchard and aquaculture operation.

## **Proposal**

The Shire has received a request to initiate an Amendment to TPS No. 3 to rezone Lot 3 (No. 2446), South Coast Highway, William Bay from 'Rural' to 'Tourist'. Amendment 147 seeks to facilitate a range of tourism, agritourism and related uses. A site and soil assessment, bushfire management plan and traffic assessment have been prepared to support Amendment 147 and a corresponding Local Development Plan.

The Scheme Amendment will allow for continued primary production to occur on the site, as well as the future development of a caravan park, a cafe and complementary agritourism (orchard and aquaculture tourism). Amendment 147 also proposes to provide the opportunity for a microbrewery and a shop (maximum gross leasable area of 150m<sup>2</sup>).

Attachment 9.1.1b provides an extract of the Scheme Amendment 147 documentation. Due to the size of the entire document, a copy is available for Councillors via Dropbox or USB, with a printed version available for Councillors upon request.

In addition to Amendment 147, the proponent has separately prepared a Local Development Plan to guide the proposed development. In accordance with the *Planning and Development (Local Planning Schemes) Regulations 2015*, the Local Development Plan will be separately advertised for community and stakeholder consultation prior to consideration by Council.

Key components of the Local Development Plan include:

- Around 50 percent of the site (approximately 6 hectares) is designated for the development of a caravan park, café and gardens;
- A caravan park is proposed in the western section of the site. The caravan park has an area of approximately 2 hectares and provides for around 50 caravan sites, along with ablution blocks and internal access roads;
- Café and garden;
- Agritourism (aquaculture);
- An indicative location for a new access to the site from South Coast Highway; and
- Landscape screening around the perimeter of the caravan park to assist with visual and acoustic screening of the caravan park from surrounding lots and when viewed from the South Coast Highway.

The proponent has briefed the Council regarding the proposed amendment at a Concept Forum. It was noted that the site has a strategic location adjacent to a major tourist route and in close proximity to significant tourist destinations.

## **Consultation:**

In accordance with *the Planning and Development (Local Planning Schemes) Regulations 2015*, a 'complex amendment' (refer to explanation under 'Statutory Obligations') is required to be subject to public advertising for a minimum period of 60 days once the Environmental Protection Authority (EPA) has considered the Scheme Amendment and the Western Australian Planning Commission (WAPC) has granted consent to advertise.

## **Statutory Obligations:**

*Planning and Development Act 2005* Section 75.

*Planning and Development Regulations 2015* Sections 35 and 37.

Section 37 in particular relates to the process required for a complex amendment. Below is a simplified summary of a typical process for a complex amendment.

- Council consideration of the Amendment and resolution to advertise (current step);
- Environmental clearance from the Environmental Protection Authority (EPA) is sought;
- Consent to advertise from the Western Australian Planning Commission (WAPC) is sought;
- Provided the above occurs, the Scheme Amendment will be widely publicly advertised and submissions invited from adjoining/nearby landowners, the local community,

relevant government agencies and other stakeholders. The comment period is at least 60 days;

- Assessment and consideration of submissions;
- Inclusion of modification where necessary and further advertising if determined by Council;
- Formal Council support;
- The WAPC then makes its assessment on the Scheme Amendment and provides a recommendation to the Minister for Planning.
- The Minister makes the final decision on whether or not to grant final approval to the Scheme Amendment. If the Minister grants final approval, the Scheme Amendment will, in time, be gazetted.

#### **Policy Implications:**

The following policies have been given due consideration in relation to this proposal:

- *State Planning Policy No. 2: Environment and Natural Resources Policy*
- *State Planning Policy No. 2.5: Rural Planning*
- *State Planning Policy No. 2.9: Water Resources*
- *State Planning Policy No. 3.7: Planning in Bushfire Prone Areas*
- *State Planning Policy No. 5.4: Road and Rail Noise*
- *Government Sewerage Policy*

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

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

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

The site is designated 'General Agriculture' in the Local Planning Strategy (2011). As such, the proposal is inconsistent with the Local Planning Strategy.

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

#### Denmark 2027

##### E1.0 Our Economy

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

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

#### **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:**

Tourism development is an important contributor to Denmark's economy. There is a need to appropriately address visual impacts when viewed from the South Coast Highway.

##### ➤ **Social:**

If not effectively managed, the proposal could create impacts on neighbouring properties and there could be social impacts.

➤ **Risk:**

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
<b>Reputational:</b> The community do not support the amendment	Possible (3)	Minor (2)	Moderate (5-9)	Not Meeting Community expectations	Consider submissions at the close of advertising

**Comment/Conclusion:**

Overview

Tourism, agritourism and related uses are considered appropriate uses on this site. There is however a need to suitably address landscape, environmental, servicing and other planning considerations.

The Shire administration recommends support for the Scheme Amendment subject to modifications and the proponent suitably addressing relevant matters outlined in this report. It is suggested the key matters to address are:

- Visual impact – further considered below;
- Addressing impacts of road traffic noise on the development, along with noise impacts from the development on adjoining/nearby properties;
- Land use compatibility; and
- Traffic safety.

Attachment 9.1.1c outlines the suggested modifications recommended by the Shire administration for the proponent to address.

While noting the above and Attachment 9.1.1c, it is highlighted that other issues may be raised by agencies, stakeholders and the community through the process that need to be suitably addressed by the proponent to the satisfaction of Council, the EPA, the WAPC, other State Government agencies and the Minister for Planning.

Considerations supporting a zoning change

As outlined earlier, Amendment 147 is inconsistent with the Local Planning Strategy (2011). While noting this, Officers support the proposal given:

- Various aspects of the proposal are consistent with the State and regional planning framework;
- Although the site is not identified as a ‘Tourist’ site in the Local Planning Strategy, the use of the site for tourism and related purposes is supported. It is noted that a range of tourism proposals can be currently considered via a Development Application in the Rural zone;
- The Local Planning Strategy provides limited guidance on the location and scale of rural tourism. The Local Planning Strategy does not and could not be expected to provide detailed advice for individual sites throughout the district. While Council needs to carefully consider its Local Planning Strategy in determining all planning matters, it is suggested that in this instance, the ‘General Agriculture’ classification has been broadly applied at a larger scale without detailed consideration of opportunities for each individual site;
- While there are various issues to progressively address, it is suggested that in-time, the proposal, if approved and suitably implemented, has the potential to expand tourism in the district;

- This proposal provides an opportunity to responsibly integrate agriculture and tourist uses on the site. Subject to gaining relevant approvals, the proposal will further assist with promoting Denmark as a desirable tourist destination; and
- There is strategic significance for land fronting South Coast Highway between Denmark and William Bay for tourism and related uses.

While Council needs to consider the Local Planning Strategy classification for the site, it is recommended that Council also considers the approved level of development, the existing and proposed zoning, site opportunities and constraints and determines what is the most appropriate future for the site and the locality (especially fronting the South Coast Highway).

#### Visual impact

Visual impact may be the key community/stakeholder issue and accordingly will need careful consideration by the proponent and by the Council. This is especially for the proposed caravan park when viewed from the South Coast Highway given it is a key tourist route. Section 4.4 of the Amendment documentation sets out a Visual Impact Assessment. It is recommended that this is updated to better reflect the range of visual impacts when viewed from the South Coast Highway, superimposing proposed development montages (a caravan park and other development) and outlining mitigation measures. It is recommended that the Scheme Amendment documentation provides updated information including the anticipated views and impact of the caravan park and other development.

It is suggested that the Scheme Amendment report should provide information regarding recommended strategic planting and possible bunding with these areas identified on the Local Development Plan. At the development stage, it is recommended that a detailed landscape plan be prepared and implemented for the site. Accordingly, it is suggested that a landscaping theme/s be considered for the entire site along with consideration of effective long term management.

#### Traffic safety

Vehicular access between the site and the South Coast Highway needs to meet Shire and Main Roads Western Australia requirements in terms of sight distances and access design. This includes addressing the suitability of slow accelerating vehicles towing caravans leaving the site with faster moving highway traffic.

#### Addressing impacts of road traffic noise

Any bunding, barriers or noise mitigation measures (particularly for the caravan park) will need careful consideration and design. This is to ensure they do not create an undesirable visual impact or create unacceptable on-going management implications. The Shire administration recommends that noise mitigation measures and landscape buffers should be addressed.

#### Land use compatibility

This needs to be reviewed and addressed as outlined in Attachment 9.1.1c.

#### Scheme provisions

There is a need to review and update the proposed scheme amendment provisions as outlined in Attachment 9.1.1c.

#### Conclusion

Overall, Amendment 147 is supported by the Shire administration subject to the proponent suitably addressing relevant matters outlined in this report (see Attachment 9.1.1c). Should these issues be suitably addressed, Officers recommend that the amendment can progress to a request to advertise.

#### **Voting Requirements:**

Simple majority.

**COUNCIL RESOLUTION & OFFICER RECOMMENDATION**

ITEM 9.1.1

MOVED: CR GIBSON

SECONDED: CR ALLEN

THAT Council, pursuant to section 75 of the Planning and Development Act 2005 and Part 5, r.35(2) and r.37(1) of the Planning and Development (Local Planning Schemes) Regulations 2015, resolves to:

1. Proceed to ADVERTISE (subject to modifications) Complex Amendment No. 147 to amend Shire of Denmark Local Planning Scheme No. 3 by:
  - a) Rezoning No. 2446 (Lot 3) South Coast Highway, William Bay, from 'Rural' to 'Tourist (T14)' zone;
  - b) Inserting Tourist (T14) and associated provisions into Appendix XIII – Schedule of Tourist Zones of the Scheme Text; and
  - c) Amending the Scheme Map accordingly.

Subject to the proponent appropriately addressing matters outlined in Attachment 9.1.1c to the satisfaction of the Shire's Chief Executive Officer.

2. CLASSIFY Scheme Amendment No. 147 as a 'Complex Amendment' in accordance with Regulation 35 (2) of the *Planning and Development (Local Planning Schemes) Regulations 2015* for the following reasons:
  - The amendment is not consistent with the *Shire of Denmark Local Planning Strategy* which designates the site as 'General Agriculture'.
3. REFER Town Planning Scheme No. 3 Scheme Amendment No. 147 to the Environmental Protection Authority in accordance with Section 81 of the Planning and Development Act 2005.
4. REFER the amendment to the Western Australian Planning Commission in accordance with Part 5, r. 37 (2) & (3) of the Planning and Development (Local Planning Schemes) Regulations 2015, to determine if any modifications to the amendment is required prior to advertising.
5. In accordance with Part 5, r.38 of the Planning and Development (Local Planning Schemes) Regulations 2015, if the Western Australian Planning Commission ADVISE that it is satisfied that the Complex amendment is suitable to be advertised, the Shire is to advertise the amendment for a period not less than 60 days.

CARRIED UNANIMOUSLY: 7/0

Res: 060221

6.21pm - Cr Phillips returned to the room.

### 9.1.2 SCHEME AMENDMENT 148 – PROPOSED TOURIST ZONE AND LOCAL DEVELOPMENT PLAN: LOT 305 (No. 40) WENTWORTH ROAD, OCEAN BEACH

<b>File Ref:</b>	TPS3/SA148
<b>Applicant / Proponent:</b>	Williams Consulting on behalf of K. Birkbeck
<b>Subject Land / Locality:</b>	Lot 305 (No. 40) Wentworth Road, Ocean Beach
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	28 January 2021
<b>Author:</b>	Steve Thompson, Consultant Planner David King, Director Assets and Sustainable Development
<b>Authorising Officer:</b>	David King, Director Assets and Sustainable Development
<b>Attachments:</b>	9.1.2a – Location Plan 9.1.2b – Extract of Scheme Amendment 148 Report including Local Development Plan 9.1.2c – Suggested modifications to amendment documentation

#### Summary:

The Shire has received a request to initiate an Amendment to Town Planning Scheme No.3 (TPS No. 3) for rezoning Lot 3 (No. 2446) South Coast Highway from Lot 305 (No. 40) Wentworth Road, Ocean Beach 'Rural' to 'Tourist'.

Council is presented with the proposal for consideration.

#### Background:

The site is located approximately 10km west of the Denmark townsite as shown in Attachment 9.1.2a. The site adjoins a major tourist route and is within close proximity to major tourist attractions and activities.

Surrounding land is predominantly rural with the Denmark-Nornalup Heritage Trail to the south.

The site is zoned 'Rural' and a large part of the site is within Place of Heritage Value H44 – Roadside Verges in the *Shire of Denmark Town Planning Scheme No. 3*. (TPS No. 3).

The site is 26.827 hectares in area. Most of the site has been previously cleared for rural purposes. There are some stands of mature karri trees. The eastern section contains a series of dams which are interconnected via numerous embankments. A large building, currently the subject of a Tavern application, is located adjacent to the dams.

#### Proposal

The Shire has received a request to adopt (initiate) an Amendment to TPS No. 3 to rezone Lot 305 (No. 40), Wentworth Road, Ocean Beach from 'Rural' to 'Tourist'. Amendment 148 seeks to facilitate a range of tourism and related uses. The landowner proposes to develop a boutique premium food and beverage tourism centre.

The main proposal is to expand the tourist centre and provide a complementary tavern that will include a restaurant (café), bar, cellar sales (in association with an approved distillery), the sale of take away packaged alcohol and the hosting of events. This will be complemented by tourist accommodation and a spa retreat. A number of forms of tourist accommodation are proposed to cater for different tourist needs, including lodge(s)/boarding house, chalets and camping sites (ie. caravan and glamping).

A site and soil assessment, Bushfire Management Plan and Traffic Assessment have been prepared to support Amendment 148 and a corresponding Local Development Plan.

Attachment 9.1.2c provides an extract of the Scheme Amendment 148 documentation. Due to the size of the document, a copy of the entire Scheme Amendment is available for Councillors via Dropbox or USB, with a printed version available for Councillors upon request.

In addition to Amendment 148, the proponent has separately prepared a Local Development Plan to guide the proposed development. In accordance with the *Planning and Development (Local Planning Schemes) Regulations 2015*, the Local Development Plan will be separately advertised for community and stakeholder consultation prior to consideration by Council.

Key components of the Local Development Plan include the following:

- A tourist centre and tavern;
- A lodge/boarding house (maximum 20 beds) and a spa retreat;
- Chalets are located north of the tourist centre;
- Caravan and nature based camping sites (i.e. – glamping) are located west of the built-form development; and
- Existing stands of mature karri trees located on the western and central portions of the site are to be retained and protected via the identification of a ‘tree retention area’.

The *Shire of Denmark Local Planning Strategy 2011* designates the site as ‘General Agriculture’.

The proponent has briefed the Council regarding the proposed Amendment at a concept forum. It was noted that the site has a strategic location adjacent to a major tourist route and in close proximity to significant tourist destinations.

**Consultation:**

In accordance with *the Planning and Development (Local Planning Schemes) Regulations 2015*, a ‘complex amendment’ (refer to explanation under ‘Statutory Obligations’) is required to be subject to public advertising for a minimum period of 60 days once the Environmental Protection Authority (EPA) has considered the Scheme Amendment and the Western Australian Planning Commission (WAPC) has granted consent to advertise.

**Statutory Obligations:**

*Planning and Development Act 2005* Section 75.

*Planning and Development Regulations 2015* Section 35 and 37

Section 37 in particular relates to the process required for a complex amendment. The below is a simplified summary of a typical process for a complex amendment.

- Council consideration of the Amendment and resolution to advertise (current step);
- Environmental clearance from the EPA is sought;
- Consent to advertise from the WAPC is sought;
- Provided the above occurs, the scheme amendment will be widely publicly advertised and submissions invited from adjoining/nearby landowners, the local community, relevant government agencies and other stakeholders. The comment period is at least 60 days;
- Assessment and consideration of submissions;
- Inclusion of modification where necessary and further advertising if determined by Council;
- Formal Council support;
- The WAPC then makes its assessment on the scheme amendment and provides a recommendation to the Minister for Planning.

- The Minister makes the final decision on whether or not to grant final approval to the scheme amendment. If the Minister grants final approval, the scheme amendment will, in time, be gazetted.

#### **Policy Implications:**

The following policies have been given due consideration in relation to this proposal:

- *State Planning Policy No. 2: Environment and Natural Resources Policy*
- *State Planning Policy No. 2.5: Rural Planning*
- *State Planning Policy No. 2.9: Water Resources*
- *State Planning Policy No. 3.7: Planning in Bushfire Prone Areas*
- *State Planning Policy No. 5.4: Road and Rail Noise*
- *Government Sewerage Policy*

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

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

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

The site is designated 'General Agriculture' in the Local Planning Strategy (2011). Accordingly, the proposal is inconsistent with the Local Planning Strategy.

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

#### Denmark Strategic Community Plan 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.*

#### **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:**

Tourism development is an important contributor to Denmark's economy.

##### ➤ **Social:**

If not effectively managed, the proposal could create impacts on neighbouring properties and there could be social impacts.

➤ **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)
Reputational: The community do not support the amendment	Possible (3)	Minor (2)	Moderate (5-9)	Not Meeting Community expectations	Consider submissions at the close of advertising

**Comment/Conclusion:**

Overview

Tourism and related uses are considered appropriate uses on this site. There is however a need to suitably address developer contributions, environmental, servicing and other planning considerations.

The Shire administration recommends the Scheme Amendment subject to modifications and the proponent suitably addressing relevant matters outlined in this report. It is suggested the key matters to address are:

- Upgrading Wentworth Road;
- Addressing impacts of road traffic noise on the development along with noise impacts from the development on adjoining/nearby properties;
- Land use compatibility; and
- Traffic safety.

Attachment 9.1.2c outlines the recommended modifications recommended by the Shire administration for the proponent to address.

While noting the above and Attachment 9.1.2c, it is highlighted that other issues may be raised by agencies, stakeholders and the community through the process that need to be suitably addressed by the proponent to the satisfaction of Council, the EPA, the WAPC, other State Government agencies and the Minister for Planning.

Considerations supporting a zoning change

As outlined earlier, Amendment 148 is inconsistent with the Local Planning Strategy (2011). While noting this, Officers support the proposal given:

- Various aspects of the proposal are consistent with the State and regional planning framework;
- Although the site is not identified as a ‘Tourist’ site in the Local Planning Strategy, the use of the site for tourism and related purposes is supported. It is noted that a range of tourism proposals can be currently considered via a Development Application in the Rural zone;
- The Local Planning Strategy provides limited guidance on the location and scale of rural tourism. The Local Planning Strategy does not and could not be expected to provide detailed advice for individual sites throughout the district. While Council needs to carefully consider its Local Planning Strategy in determining all planning matters, it is suggested that in this instance, the ‘General Agriculture’ classification has been broadly applied at a larger scale without detailed consideration of opportunities for each individual site;

- It will provide an opportunity for Denmark to attract more domestic and international visitors and increase the overall appeal of the district as a tourist destination;
- It will provide an economic benefit to other local tourist businesses and operators, and opportunities to bring new investment and employment into the district;
- While there are various issues to progressively address, it is suggested that in-time, the proposal, if approved and suitably implemented, has the potential to expand tourism in the district;
- The proposal provides an opportunity to responsibly integrate agriculture and tourist uses on the site. Subject to gaining relevant approvals, the proposal will further assist with promoting Denmark as a desirable tourist destination and its reputation for producing high quality food and wines; and
- There is strategic significance for land fronting the South Coast Highway between Denmark and William Bay.

While Council needs to consider the Local Planning Strategy classification for the site, it is recommended that Council also considers the approved level of development, the existing and proposed zoning, site opportunities and constraints and to determine what is the most appropriate future for the site and the locality (especially fronting the South Coast Highway).

#### Upgrading Wentworth Road

Wentworth Road is currently unsealed. A key issue with Amendment 148 is the standard of Wentworth Road and the extent of the developer contributions and timing to upgrade Wentworth Road to accommodate additional traffic.

The options associated with additional development on the site and associated traffic impacts include:

- No upgrading of Wentworth Road and no developer contribution – not recommended, given future development will considerably increase traffic generation and impacts, with associated costs in-turn passed onto ratepayers and the Shire. There is also likely to be limited other development accessing Wentworth Road;
- Interim upgrading of Wentworth Road to accommodate 70 persons in the tavern. This may require re-sheeting of Wentworth Road but likely to be limited to enhancing safety near the current crossover;
- Major upgrading of Wentworth Road through sealing – between the South Coast Highway and the entrance to the development site on Wentworth Road. It is suggested this will be required for additional development and traffic impacts beyond the current tavern application with the cost to be met by the owner of Lot 305 Wentworth Road. Should Amendment 148 progress, the Shire may only get one opportunity at the development application stage to address developer contributions and the required standard of Wentworth Road.

Attachment 9.1.2c outlines proposed modifications recommended by the Shire administration to the amending provisions submitted by proponent. One of the modifications is adding a provision relating to sealing Wentworth Road.

#### Traffic safety

Vehicular access between the site and Wentworth Road needs to meet Shire requirements. Vehicular access from the Wentworth Road intersection onto South Coast Highway needs to meet Shire and Main Roads Western Australia requirements in terms of sight distances and access design.

Addressing impacts of road traffic noise

Any noise mitigation measures (particularly for the camping area) will need careful consideration and design. This is to ensure they do not create an undesirable visual impact. The Shire administration recommends that noise mitigation measures and landscape buffers should be addressed 'upfront'.

Land use compatibility

This needs to be reviewed and addressed as outlined in Attachment 9.1.2c.

Scheme provisions

There is a need to review and update the proposed scheme amendment provisions as outlined in Attachment 9.1.2c.

Conclusion

Overall, Amendment 148 is supported by the Shire administration subject to the proponent suitably addressing relevant matters outlined in this report (see Attachment 9.1.2c). Should these issues be suitably addressed, it is recommended that the amendment can progress to a request to advertise.

**Voting Requirements:**

Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 9.1.2</b>
MOVED: CR SEENEY	SECONDED: CR OSBORNE
<p>THAT Council, pursuant to section 75 of the Planning and Development Act 2005 and Part 5, r.35(2) and r.37(1) of the Planning and Development (Local Planning Schemes) Regulations 2015, resolves to:</p>	
<p>1. Proceed to ADVERTISE (subject to modifications) Complex Amendment No. 148 to amend Shire of Denmark Local Planning Scheme No. 3 by:</p> <ul style="list-style-type: none"> <li>• Rezoning No. 2201 (Lot 305) Wentworth Road, Ocean Beach, from 'Rural' to 'Tourist (T15)' zone.</li> <li>• Inserting Tourist (T15) and associated provisions into Appendix XIII – Schedule of Tourist Zones of the Scheme Text; and</li> <li>• Amending the Scheme Map accordingly.</li> </ul> <p>Subject to the proponent appropriately addressing matters outlined in Attachment 9.1.2c to the satisfaction of the Shire's Chief Executive Officer</p>	
<p>2. CLASSIFY Scheme Amendment No. 148 as a 'Complex Amendment' in accordance with Regulation 35 (2) of the <i>Planning and Development (Local Planning Schemes) Regulations 2015</i> for the following reasons:</p> <ul style="list-style-type: none"> <li>• The amendment is not consistent with the <i>Shire of Denmark Local Planning Strategy</i> which designates the site as 'General Agriculture'.</li> </ul>	
<p>3. REFER Town Planning Scheme No. 3 Scheme Amendment No. 148 to the Environmental Protection Authority in accordance with Section 81 of the Planning and Development Act 2005.</p>	
<p>4. REFER the amendment to the Western Australian Planning Commission in accordance with Part 5, r. 37 (2) &amp; (3) of the Planning and Development (Local Planning Schemes)</p>	

Regulations 2015, to determine if any modifications to the amendment is required prior to advertising.

5. In accordance with Part 5, r.38 of the Planning and Development (Local Planning Schemes) Regulations 2015, if the Western Australian Planning Commission ADVISE that it is satisfied that the Complex amendment is suitable to be advertised, the Shire is to advertise the amendment for a period not less than 60 days.

CARRIED UNANIMOUSLY: 8/0 Res: 070221

**9.1.3 SCHEME AMENDMENT 149 – SEEKING REZONING FROM TOURIST ZONE TO SPECIAL RESIDENTIAL ZONE AND UPDATING LOCAL STRUCTURE PLAN: VARIOUS LOTS IN SPRINGDALE BEACH ESTATE**

<b>File Ref:</b>	TPS3/SA149
<b>Applicant / Proponent:</b>	Ayton Baesjou Planning on behalf of LWP Denmark
<b>Subject Land / Locality:</b>	Various lots in Springdale Beach Estate
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	28 January 2021
<b>Author:</b>	Steve Thompson, Consultant Planner
<b>Authorising Officer:</b>	David King, Director Assets and Sustainable Development
<b>Attachments:</b>	9.1.3a – Location Plan 9.1.3b – Current provisions from Appendix XIII – Tourism Zone applicable to the T9 zone including current Subdivision Guide Plan 9.1.3c – Extract of Scheme Amendment 149 documentation including Local Structure Plan, Indicative Concept Plan, Opportunities and Constraints Plan, existing zoning map and proposed zoning map

**Summary:**

The Shire has received a request to initiate an Amendment to Town Planning Scheme No.3 (TPS No. 3) to Tourist zone No. 9 (Springdale Beach Estate). The amendment request seeks to rezone Lot 9008 Beaufortia Gardens from the ‘Tourist’ zone to the ‘Special Residential’ zone along with rationalising the zoning over a number of properties.

**Background:**

The site is located approximately 5.5km east of the Denmark townsite as shown in Attachment 9.1.3a. The site is located in the south-west section of the Springdale Beach Estate. The majority of the site is zoned ‘Tourist’ and is identified as ‘T9’ in TPS3 No. 3. The existing TPS No. 3 provisions relating to T9 are set out in Attachment 9.1.3b. A portion of the site is a Parks and Recreation Reserve. The tourist site has an overall area of approximately 9.4 hectares.

Attachment 9.1.3c provides an extract of the Scheme Amendment 149 documentation. Due to the size of the document, a copy of the Scheme Amendment documentation is available for Councillors via Dropbox or USB, with a printed version available for Councillors upon request.

**Proposal**

Amendment 149 proposes to rezone the site from ‘Tourist’ to ‘Special Residential’ to facilitate a subdivision to create approximately 17 special residential lots (minimum of 3000m<sup>2</sup>) along with adding to the foreshore reserve (approximately 1.117 hectares). A land capability assessment, flora and fauna assessment, coastal vulnerability assessment and bushfire management plan have been prepared to support Amendment 149 and a corresponding Local Structure Plan.

In particular, the scheme amendment proposes to rezone a portion of Lot 9008 Beaufortia Gardens from the Tourist zone to the Special Residential zone. Additionally, Amendment

149 proposes to rationalise the zoning of a number of adjoining Special Residential lots that are under the Tourist zone, transfer the Tourist zone that exists over a portion of Reserve 52123 to the Parks and Recreation Reserve and a portion of the Parks and Recreation Reserve on Portion Lot 9008 to the Special Residential zone.

The amendment proposes:

1. Rezoning portion Lot 9008 Beaufortia Gardens, Hay, from the Tourist (T9) Zone to Special Residential (SRes6) Zone;
2. Moving portion Lot 9008 Beaufortia Gardens, Hay, from the Parks and Recreation Reserve to the Special Residential (SRes6) Zone;
3. Moving portion Reserve 52123, from the Tourist (T9) Zone to the Parks and Recreation Reserve;
4. Rezoning portion Lots 181, 181, 182 & 184 Beaufortia Gardens, Hay from the Tourist (T9) Zone to the Special Residential (SRes6) Zone;
5. Rezoning Lots 193, 194, 195 & 196 Pimelea View, Hay from the Tourist (T9) Zone to the Special Residential (SRes6) Zone;
6. Deleting Tourist Zone (T9) from Appendix XIII; and
7. Amending the Scheme maps accordingly.

In addition to Amendment 149, the proponent has separately prepared a Local Structure Plan (previously called a Subdivision Guide Plan) to facilitate the proposed subdivision. In accordance with the *Planning and Development (Local Planning Schemes) Regulations 2015*, the Local Structure Plan will be advertised for community and stakeholder consultation prior to consideration by Council and final determination by the Western Australian Planning Commission (WAPC).

**Consultation:**

In accordance with *the Planning and Development (Local Planning Schemes) Regulations 2015*, a 'complex amendment' (refer to explanation under 'Statutory Obligations') is required to be subject to public advertising for a minimum period of 60 days once the Environmental Protection Authority (EPA) has given its 'environmental clearance' and the WAPC has granted consent to advertise the Scheme Amendment.

**Statutory Obligations:**

*Planning and Development Act 2005* Section 75.

Planning and Development Regulations 2015 Section 35 and 37

Section 37 in particular relates to the process required for a complex amendment. The below is a simplified summary of a typical process for a complex amendment.

- Council consideration of the amendment and resolution to advertise (current step);
- Environmental clearance from the EPA is sought;
- Consent to advertise from the WAPC is sought;
- Provided the above occurs, the scheme amendment will be widely publicly advertised and submissions invited from adjoining/nearby landowners, the local community, relevant government agencies and other stakeholders. The comment period is at least 60 days;
- Assessment and consideration of submissions;
- Inclusion of modification where necessary and further advertising if determined by Council;
- Formal Council support;
- The WAPC then makes its assessment on the scheme amendment and provides a recommendation to the Minister for Planning.

- The Minister makes the final decision on whether or not to grant final approval to the scheme amendment. If the Minister grants final approval, the scheme amendment will, in time, be gazetted.

### **Policy Implications:**

The following policies have been given due consideration in relation to this proposal:

- *State Planning Policy No. 2: Environment and Natural Resources Policy*
- *State Planning Policy No. 2.6: State Coastal Planning Policy*
- *State Planning Policy No. 2.9: Water Resources*
- *State Planning Policy No. 3: Urban Growth and Settlement*
- *State Planning Policy 3.7: Planning in Bushfire Prone Areas*
- *Government Sewerage Policy*
- *Planning Bulletin 83/2013: Planning for Tourism*
- *WAPC Development Control Policy 2.5: Special Residential Zones*
- *Denmark Tourism Strategy – Stage 1*

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

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

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

The site is designated 'Tourist' in the Local Planning Strategy (2011). The proposal is accordingly inconsistent with the Local Planning Strategy. With regards to the Local Planning Strategy objectives and strategies, it is noted:

- Without any demand for the site as a tourism venture, despite its long-term availability, the objectives for local economic benefit, local investment, local employment and the like are not being met (s4.4 Tourism Strategy e & f);
- Without any demand for the site as a tourism venture, despite its long-term availability, the objectives of having appropriately zoned land available for new development are not being met (s4.4 Tourism Strategy g); and
- The site is not located near a specific identified strategic tourism site (s4.4 Tourism Strategy h).

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

#### Denmark Strategic Community Plan 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*

##### B3.0 Our Built Environment

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

### **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:**

Residential development is an important contributor to Denmark’s economy.

➤ **Social:**

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

➤ **Risk:**

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
<b>Reputational:</b> The community do not support the amendment	Possible (3)	Minor (2)	Moderate (5-9)	Not Meeting Community expectations	Consider submissions at the close of advertising

**Comment/Conclusion:**

It is highlighted that Amendment 149 is inconsistent with the Local Planning Strategy (2011). While noting this, the requested Amendment has merit for various reasons. Accordingly, it is recommended that Council adopt (initiate) Amendment 149 to facilitate EPA and WAPC assessment and community/stakeholder consultation. The reasons in support of the Amendment, to enable community/stakeholder consultation include:

- The proposal is generally consistent with the State and regional planning framework;
- The proposed minimum lot size of 3000m<sup>2</sup> is consistent with the Special Residential zoning in TPS No. 3 for the Springdale Beach Estate (SRes6);
- Several strategies relating to settlement planning promote compact settlements and minimising urban sprawl along with setting out the approach to reviewing the suitability of tourism zones. This includes where relevant planning, environmental, bushfire, servicing and landscape considerations are suitably addressed;
- The supporting technical investigations outline the site is suitable and capable of accommodating special residential lots consistent with nearby development;
- The site is not considered to have an element of scarcity to achieve a significant tourism development. There are other more attractive areas and sites elsewhere along the Denmark coastline and in the district;
- The site does not meet a particular accommodation or market need that cannot be better provided for elsewhere in the district;
- It is noted that recent scheme amendment requests for Lot 305 Wentworth Road and Lot 3 South Coast Highway will expand the range of short stay accommodation and related tourism facilities in the district;
- The site is compromised by being located adjacent to and having its main access through a residential area;
- Special Residential development is a more compatible land use with adjoining properties than a tourist development;
- The areas which are being transferred from the Tourist zone and the Parks & Recreation Reserve are the same; there is no loss of land from the Parks and Recreation reservation. Based on the Local Structure Plan, Indicative Concept Plan and Opportunities and Constraints Plan, the foreshore reserve will be provided at the

subdivision stage. Based on WAPC policy, the land will be ceded free-of-cost. This will add around 1.117 hectares to the foreshore to be managed by the Shire;

- The Amendment addresses the WAPC's *Planning Bulletin 83/2013 Planning for Tourism* which identifies general location criteria to assist in determining the tourism value of a site. This includes accessibility, uniqueness, setting, tourism activities and amenities, supply of land, suitability in a land use context, capability, size and function; and
- There has been no interest from potential developers, over many years, to acquire the site for tourism development. The key reasons for the lack of interest include:
  - The site is not located on a strategic tourist route, it is not conveniently located and it lacks visibility. Instead, the site is located at the end of a long cul-de-sac which runs through a residential estate;
  - Since the site was created, the Boston Brewery has been developed on the opposite side of South Coast Highway. The success of this development which is located on a strategic tourist route, decreases the likelihood of a signature restaurant being developed on the site;
  - The growing residential community in the Springdale Beach Estate are expected to generally not support a tourist development given it will draw significant traffic through their predominantly residential area; and
  - While Springdale Beach may have historically been a waterfront destination, the presence of seaweed, algae and associated smell detracts from its attraction. At the same time, other beachfront destinations such as Ocean Beach and Greens Pool were developing and are now significantly more attractive.

While noting the above, considerations with Amendment 149 include:

- The Shire managing a further 1.117 hectares of foreshore land;
- Pimelea View was identified as a cul-de-sac in the approved Subdivision Guide Plan. Subject to gaining necessary approvals and the construction of residences, it is expected to result in considerably more traffic on Pimelea View than the current tourism zoning (where access is likely to/from Beaufortia Gardens). The proponent's Opportunities and Constraints Plan recognises this and outlines the option to discourage or slow traffic from new lots to Pimelea View and encourage traffic to use the southern access where possible; and
- It is noted there is an undeveloped community purpose site nearby. It is suggested there is no need to duplicate a community purpose site in the Springdale Beach Estate.

Prior to the amendment documentation being referred to the EPA and WAPC, there is a requirement for the proponent to undertake relatively minor modifications to the scheme amendment documentation to the satisfaction of the Shire including administrative 'tidy ups'.

If Council resolve to proceed to advertising, on completion of the advertising period, Council will be required to formally consider all submissions and determine whether or not to support the amendment.

If Council resolve to not proceed with the advertising this advice is provide to the Commission. There is no right of appeal for the proponent.

**Voting Requirements:**

Simple majority.

**COUNCIL RESOLUTION & OFFICER RECOMMENDATION**

ITEM 9.1.3

MOVED: CR BOWLEY

SECONDED: CR ALLEN

THAT Council, pursuant to section 75 of the Planning and Development Act 2005 and Part 5, r.35(2) and r.37(1) of the Planning and Development (Local Planning Schemes) Regulations 2015, resolves to:

1. PROCEED to advertise (subject to modifications) Complex Amendment No. 149 to amend Shire of Denmark Local Planning Scheme No. 3 by:
  - a) Rezoning portion Lot 9008 Beaufortia Gardens, Hay, from the Tourist (T9) Zone to Special Residential (SRes6) Zone;
  - b) Moving portion Lot 9008 Beaufortia Gardens, Hay, from the Parks and Recreation Reserve to the Special Residential (SRes6) Zone;
  - c) Moving portion Reserve 52123, from the Tourist (T9) Zone to the Parks and Recreation Reserve;
  - d) Rezoning portion Lots 181, 181, 182 & 184 Beaufortia Gardens, Hay from the Tourist (T9) Zone to the Special Residential (SRes6) Zone;
  - e) Rezoning Lots 193, 194, 195 & 196 Pimelea View, Hay from the Tourist (T9) Zone to the Special Residential (SRes6) Zone;
  - f) Deleting Tourist Zone (T9) from Appendix XIII; and
  - g) Amending the Scheme maps accordingly.

Subject to the proponent providing modified scheme amendment documentation that addresses minor grammatical and typographical errors to the satisfaction of the Shire's Chief Executive Officer.

2. CLASSIFY Scheme Amendment No. 149 as a 'Complex Amendment' in accordance with Regulation 35 (2) of the *Planning and Development (Local Planning Schemes) Regulations 2015* for the following reasons:
  - The amendment is not consistent with the *Shire of Denmark Local Planning Strategy* which designates the site as 'Tourist'.
3. REFER Town Planning Scheme No. 3 Scheme Amendment No. 149 to the Environmental Protection Authority in accordance with Section 81 of the Planning and Development Act 2005.
4. REFER the amendment to the Western Australian Planning Commission in accordance with Part 5, r. 37 (2) & (3) of the Planning and Development (Local Planning Schemes) Regulations 2015, to determine if any modifications to the amendment is required prior to advertising.
5. In accordance with Part 5, r.38 of the Planning and Development (Local Planning Schemes) Regulations 2015, if the Western Australian Planning Commission ADVISE that it is satisfied that the Complex amendment is suitable to be advertised, the Shire is to advertise the amendment for a period not less than 60 days.

CARRIED UNANIMOUSLY: 8/0

Res: 080221

6.40pm – The Manager Sustainable Development left the room and did not return.

## 9.2 DIRECTOR CORPORATE AND COMMUNITY SERVICES

### 9.2.1 FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2020

<b>File Ref:</b>	FIN.1
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	18 January 2021
<b>Author:</b>	Scott Sewell, Accountant
<b>Authorising Officer:</b>	Lee Sounness, Acting Director Corporate & Community Services
<b>Attachments:</b>	9.2.1 – November 2020 Monthly Financial Report

#### Summary:

The attached financial statements and supporting information for the period ending 30 November 2020 are presented for the consideration of Elected Members.

#### Background:

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

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

#### Consultation:

Nil

#### Statutory Obligations:

It is a requirement of the Local Government Act 1995 that monthly and quarterly financial statements are presented to Council, in order to allow for proper control of the Shire's finances. In addition, Council is required by legislation to undertake a mid-year review of the Municipal Budget to ensure that income and expenditure is in keeping with budget forecasts. It should be noted that the budget is monitored by management on a monthly basis in addition to the requirement for a mid-year review. Furthermore, in line with a commitment provided by the executive team as part of the budget adoption process and the ongoing management of the impacts of COVID with its potential to affect the operation of Council provided services and facilities, a quarterly review of the budget performance was undertaken for the financial period ended 30 September 2020 as previously presented to Council, this required all Managers and responsible officers to review all aspects of the activities included within the budget which relate to areas under their control. The attached statements are prepared in accordance with the requirements of the Local Government Act 1995 (s.5.25(1)) and the Local Government (Financial Management) Regulations 1996.

#### Policy Implications:

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

*For the purposes of Local Government (Financial Management) Regulation 34 regarding levels of variances for financial reporting, Council adopted a variance of 10% or greater of the annual budget for each program area in the budget, as a level that requires an explanation or report, with a minimum dollar variance of \$10,000.*

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

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

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

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

There are no significant trends or issues to be reported from the budget adoption on 4<sup>th</sup> August 2020. The amendments made to the budget as part of the quarterly review adopted by Council at its Ordinary meeting held on 17<sup>th</sup> November 2020 have been incorporated into the November financial statements as presented.

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

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

##### Denmark 2027

L5.4 To be fiscally responsible

##### Corporate Business Plan

Nil

#### **Sustainability Implications:**

##### ➤ **Governance:**

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

##### ➤ **Environmental:**

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

##### ➤ **Economic:**

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

##### ➤ **Social:**

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

##### ➤ **Risk:**

Nil

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

As at 30 November 2020, total cash funds held (excluding trust funds) totals \$11,112,629 (Note 1).

Shire Trust Funds total \$855 (Note 9).

Reserve Funds (restricted) total \$4,227,464 (Note 5).

Municipal Funds (unrestricted) total \$6,885,165 (Note 2).

Key Financial Indicators at a Glance

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

- Taking into consideration the adopted Municipal Budget, the 30 June 2021 end of year financial position was initially budgeted for a \$200,000 surplus. As part of the quarterly budget review undertaken to September 2020 this has been amended to \$80,000 with \$120,000 of the originally adopted budgeted surplus to be utilised to fund additional projects and resourcing requirements as agreed by Council.
- Operating revenue and expenditure is generally in line with year to date budget predictions for the period ended 30 November 2020 (Statement of Financial Activity) except for items referenced in Note 3(a)
- The Rates Collection percentage currently sits at 77.56% and is in keeping with historical collection performance statistics (see Note 4)
- The 2020/2021 Capital Works Program is still in its initial stages with 10.62% completed for the year to date with a total committed cost of 47.89% as at 30 November 2020 (see Note 10).
- Most transfers to and from general Reserve Funds have not been made for the 2020/2021 year as they are generally undertaken in the latter part of the financial year, depending on the specific projects to which the transfers relate. One transfer of \$156,292 has been made from the Demark East Development Reserve for recoup of municipal fund expenditure previously incurred.
- Salaries and Wages expenditure is generally in line with year to date budget estimates (not reported specifically in Financial Statement).

Other Information

- Budget Surplus Brought Forward – The adopted budget for 2020/2021 was built on an estimated brought forward surplus position from 2019/2020 of \$1,504,620. At the time of preparing this report the draft Annual Financial Report currently awaiting audit sign off shows a calculated surplus brought forward of \$1,659,492, an increase to the estimate used for the adopted budget of \$154,872. The report being prepared for the financial reporting period ending 31 December 2020 will include a mid-year budget review where recommendations will be made on this and any other anticipated significant variances to the adopted budget for Council to consider.

**Voting Requirements:**

Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 9.2.1</b>
<b>MOVED: CR LEWIS</b>	<b>SECONDED: CR GIBSON</b>
That Council RECEIVE the Financial Statements for the period ending 30 November 2020, incorporating the Statement of Financial Activity and other supporting documentation.	
<b>CARRIED UNANIMOUSLY: 8/0</b>	<b>Res: 090221</b>

## 9.2.2 FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

<b>File Ref:</b>	FIN.1
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	4 February, 2021
<b>Author:</b>	Scott Sewell, Accountant
<b>Authorising Officer:</b>	Lee Sounness, Acting Director Corporate & Community Services
<b>Attachments:</b>	9.2.2 – December 2020 Monthly Financial Report

### Summary:

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

### Background:

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

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

### Consultation:

Nil

### Statutory Obligations:

It is a requirement of the Local Government Act 1995 that monthly and quarterly financial statements are presented to Council, in order to allow for proper control of the Shire's finances. In addition, Council is required by legislation to undertake a mid-year review of the Municipal Budget to ensure that income and expenditure is in keeping with budget forecasts. It should be noted that the budget is monitored by management on a monthly basis in addition to the requirement for a mid-year review. Furthermore, in line with a commitment provided by the executive team as part of the budget adoption process and the ongoing management of the impacts of COVID with its potential to affect the operation of Council provided services and facilities, a quarterly review of the budget performance was undertaken for the financial period ended 30 September 2020 as previously presented to Council, this required all Managers and responsible officers to review all aspects of the activities included within the budget which relate to areas under their control. The attached statements are prepared in accordance with the requirements of the Local Government Act 1995 (s.5.25(1)) and the Local Government (Financial Management) Regulations 1996.

### Policy Implications:

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

*For the purposes of Local Government (Financial Management) Regulation 34 regarding levels of variances for financial reporting, Council adopted a variance of 10% or greater of the annual budget for each program area in the budget, as a level that requires an explanation or report, with a minimum dollar variance of \$10,000.*

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

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

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

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

There are no significant trends or issues to be reported from the budget adoption on 4<sup>th</sup> August 2020. The amendments made to the budget as part of the quarterly review adopted by Council at its Ordinary meeting held on 17<sup>th</sup> November 2020 have been incorporated into the December financial statements as presented.

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

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

##### Denmark 2027

L5.4 To be fiscally responsible

##### Corporate Business Plan

Nil

#### **Sustainability Implications:**

##### ➤ **Governance:**

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

##### ➤ **Environmental:**

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

##### ➤ **Economic:**

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

##### ➤ **Social:**

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

##### ➤ **Risk:**

Nil

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

As at 31 December 2020, total cash funds held (excluding trust funds) totals \$9,889,081 (Note 1).

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

Reserve Funds (restricted) total \$4,230,899 (Note 5).

Municipal Funds (unrestricted) total \$5,658,182 (Note 2).

Key Financial Indicators at a Glance

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

- Taking into consideration the adopted Municipal Budget, the 30 June 2021 end of year financial position was initially budgeted for a \$200,000 surplus. As part of the quarterly budget review undertaken to September 2020 this has been amended to \$80,000 with \$120,000 of the originally adopted budgeted surplus to be utilised to fund additional projects and resourcing requirements as agreed by Council.
- Operating revenue and expenditure is generally in line with year to date budget predictions for the period ended 31 December 2020 (Statement of Financial Activity) except for items referenced in Note 3(a)
- The Rates Collection percentage currently sits at 78.96% and is in keeping with historical collection performance statistics (see Note 4)
- The 2020/2021 Capital Works Program is still in its initial stages with 15.57% completed for the year to date with a total committed cost of 52.77% as at 31 December 2020 (see Note 10).
- Most transfers to and from general Reserve Funds have not been made for the 2020/2021 year as they are generally undertaken in the latter part of the financial year, depending on the specific projects to which the transfers relate. One transfer of \$156,292 has been made from the Demark East Development Reserve for recoup of municipal fund expenditure previously incurred.
- Salaries and Wages expenditure is generally in line with year to date budget estimates (not reported specifically in Financial Statement).

Other Information

- Budget Surplus Brought Forward – The adopted budget for 2020/2021 was built on an estimated brought forward surplus position from 2019/2020 of \$1,504,620. At the time of preparing this report the draft Annual Financial Report currently awaiting audit sign off shows a calculated surplus brought forward of \$1,659,492, an increase to the estimate used for the adopted budget of \$154,872. A separate report being has been prepared and presented for the mid-year budget review based on the financial reporting period ended 31 December 2020 which includes further details and makes recommendations on this and any other anticipated significant variances to the adopted budget for Council to consider.

**Voting Requirements:**

Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 9.2.2</b>
MOVED: CR GIBSON	SECONDED: CR GEARON
That Council RECEIVE the Financial Statements for the period ending 31 December 2020, incorporating the Statement of Financial Activity and other supporting documentation.	
CARRIED UNANIMOUSLY: 8/0	Res: 100221

*Cr Allen declared a financial interest on the basis of a financial interest in MCC Contractors.*

*6.42pm – Cr Allen left the room and did not participate in discussion or vote on the matter.*

### 9.2.3 LIST OF PAYMENTS FOR THE PERIOD ENDING 31 DECEMBER 2020

<b>File Ref:</b>	FIN.1
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	27 January 2021
<b>Author:</b>	Gina McPharlin, Manager of Corporate Services
<b>Authorising Officer:</b>	Lee Sounness, Acting Director Corporate & Community Services
<b>Attachments:</b>	9.2.3 – December Monthly List of Accounts Submitted Report

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**Summary:**

The purpose of this report is to advise the Council of payments made during the period 1 December 2020 to 31 December 2020.

**Background:**

Nil

**Consultation:**

Consultation was not required for this report.

**Statutory Obligations:**

Local Government (Financial Management) Regulation 13 relates:

**Policy Implications:**

Delegation Number D040201 relates:

**Budget / Financial Implications:**

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

**Strategic & Corporate Plan Implications:**

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

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

Denmark 2027

L5.4 *To be fiscally responsible*

Corporate Business Plan

Nil

**Sustainability Implications:**

➤ **Governance:**

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

➤ **Environmental:**

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

➤ **Economic:**

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

➤ **Social:**

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

➤ **Risk:**

Nil

**Comment/Conclusion:**

Nil

**Voting Requirements:**

Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 9.2.3</b>
MOVED: CR PHILLIPS	SECONDED: CR GIBSON
<p>That with respect to the attached Schedule of Payments, totalling \$1,785,025.70, for the month of December 2020, Council RECEIVE the following summary of accounts:</p> <ul style="list-style-type: none"> <li>• Electronic Funds Transfers EFT29064 to EFT29312 - \$1,029,226.60;</li> <li>• Municipal Fund Cheque No's 60407 – 60413 - \$11,818.41;</li> <li>• Internal Account Transfers (Payroll) - \$591,222.23; and</li> <li>• Direct Debit - \$10,633.85;</li> <li>• Corporate Credit Card; \$5,988.14;</li> <li>• Department of Transport Remittances; \$84,623.75, and</li> <li>• Loan Payments: \$51,512.72.</li> </ul>	
CARRIED UNANIMOUSLY: 7/0	

6.43pm – Cr Allen returned to the meeting.

**9.2.4 INVESTMENT REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020**

<b>File Ref:</b>	FIN.19
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	14 January 2021
<b>Author:</b>	Gina McPharlin, Manager Corporate Services
<b>Authorising Officer:</b>	Lee Sounness, Acting Director Corporate & Community Services
<b>Attachments:</b>	9.2.4 - December 2020 Investment Register

**Summary**

This report presents the Investment Register for the month ending 31 December 2020.

**Background**

This report is for Council to receive the Investment Register as at 31 December 2020.

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

**Consultation**

Nil.

**Statutory Obligations**

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

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

**Policy Implications**

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

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

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

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

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

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

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

**Budget / Financial Implications**

There are no significant trends or issues to be reported.

**Strategic & Corporate Plan Implications**

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

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

Denmark 2027

L5.4 To be fiscally responsible

Corporate Business Plan

Nil

**Sustainability Implications**

➤ **Governance:**

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

➤ **Environmental:**

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

➤ **Economic:**

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

➤ **Social:**

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

➤ **Risk:**

Nil.

**Comment / Conclusion**

The attached Investment Report summarises how funds are invested as per the Shires Investment Policy and reports on the Investment Portfolio balance as at 31 December 2020.

At the end of December 2020 Council had a total of \$9,142,019 invested with four banking institutions to ensure an appropriate portfolio balance mix with no single institution holding more than 50% of the total funds invested which is in accordance with the requirements outlined in Council policy P040229.

The total Reserve Funds invested as at 31 December 2020 totals \$4,230,899.  
The total Municipal Funds Invested as at 31 December 2020 total \$4,911,121.

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

**Voting Requirements**

Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	ITEM 9.2.4
MOVED: CR SEENEY	SECONDED: CR GIBSON
That Council RECEIVE the Investment Register (Attachment 9.2.4) for the period ended 31 December 2020.	
CARRIED UNANIMOUSLY: 8/0	Res: 110221

### 9.2.5 2020/2021 MID YEAR BUDGET REVIEW

<b>File Ref:</b>	FIN.9
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	3 February 2021
<b>Author:</b>	Scott Sewell, Accountant
<b>Authorising Officer:</b>	Lee Sounness, Acting Director Corporate & Community Services
<b>Attachments:</b>	9.2.5a – 2020/2021 Statement of Budget Review 9.2.5b – 2020/2021 Detailed Budget Review

#### Summary:

To consider and adopt the Budget Review as presented in the attached Statement of Budget Review for the period 1 July 2020 to 31 December 2020.

#### Background:

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

The Mid Year Review is conducted by looking at projected gains and reductions in operating revenue, cost savings and overruns in operating expenditure including acknowledgement of the increased surplus brought forward as at 1 July 2020 as per the draft annual statements for the year ended 30 June 2020. At the time of writing this report some regions of Western Australia were in an enforced lockdown imposed by the State Government in an attempt to control the possibility of the threat of community spread for a new strain of the COVID 19 virus. The Great Southern region does not currently form part of that lockdown but all estimates and assumptions used for this budget review have been applied with a conservative approach acknowledging that the possibility of an extension or re-introduction of restrictions, either in timeline or geographic area remain possible at any time.

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

A detailed listing of the budget review summary with recommended changes to the adopted budget is included as an attachment to this report. (Refer Attachment 9.2.5b)

#### Consultation:

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

#### Statutory Obligations:

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

*Regulation 33A. Review of budget*

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

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

- a) consider the local government’s financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and*
- b) consider the local government’s financial position as at the date of the review; and*
- c) review the outcomes for the end of that financial year that are forecast in the budget.*

(2) *Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.*

(3) *A council is to consider a review submitted to it and is to determine\* whether or not to adopt the review, any parts of the review or any recommendations made in the review.*

*\*Absolute majority required.*

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

**Policy Implications:**

There are no policy implications.

**Budget / Financial Implications:**

In order to determine the expected financial position as at 30 June 2021, the budget reviewed financial statements contain all actual revenue and expenditure totals at Program level to 31 December 2020, (refer page 1 of Attachment 9.2.5a). The proposed adjustments to accounts or jobs and the recommended revised budget for those line items with a brief explanation of the circumstances that have led to the suggested amendment are similarly included (refer Attachment 9.2.5b). Further details surrounding some of the more significant items listed in the review are also provided later within this report.

The 2020/2021 Municipal Budget was adopted with an estimate of a \$200,000 surplus at year end. Council has considered items that will have an impact on the budget at the first quarterly review, as mentioned earlier in this report, and made formal amendments to the budget since its original adoption resulting in a reduction of the anticipated closing position surplus from \$200,000 to \$80,000 (Noting \$120,000 applied to the Local Planning Strategy and Scheme review).

The reviewed budget for mid-year now shows an anticipated closing position surplus of \$180,000 inclusive of the amendments made at the September 2020 quarterly review.

In summary, the Statement of Financial Activity shows the following proposed amendments to the adopted budget based on year end projections:

**Table: 1**

	<b>Adopted Budget</b>	<b>Budget Amendment</b>	<b>Revised Budget</b>
	\$	\$	\$
Operating Revenue	\$11,585,184	\$265,004	\$11,850,188
Operating Expenditure	\$(15,541,336)	\$(545,376)	\$(16,086,712)
Net Operating Surplus (Deficit)	\$(3,956,152)	\$(280,372)	\$(4,236,524)
Non-Operating Grants	\$5,380,602	\$60,000	\$5,440,602
Net Result	\$1,424,450	\$(220,372)	\$1,204,078
Depreciation	\$4,459,461	\$220,500	\$4,679,961
Adjustments to provisions	\$ -	\$ -	\$ -

(Profit)/Loss on Sale of assets	\$ (51,000)	\$ -	\$(51,000)
Capital Expenditure	\$(7,027,937)	\$ (185,000)	\$(7,212,937)
Transfer to Reserves	\$(803,452)	\$ -	\$(803,452)
Transfer from Reserves	\$898,000	\$10,000	\$908,000
Proceeds from Disposal of Assets	\$117,000	\$ -	\$117,000
Repayment of Debentures	\$(245,165)	\$ -	\$(245,165)
S/S Loan Income	\$22,048	\$ -	\$22,048
Principal elements of finance leases	\$(98,027)	\$ -	\$(98,027)
Opening Surplus (Deficit) July 1 B/Fwd	\$1,504,620	\$154,872	\$1,659,492
Closing Surplus/(Deficit) June 30 C/Fwd	\$200,000	\$(20,000)	\$180,000

The following general overview is provided on the financial reporting result for the period ended 31 December 2020, which have been projected out to an estimate as at 30 June 2021:

### Surplus Brought Forward

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

### OPERATING REVENUE

The total operating revenue estimate for 2020/2021 has been increased by **\$265,004** from the adopted budget. Details of the significant items that have contributed to this variance (rounded) are listed in Attachment 9.2.5b (Detailed Statement of Budget Review) and are further explained below:

#### General Purpose Funding – Revenue Gain \$13,000

Revenue gain expected from property enquiry fees of \$10,000. Reduction in anticipated revenue from rates instalment payment plan charges of (\$13,000) - (refer lines 4 - 6 of Attachment 9.2.5b)

Revenue gain after confirmation of adjusted amounts for Council's Annual Financial Assistance Grants allocation \$16,126 - (refer lines 7 & 8 of Attachment 9.2.5b)

#### Governance – Revenue Gain \$59,000

Higher than expected revenue mainly attributed to sale of miscellaneous items and a higher than expected LGIS Insurance rebate – (refer lines 19 & 20 of Attachment 9.2.5b)

Receipt of an unbudgeted grant of \$21,000 to host a COVID safe Australia Day event, this is partially offset by additional costs incurred in the expansion and running of the event – (refer line 11 of Attachment 9.2.5b)

#### Law, Order & Public Safety – Revenue Reduction (\$9,000)

Adjustment to line item for rent reimbursement income for the CESM position, this is offset by a saving in the matching expense – (refer line 24 of Attachment 9.2.5b)

### Community Amenities – Revenue Gain \$105,000

Minor adjustments to revenue expectations for provision of various waste services – refer lines 30 & 31 of Attachment 9.2.5b). A budget provision of a \$50,000 revenue expectation from the Container Deposit Scheme, it should be noted that this is offset by expenses associated with staffing the facility and payments to customers for on the spot refunds – (refer line 32 of Attachment 9.2.5b). Increased revenue estimate in relation to Town Planning fees due to high volume of Development Applications currently being received – (refer lines 44 & 45 of Attachment 9.2.5b)

### Recreation and Culture – Revenue Gain \$45,000

Receipt of unbudgeted grant of \$30,000 for continuation of the 'Our Clubs' project, this is partially offset by the costs of employing an officer to fulfil this role as a grant funded position. Adjustment increase of \$15,000 to revenue expectation for gym membership at the Recreation Centre to reflect actual trend – (refer lines 50 - 51 of Attachment 9.2.5b)

### Transport – Revenue Gain \$20,000

Vehicle inspection fee and DPI commission income expected to be \$20,000 higher than initially budgeted – (refer lines 54 - 55 of Attachment 9.2.5b)

### Economic Services – Revenue Gain \$32,000

Income for Building Licences tracking higher than original budget due to increased activity in that area. Revenue from Parry Beach camping charges are tracking higher than budget estimates – (refer lines 57 -58 of Attachment 9.2.5b)

## OPERATING EXPENDITURE

The total operating expenditure estimate for 2020/2021 has been increased by **(\$545,376)** from the adopted budget. \$120,000 of this total adjustment is as per budget amendments previously agreed by Council in November 2020 relating to the quarterly review for the period ended 30 September 2020. Details of the remaining **(\$425,676)** of other significant items that have contributed to this variance (rounded) are listed in Attachment 9.2.5b (Detailed Statement of Budget Review) and are further explained below:

### Governance – Additional Expenditure (\$51,000)

Adjustment to budget expenditure provisions based on year to date trends or other known circumstances including the expansion of the Australia Day event as referenced earlier in this report – (refer lines 9, 10 & 12 – 18 of Attachment 9.2.5b)

### Law, Order & Public Safety – Additional Expenditure (\$16,000)

Adjustment to budget expenditure provisions based on year to date trends or other known circumstances – (refer lines 21, 22, 23, 25 & 26 of Attachment 9.2.5b)

### Education and Welfare – Additional Expenditure (\$ 6,000)

Costs associated with receipt of matching grant income – (refer lines 27 of Attachment 9.2.5b)

### Health – Additional Expenditure (\$ 12,000)

Adjustment to budget expenditure provisions based on year to date trends or other known circumstances – (refer line 28 of Attachment 9.2.5b)

### Housing – Additional Expenditure (\$ 9,000)

Adjustment to budget to allow for additional costs required for the Hardy Street site remediation – (refer line 29 of Attachment 9.2.5b)

Community Amenities – Additional Expenditure (\$ 70,000)

Adjustment to budget expenditure provisions based on year to date trends or other known circumstances including provision for operating the Container Deposit Scheme – (refer lines 33 – 43 & 46 of Attachment 9.2.5b)

Recreation & Culture – Additional Expenditure (\$ 57,500)

Adjustment to budget expenditure provisions based on year to date trends or other known circumstances. It should be noted that this includes a non-cash depreciation expense adjustment totalling \$40,500 – (refer lines 47 - 49 of Attachment 9.2.5b)

Transport – Additional Expenditure (\$ 180,000)

An adjustment to non-cash depreciation expense of \$180,000 is required to ensure infrastructure asset depreciation is fully captured – (refer line 53 of Attachment 9.2.5b)

Economic Services – Additional Expenditure (\$ 10,000)

Adjustment to budget expenditure provisions based on year to date trends or other known circumstances – (refer line 56 of Attachment 9.2.5b)

Other Property & Services – Additional Expenditure (\$ 14,000)

Adjustment to budget expenditure provisions based on year to date trends or other known circumstances – (refer lines 59 - 62 of Attachment 9.2.5b)

NON-OPERATING REVENUE

Non-operating grants have increased by **\$60,000** overall to budget. This is due to management being able to secure funding through the Main Roads Regional Road Group to undertake additional works to upgrade culverts on Peaceful Bay Road. This is on the basis of Council committing to a total spend of \$90,000 on the project. This is identified in the reconciliation table earlier in this report and is further explained on lines 52 and 67 of Attachment 9.2.5b.

CAPITAL EXPENDITURE

An increase of **\$185,000** in capital expenditure is proposed as follows:

**Table: 2**

<b>Expense Type</b>	<b>Budget Amount</b>	<b>Adjustment</b>	<b>Revised Budget</b>
Capital Works on Land & Buildings	\$430,000	(\$20,000)	\$410,000
Road Infrastructure Capital Works	\$5,890,937	\$100,000	\$5,990,937
Recreation Infrastructure Capital Works	\$75,000	\$105,000	\$180,000
Other Infrastructure Capital Works	\$25,000	\$0	\$25,000
Purchase Plant & Equipment	\$607,000	\$0	\$607,000
Purchase Furniture & Equipment	\$0	\$0	\$0
<b>Total</b>	<b>\$7,027,937</b>	<b>\$185,000</b>	<b>\$7,212,937</b>

Capital works on land and buildings will decrease by (\$20,000)

- (\$20,000) saving on Plane Tree Precinct project.
- (refer line 63 of Attachment 9.2.5b).

Capital works on road infrastructure expense will increase by (\$100,000),

- (\$90,000) for MRWA project – Peaceful Bay Road Culverts. (refer line 67 of Attachment 9.2.5b).
- (\$10,000) Men’s Shed Access Road (agreed by Council as part of September 2020 quarterly review).

Capital works on recreation infrastructure expense will increase by (\$105,000),

- (\$105,000) for upgraded scope of works for Nornalup Jetty (refer line 64 of Attachment 9.2.5b).

**Strategic & Corporate Plan Implications:**

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

Denmark 2027

L5.4 To be fiscally responsible

**Sustainability Implications:**

➤ **Governance:**

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

➤ **Environmental:**

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

➤ **Economic:**

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

➤ **Social:**

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

➤ **Risk:**

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

**Comment/Conclusion:**

The budget review has been prepared 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 management identified some variances in year to date internal allocations, 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.

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 (\$ 20,000) as it reduces the assumption of a \$200,000 year-end surplus brought forward to a \$180,000 surplus brought forward position. This has been achieved by looking at projected gains and reductions in operating revenue, cost savings and overruns in operating expenditure including acknowledgement of the increased surplus brought forward as at 1 July 2020 as per the draft annual statements for the year ended 30 June 2020.

The Officer recommends that Council adopt the Budget Review as presented and adjusts the estimated Budget Surplus position carried forward estimate from \$200,000 to \$180,000. This surplus position will enable the Shire to address future operational requirements as a result of the ongoing pandemic.

**Voting Requirements:**

Absolute majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 9.2.5</b>
<b>MOVED: CR GIBSON</b>	<b>SECONDED: CR BOWLEY</b>
That Council ADOPT the 2020/2021 Mid-year Budget Review in accordance with Regulation 33A of the Local Government (Financial Management) Regulations 1996, including endorsement of proposed amendments to the 2020/2021 Municipal Budget as detailed in the attached Statement of Budget Review.	
<b>CARRIED UNANIMOUSLY AND BY AN ABSOLULTE MAJORITY: 8/0</b>	<b>Res: 120221</b>

**9.3 CHIEF EXECUTIVE OFFICER**

**9.3.1 DENMARK HAULAGE LEASE**

<b>File Ref:</b>	A2228 & LEA.10
<b>Applicant / Proponent:</b>	The Trustee for Isaksen Family Trust t/as Denmark Haulage
<b>Subject Land / Locality:</b>	Portion of Lot 300 on Deposited Plan 46811, 832 South Coast Highway, Denmark
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	14 January 2021
<b>Author:</b>	Claire Thompson, Governance Coordinator
<b>Authorising Officer:</b>	David Schober, Acting Chief Executive Officer
<b>Attachments:</b>	9.3.1 – Draft Lease

**Summary:**

Council is requested to approve the attached draft lease between the Shire of Denmark and Denmark Haulage.

**Background:**

Denmark Haulage lease an area of 7,600m<sup>2</sup> and have been operating at the site since at least 1998.

At the meeting held on 18 August 2020, Council resolved as follows (Resolution No. 160820):

*That with respect to Lot 300, 832 South Coast Highway, Denmark, Council;*

1. *ADVERTISE, for 14 days, its intention to lease 7,600sqm to Avalon Enterprises (WA) Pty Ltd t/as Denmark Haulage for the market value as determined by an independent valuation dated 4 June 2020, being \$18,240 (ex GST) annually;*
2. *CONSIDER any submissions received following the close of the advertising period; and*
3. *Should there be no opposing submissions received, AUTHORISE the Chief Executive Officer to prepare a draft lease for Council's consideration.*

**Consultation:**

In accordance with Council's resolution, the intention to lease was advertised. There were no submissions received.

Denmark Haulage have agreed to the terms and conditions within the draft lease.

**Statutory Obligations:****LOCAL GOVERNMENT ACT 1995**

Section 3.58 relates to the disposal of property, which includes leasing.

Section 3.58 (3) allows Council to dispose of property providing it gives two weeks local public notice describing the property concerned, details of the proposed disposition, inviting submissions and giving consideration to any submissions received.

Section 3.58 (4) states that the notice must include the

- Names of all other parties concerned; and
- The amount (consideration) to be received by the local government; and
- The market value, ascertained by a valuation.

**Policy Implications:**

Council Policy P040207 "Common Seal of the Shire of Denmark" relates to the execution of legal documents.

**Budget / Financial Implications:**

As at 2019/20 the annual rent payable by Denmark Haulage was \$19,958.40 (ex GST). The new market valuation, dated 4 June 2020, values the annual market rent at \$18,240.00 (ex GST). It is acknowledged that the 2020 value is less than what they paid in 2019/20. Officers questioned this and the valuer advised that it is a reflection of the current market for similar premises.

The Lessee is required to pay rates and all outgoings associated with their operations (eg. water, gas, electricity).

**Strategic & Corporate Plan Implications:**

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

**Denmark 2027****E1.0 Our Economy**

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

- E1.1 To have a stable and locally supported business community that embraces innovation, creativity, resourcefulness and originality.
- E1.3 To have diverse education and employment opportunities.
- L5.0 Our Local Government  
*The Shire of Denmark is recognised as a transparent, well governed and effectively managed Local Government.*
- L5.1 To be high functioning, open, transparent, ethical and responsive.
- L5.3 To be decisive and to make consistent and well considered decisions.

Corporate Business Plan

Nil

**Sustainability Implications:**

➤ **Governance:**

Lot 300 was purchased by the Shire in mid-2011 and is identified in the Local Planning Scheme (2011) as a “Service Park”, noting that the Scheme and Strategy are under review.

Denmark Haulage have been occupying the premises as monthly tenants since December 2017.

➤ **Environmental:**

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

➤ **Economic:**

A lease will provide Denmark Haulage with confidence that they can continue operating at the site for at least the next three years.

➤ **Social:**

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

➤ **Risk:**

Nil

**Comment/Conclusion:**

The draft lease is based on the Shire’s standard commercial lease.

**Voting Requirements:**

Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	ITEM 9.3.1
MOVED: CR SEENEY	SECONDED: CR ALLEN
That Council APPROVE the draft lease between the Shire of Denmark and Denmark Haulage (as per Attachment 9.3.1) and authorise the document to be executed in accordance with Council Policy P040207.	
CARRIED UNANIMOUSLY: 8/0	Res: 130221

### 9.3.2 SOIL SOLUTIONS LEASE

<b>File Ref:</b>	A3123 & LEA.18
<b>Applicant / Proponent:</b>	Soil Solutions Pty Ltd
<b>Subject Land / Locality:</b>	Portion of Lot 300 on Deposited Plan 46811, 832 South Coast Highway, Denmark
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	14 January 2021
<b>Author:</b>	Claire Thompson, Governance Coordinator
<b>Authorising Officer:</b>	David Schober, Acting Chief Executive Officer
<b>Attachments:</b>	9.3.2 – Draft Lease

#### Summary:

Council is requested to approve the attached draft lease between the Shire of Denmark and Soil Solutions.

#### Background:

Soil Solutions lease an area of 9,804m<sup>2</sup> and have been operating at the site since 2014.

At the meeting held on 18 August 2020, Council resolved as follows (Resolution No. 170820):

*That with respect to Lot 300, 832 South Coast Highway, Denmark, Council;*

1. *ADVERTISE, for 14 days, its intention to lease 9,804sqm to Vancouver Waste Services t/as Soil Solutions for the market value as determined by an independent valuation dated 4 June 2020, being \$31,850.00 (ex GST) annually;*
2. *CONSIDER any submissions received following the close of the advertising period; and*
3. *Should there be no opposing submissions received, AUTHORISE the Chief Executive Officer to prepare a draft lease for Council's consideration.*

Note: in Part 1 above, the entity has now been corrected for the new lease.

#### Consultation:

In accordance with Council's resolution, the intention to lease was advertised. There were no submissions received.

Soil Solutions have agreed to the terms and conditions within the draft lease.

#### Statutory Obligations:

LOCAL GOVERNMENT ACT 1995

Section 3.58 relates to the disposal of property, which includes leasing.

Section 3.58 (3) allows Council to dispose of property providing it gives two weeks local public notice describing the property concerned, details of the proposed disposition, inviting submissions and giving consideration to any submissions received.

Section 3.58 (4) states that the notice must include the

- Names of all other parties concerned; and
- The amount (consideration) to be received by the local government; and
- The market value, ascertained by a valuation.

#### Policy Implications:

Council Policy P040207 "Common Seal of the Shire of Denmark" relates to the execution of legal documents.

**Budget / Financial Implications:**

As at 2019/20 the annual rent payable by Soil Solutions was \$40,110.72 (ex GST). The new market valuation, dated 4 June 2020, values the annual market rent at \$31,850.00 (ex GST). It is acknowledged that the 2020 value is less than what they paid in 2019/20. Officers questioned this and the valuer advised that it is a reflection of the current market for similar premises.

The Lessee is required to pay rates and all outgoings associated with their operations (eg. water, gas, electricity).

**Strategic & Corporate Plan Implications:**

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

Denmark 2027

## E1.0 Our Economy

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

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

E1.3 To have diverse education and employment opportunities.

## L5.0 Our Local Government

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

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

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

Corporate Business Plan

Nil

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

Lot 300 was purchased by the Shire in mid-2011 and is identified in the Local Planning Scheme (2011) as a "Service Park", noting that the Scheme and Strategy are under review.

Soil Solutions have been occupying the premises as monthly tenants since December 2017.

➤ **Environmental:**

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

➤ **Economic:**

A lease will provide Soil Solutions with confidence that they can continue operating at the site for at least the next three years.

➤ **Social:**

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

➤ **Risk:**

Nil

**Comment/Conclusion:**

The draft lease is based on the Shire's standard commercial lease.

**Voting Requirements:**

Simple majority.

ITEM 9.3.2

MOVED: CR LEWIS  
 That the item be deferred.  
 LAPSED FOR WANT OF A SECONDER

**COUNCIL RESOLUTION & OFFICER RECOMMENDATION** ITEM 9.3.2  
 MOVED: CR PHILLIPS SECONDED: CR GEARON

That Council APPROVE the draft lease between the Shire of Denmark and Soil Solutions Pty Ltd (as per Attachment 9.3.2) and authorise the document to be executed in accordance with Council Policy P040207.

CARRIED UNANIMOUSLY: 8/0 Res: 140221

**9.3.3 DENMARK WOODTURNERS – STORAGE SHED**

<b>File Ref:</b>	LEA.54
<b>Applicant / Proponent:</b>	Denmark Woodturners Incorporated
<b>Subject Land / Locality:</b>	Portion of Lot 501 on Deposited Plan 61023 73 South Coast Highway, Denmark
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	29 January 2021
<b>Author:</b>	Claire Thompson, Governance Coordinator
<b>Authorising Officer:</b>	David Schober, Acting Chief Executive Officer
<b>Attachments:</b>	Nil

**Summary:**

With respect to a lease between the Shire of Denmark and the Denmark Woodturners Inc. ('Woodturners'), Council is requested to consider including a provision to allow them to retain ownership of the storage shed which they funded and built in 2008.

**Background:**

In October 2020, Council considered whether to allow the Woodturners to remain at the premises they occupy at the Denmark Visitor Centre site and resolved to offer them a short term lease for the remainder of the 2020/2021 financial year.

In 2008, Council approved an application from the Woodturners to construct a colorbond shed valued, at the time, at \$10,800. This project was fully funded by the Woodturners.

**Consultation:**

The Officer met with representatives from the Woodturners on 9 December 2020 where they expressed their desire to maintain ownership of the shed.

The shed does contain some items that belonged to the former Denmark Tourism Inc. (DTI) (their use of a portion of the space was agreed to at the time by the Woodturners). Most of the items relate to previous advertising and/or marketing campaigns. To the Officers knowledge the items have not been used since the Amazing South Coast Tourism Inc. took over the running of the Visitor Centre in 2018.

Notwithstanding, when the ASCTI vacated the building they were advised that any "contents" that were left behind would become the property of the Shire of Denmark.

**Statutory Obligations:**

Nil

**Policy Implications:**

There are no policy implications.

**Budget / Financial Implications:**

In the Shire of Denmark's standard community group lease, the Shire takes responsibility for structural maintenance and insurance on buildings that are on Shire owned or managed land.

Should Council agree to dispose of the shed to the Denmark Woodturners (land would still be subject to lease), this would remove any ongoing costs associated with insurance, maintenance or repair.

The Shed is currently listed on the Shire's Asset Register for a value of \$9,174.

**Strategic & Corporate Plan Implications:**

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

Denmark 2027**L5.0 Our Local Government**

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

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

*L5.2 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.*

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

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

**➤ Environmental:**

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

**➤ Economic:**

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

**➤ Social:**

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

**➤ Risk:**

Nil

**Comment/Conclusion:**

Below shows the location of the workshop and storage shed in relation to the Denmark Visitor Centre.



ABOVE: FIGURE 1

Given the uncertainty of what will happen after 30 June 2021, ownership of the shed would provide the Woodturners with an asset that they could, potentially, relocate to another site should the Shire require them to move. It is noted however, that this would still come at some considerable cost to the Woodturners.

The Woodturners have occupied their workshop from the time that the Visitor Centre opened and their preference is to remain where they are for as long as the Shire will permit them to.

Over the years, they have invested significant funds into the workshop and shopfront which are now both well established.

Should Council agree to dispose of the asset to the Woodturners, the lease would permit them to occupy the land (underneath the shed) and note that upon termination of the lease, the lessee is required to remove the shed. During the term of the lease, the lessee would be responsible for all maintenance, repair and insurance for the shed.

**Voting Requirements:**

Simple majority.

<p><b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>                  MOVED: CR SEENEY</p>	<p>ITEM 9.3.3                  SECONDED: CR LEWIS</p>
<p>That with respect to a lease between the Shire of Denmark and the Denmark Woodturners Incorporated for a portion of Lot 501 on Deposited Plan 61023, Council AUTHORISE the Chief Executive Officer to include provisions in the lease that;</p> <ol style="list-style-type: none"> <li>1. Define that the lessee owns the storage shed (as shown in figure 1 in the report), situated behind the Visitor Centre building and that the lessee is responsible for maintenance, repair and insurance; and</li> <li>2. Authorise the lessee to remove the shed at any time and/or upon termination of the lease, whichever comes first.</li> </ol>	
<p>CARRIED UNANIMOUSLY: 8/0</p>	<p>Res: 150221</p>

### 9.3.4 DENMARK COMMUNITY RESOURCE CENTRE LEASE

<b>File Ref:</b>	LEA.37
<b>Applicant / Proponent:</b>	Denmark Community Resource Centre Inc.
<b>Subject Land / Locality:</b>	Portion of Lot 228 on Deposited Plan 217468
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	27 January 2021
<b>Author:</b>	Claire Thompson, Governance Coordinator
<b>Authorising Officer:</b>	David Schober, Acting Chief Executive Officer
<b>Attachments:</b>	9.3.4 - Draft Lease

#### Summary:

The Denmark Community Resource Centre Inc. (DCRC) is requesting the Council's approval to incorporate the former Denmark Over 50s Association's lease area into their lease.

Council is also asked to consider a new lease, should they agree to the larger leased premises.

#### Background:

Following the refurbishment of the former Denmark Hospital, Council entered into a five year lease with the DCRC, to be the predominant tenant of the Morgan Richards Community Centre. The DCRC also contributed \$285,000 towards the refurbishment. The initial term of the lease concluded on 31 October 2020 however, the DCRC have exercised their option for a further five year term.

Around the same time Council also entered into a five year lease for a portion of the building with the Denmark Over 50s Association. The Association has now dissolved and they have relinquished their lease.

The DCRC lease allows the organisation to hire out spaces to community groups, individuals and meeting rooms for some professional service providers.

In 2018, Council agreed to extend the DCRC's lease area to allow them to enter into a Memorandum of Understanding with Green Skills Inc. who now manage a community garden to the north of the main building.

#### Consultation:

Councillors were briefed on the DCRC's request at the Concept Forum held on 8 December 2020.

The Denmark Chamber of Commerce indicated late in 2020 that they might be interested in the space however, Officer's followed up on the request and there was still some uncertainty whether they would actually relocate if it was offered to them. Subsequently, the Shire has provided the Chamber with a short-term lease of the Visitor Centre building.

The Denmark Bridge Club have been seeking a permanent home for quite some time however, they have not specifically approached the Shire about the former Over 50s space.

The Denmark Community Resource Centre are happy with the draft lease.

#### Statutory Obligations:

LOCAL GOVERNMENT ACT 1995

Section 3.58 provides a local government with the power to dispose of property, including to lease.

LOCAL GOVERNMENT (FUNCTIONS & GENERAL) REGULATIONS 1996

Regulation 30(2)(b) excludes the requirement to adhere to disposal provisions if the disposal is to a body whose;

- (i) objects of which are of a charitable, benevolent, religious, cultural, educational, recreation, sporting or other like nature; and
- (ii) the members of which are not entitled or permitted to receive any pecuniary profit from the body's transactions.

The Shire purchased Lot 228 on Deposited Plan 217468 in 2016. Ministerial approval is not required in order to lease freehold land.

**Policy Implications:**

There are no policy implications.

**Budget / Financial Implications:**

Pursuant to their lease, the Council provide up to \$2,000 per annum in recognition that their management of the facility provides a valuable service for wider community benefit.

**Strategic & Corporate Plan Implications:**

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

Denmark 2027

B3.0 Our Built Environment

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

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

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

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

L5.0 Our Local Government

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

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

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

Corporate Business Plan

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 there are other unknown community groups that would like to lease the room on a permanent basis.	Possible (3)	Insignificant (1)	Low (1-4)	Not Meeting Community expectations	Accept Risk

**Comment/Conclusion:**

According to the DCRC’s Constitution, their objects and purposes are as follows.

The association’s object is to pursue the following purposes:

- (i) To provide access to services and information that support capacity building within the community.
- (ii) To provide access to services and information to address issues of disadvantage within the community including but not limited to poverty, health, isolation and unemployment.
- (iii) Develop partnerships and business opportunities relevant to the needs of the community.
- (iv) Provide members of the community with access to and training in the use of existing and developing information and communication technologies.
- (v) Work with stakeholders, other Community Resource Centres and all tiers of government to increase the profile of the WA Community Resource Network.
- (vi) To ensure the association is effective and remains community owned and managed.

In the Author’s view, the objects of the DCRC meet the requirements for a disposal exemption under Regulation 30(2)(b) of the Local Government (Functions and General) Regulations 1996.

Since the initial lease was executed in 2015, the Shire has purchased the Reserve which results in the land description being inaccurate. The lease also refers to the DCRC’s relationship with the Denmark Over 50s Association’s use of Building 5 which is also no longer accurate. Officer’s recommend that the lease be re-written to make necessary corrections, provide for use of the former Over 50s space and incorporate the lease area variation which was done to provide for a community garden. A new lease will also provide them with an additional five years security of tenure.

The DCRC have indicated that if they are able to incorporate Building 5 into their lease area, they would like to be provided permission to sub-lease it in order to gain some additional income to support their activities. The DCRC’s intention would be to support not-for-profit groups or provide a space for local business incubation. The lease provides that they would be required to seek Council’s (the Lessor) consent and it is recommended that this clause remain. In addition, condition e) states;

- e) *Where incidental use of the facility involves commercial office, commercial (profit to an individual or business rather than a community group) activities;*

- i. *That these uses are infrequent and minor and/or of a business incubator environment.*
- ii. *That where such uses are more regular and/or ongoing (extends more than a year), that the rents, fees and charges proposed are structured to ensure that the Council and community is not seen as providing an unfair or subsidised facility that competes with private enterprise (a level playing field) and the Lessor permission will be sought who may impose conditions or limitations on that proposed use and or may refuse that use if in the opinion of the Lessor it is inconsistent with the principal community activities intended for the Morgan Richards Community Centre.*

The draft lease includes special condition e), albeit slightly reworded.

The Over 50s members used to maintain the waterwise garden (shown in image below) and the DCRC have requested that the Shire take over responsibility for it now that the Over 50s are longer there.



Building 5 – former Over 50s leased premises

Waterwise garden

The DCRC have also requested that Council reconsider the requirement for them to maintain a five metre perimeter around the building as they are finding it difficult to do themselves. Most of the waterwise garden is also within the 5 metre perimeter.

The Shire currently maintains the majority of the grounds beyond the five metre perimeter including mowing and weed control.



ABOVE: Aerial of Lot 228 (2020)



Waterwise garden

5 metres

Lessees having responsibility to maintain a perimeter around a leased premises is a consistent clause in the Shire’s community group leases. For this reason, the Author has not recommended that the Shire take over this responsibility and notes that the Shire already mow all of the grassed areas within the lot.

In the Author’s view, the DCRC provide and facilitate important and valuable services for the people of Denmark including (from their website at <https://denmarkcrc.com.au/#services>):

- Government Services (Centrelink and Medicare agent, Dept of Veterans’ Affairs, access to Government information and employment services);

- Printing, photocopying, internet, scanning, audio/video transfer and more;
- Tech Support (training, troubleshooting, BeConnected program);
- Equipment hire (projectors and screens, PA systems, microphones and more);
- The Guide (free fortnightly local event publication);
- Events & Workshops;
- TransWA agent;
- Hardship support (food pantry, vouchers, financial counselling, shower and laundry facilities).

A new draft lease is recommended and is attached (Attachment 9.3.4). It is based on the Shire’s standard community group lease template for a period of five years, with a further five year option. In the Author’s view, the DCRC have proven their capacity and commitment to successfully manage the facility into the future.

The lease requires the lessee to seek the Shire’s consent should they wish to sub-let any part of the leased area. Any such request would be determined by the Council, noting that pursuant to clause 18 of the lease, consent would not be unreasonably withheld.

**Voting Requirements:**

Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 9.3.4</b>
MOVED: CR GIBSON	SECONDED: CR BOWLEY
That with respect to the Denmark Community Resource Centre Incorporated Council:	
1. APPROVE their request to incorporate Building 5 (former Denmark Over 50s Association’s leased premises) into their lease area;	
2. DECLINE their request for the Shire to take over the responsibility of maintaining the five metre perimeter around the lease area, noting that it would be inconsistent with provisions of other community group leases and the Shire already maintain much of the reserve; and	
3. AUTHORISE the Shire President and the Chief Executive Officer to execute the new lease (as per Attachment 9.3.4).	
CARRIED UNANIMOUSLY: 8/0	

**9.3.5 REMOVAL AND APPOINTMENT OF FIRE CONTROL OFFICERS**

<b>File Ref:</b>	FIRE.1
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Shire of Denmark
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	13 January 2021
<b>Author:</b>	Lisa Sanders, Customer Service Officer
<b>Authorising Officer:</b>	David Schober, Acting Chief Executive Officer
<b>Attachments:</b>	Nil

**Summary:**

Council is asked to remove the former Community Emergency Services Manager (CESM) as a Fire Control Officer and appoint the Acting Community Emergency Services Manager (CESM) as a Fire Control Officer authorised within the entire Shire of Denmark.

**Background:**

Nil

**Consultation:**

Nil

**Statutory Obligations:**

Section 38 of the Bush Fires Act 1954 provides Council the authority to appoint Fire Control Officers.

Section 38 (2A) of the Bush Fires Act 1954 states that the local government shall cause notice of an appointment to be published at least once in a newspaper circulating in its district.

**Policy Implications:**

Council Delegation D050109 records the Shire of Denmark's authorised Officers under the Bush Fires Act 1954 and will be amended accordingly should Council agree to make such amendments.

**Budget / Financial Implications:**

Costs for providing Public Notice regarding the appointment of a Fire Control Officer are able to be covered under existing budget lines.

**Strategic & Corporate Plan Implications:**

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

Denmark 2027

## 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.*

## 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

Corporate Business Plan

1.7.3 Support the functions of Community Emergency Services in achieving required actions and goals.

1.7.5 Maximise community safety through the management of the risks associated with fire, natural events and large-scale emergencies, whilst supporting initiatives to improve community safety.

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

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

➤ **Environmental:**

Fire Control Officers play an important role in protecting and preserving the natural environment when faced with out of control bush fires.

➤ **Economic:**

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

➤ **Social:**

Fire Control Officers play an important role in public safety.

➤ **Risk:**

Nil

**Comment/Conclusion:**

Due to the departure of the former Community Emergency Services Manager, Scott Medhurst, it is recommended that he no longer be an authorised Fire Control Officer. From an administrative perspective, the Shire’s Acting Community Emergency Services Manager should have the same jurisdiction as the Shire Rangers and the Shires Bushfire Risk Planning Coordinator.

It is noted that Lee Shelley is already an appointed Fire Control Officer for the Town Brigade however, this appointment limits his jurisdiction to that Brigade area only.

**Voting Requirements:**

Simple majority.

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	<b>ITEM 9.3.5</b>
MOVED: CR GIBSON	SECONDED: CR OSBORNE
That pursuant to Section 38(1) of the Bush Fires Act 1954, Council;	
1. APPOINT Lee Shelley, Acting Community Services Manager as a Fire Control Officer within the entire Shire of Denmark. and;	
2. REMOVE the former Community Services Manager, Scott Medhurst, as a Bush Fire Control Officer. and;	
3. PROVIDE public notice in the Denmark Bulletin.	
CARRIED UNANIMOUSLY: 8/0	Res: 160221

**9.3.6 LOCAL GOVERNMENT ORDINARY ELECTION 2021 & RESIGNATION OF CR STEVE JONES**

<b>File Ref:</b>	ELC.1 & CR.1
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	21 January 2021
<b>Author:</b>	Claire Thompson, Governance Coordinator
<b>Authorising Officer:</b>	David Schober, Acting Chief Executive Officer
<b>Attachments:</b>	9.3.6a – Letter (agreement) from the WA Electoral Commissioner 9.3.6b – Audit Advisory Committee Charter 9.3.6c – Sustainability Strategy Working Group Terms of Reference 9.3.6d – Waste Reform Working Group Terms of Reference

**Summary:**

There are three related matters for Council consideration within this report and recommendations.

1. Consider appointing the WA Electoral Commission to conduct the Local Government Ordinary Elections in 2021.
2. Request to WA Electoral Commission to include the vacancy created by the resignation of Cr Jones in the ordinary election.
3. Consider nominating a Council member / delegate to positions made vacant by the Cr Jones’ resignation.

**Background:**

The eight (8) previous Ordinary Elections for the Shire of Denmark have been conducted by the WA Electoral Commission (WAEC) as a postal vote election.

Cr Jones submitted his resignation to the Acting Chief Executive Officer on 19 January 2021. His resignation has been acknowledged and is effective from that date. This has created a vacancy on the Council in the Scotsdale/Shadforth Ward.

**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:**

LOCAL GOVERNMENT ACT 1995

Section 4.8 requires a local government to hold an extraordinary election if the office of a councillor becomes vacant.

Section 4.16(4) states that if a vacancy occurs after the third Saturday in an election year but before the third Saturday in July in that election year, the Council may request the Electoral Commissioner to include the vacancy in the ordinary election. Cr Jones' resignation was received after the third Saturday in January.

Section 4.20(4) provides that a local government may declare the Electoral Commissioner to be responsible for the conduct of an election, subject to the written agreement of the Electoral Commission (refer Attachment 9.3.6a).

Section 4.61(2) allows a local government to decide to conduct the election as a postal election. Such a decision does not have effect unless the Council have declared the Electoral Commissioner responsible for the election. If Council chooses not to conduct a postal election, then the method of voting reverts to *a voting in person election*.

**Policy Implications:**

There are no policy implications.

**Budget / Financial Implications:**

The estimated cost for the 2021 election if conducted as a postal ballot by the WAEC is \$30,000 (ex GST), which has been based on the following assumptions;

- 5,200 Electors;
- Response rate of approximately 60%;
- 4 vacancies
- Count to be conducted at the Shire of Denmark office;
- Appointment of Returning Officer; and
- Regular Australia Post delivery service to apply for the lodgement of the election packages.

In the 2019 Election, there were 5 vacancies and the cost was the same as has been quoted for 4 vacancies in the 2021 Election. For this reason, it is not anticipated that the cost will be more should Council choose to include an additional vacancy.

The WAEC is required to conduct the elections on a full cost recovery basis and therefore any additional, unforeseen, expenses have not been factored into the estimate. Should any significant change in the estimate become evident prior to or during the election the Shire will be notified.

Costs not incorporated in the estimate include;

- Any legal expenses other than those that are determined to be borne by the WAEC in a Court of Disputed Returns;
- One local government staff member to work in the polling place on the election day;
- Any additional postage rate increase by Australia Post; and
- Any unanticipated costs arising from public health requirements for the COVID-19 pandemic.

It is recommended that Council include an amount of \$35,000 (ex GST) in the 2021/2022 Budget for the purpose of conducting the October 2021 Election. This amount is based on the estimate provided by WAEC, plus advertising and Shire staff costs.

**Strategic & Corporate Plan Implications:**

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

Denmark 2027

L5.0 Our Local Government

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

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

Corporate Business Plan

5.1.27 Engage the WA Electoral Commission to conduct biennial municipal elections to maintain an independent process.

**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 choose to hold an extraordinary election instead of incorporating the vacancy into the 2021 ordinary election at a cost to	Rare (1)	Insignificant (1)	Low (1-4)	Inadequate Financial, Accounting or Business Acumen	Accept Officer Recommendation

ratepayers that is not budgeted for.					
That Council choose not to fill delegate vacancies on external organisations until after the October 2021 Election.	Rare (1)	Insignificant (1)	Low (1-4)	Not Meeting Community expectations	Accept Risk
That Council choose not to use the WAEC and conduct the 2021 Ordinary Election in house at an unknown cost and resource requirement.	Rare (1)	Moderate (3)	Low (1-4)	Ineffective People Management	Accept Officer Recommendation

**Comment/Conclusion:**

The table below shows current terms of expiry, noting that four (4) of the nine (9) offices of Councillor expire in October 2021 and there is an additional vacancy in the Scotsdale/Shadforth Ward.

WARD REPRESENTATION	TERM EXPIRY DATE
Town Ward	
Cr Ceinwen Gearon	2023
<b>Cr Ian Osborne</b>	<b>2021</b>
Cr Geoff Bowley	2023
Scotsdale/Shadforth Ward	
<b>Cr Jan Lewis</b>	<b>2021</b>
Cr Kingsley Gibson	2023
<b>Cr Mark Allen</b>	<b>2021</b>
<b>Vacant</b>	2023
Kent/Nornalup Ward	
Cr Janine Phillips	2023
<b>Cr Roger Seeney</b>	<b>2021</b>

By making the Electoral Commissioner responsible for elections, local governments ensure that elections are conducted independently and lawfully.

The letter attached from the Electoral Commissioner is to be taken as the Commissioner’s agreement that he will be responsible for the conduct of the 2021 ordinary elections (as required by s 4.20(4) of the Local Government Act 1995).

**CR JONES’ RESIGNATION**

Elected Member Vacancy

The Author has recommended that Council seek the Electoral Commissioner’s approval to include the vacancy in the October 2021 Ordinary Election in order to save the cost of holding a separate Extraordinary Election prior.

Council can, however, choose to hold an extraordinary election pursuant to s 4.8 of the Local Government Act 1995.

Vacancies on Council Committees

Cr Jones was a member of the Audit Advisory Committee. Council may want to appoint a new member notwithstanding that there are still sufficient members (five) to make a quorum.

Vacancies on Working Groups

Cr Jones' was a member on the following Working Groups:

1. Sustainability Strategy Working Group; and the
2. Waste Reform Working Group.

A copy of the Terms of Reference for each is attached, see Attachments 8.3.6c and 8.3.6d respectively.

Delegate to External Organisations

Cr Jones' was the Council Delegate to the following external organisations:

1. Denmark Community Resource Centre Inc. Committee;
2. Wilson Inlet Catchment Committee Inc.; and
3. Proxy delegate for the Great Southern Regional Road Group. Cr Seeney is the Council delegate and the Director Assets & Sustainable Development also attends these meetings. The Author has not recommended that Council appoint another proxy but Council are welcome to do so.

**Voting Requirements:**

Absolute majority required.

OFFICER RECOMMENDATION

ITEM 9.3.6 a)

That with respect to the 2021 Local Government Elections for the Shire of Denmark, Council;

1. DECLARE, in accordance with Section 4.20(4) of the Local Government Act 1995, the Electoral Commissioner to be responsible for the conduct of the 2021 Ordinary Elections together with any other elections or polls which may be required; and
2. DECIDE, in accordance with Section 4.61(2) of the Local Government Act 1995 that the method of conducting the election will be as a postal election.

OFFICER RECOMMENDATION

ITEM 9.3.6 b)

That with respect to the vacancy created by the resignation of Cr Steve Jones, Council REQUEST the Electoral Commissioner's approval to fix the ordinary elections day in 2021 as the day for holding any poll needed for an extraordinary election to fill the vacancy.

Cr Lewis moved both of the recommendations together.

**COUNCIL RESOLUTION**

ITEM 9.3.6

MOVED: CR LEWIS

SECONDED: CR GIBSON

1. That with respect to the 2021 Local Government Elections for the Shire of Denmark, Council;
  - a) DECLARE, in accordance with Section 4.20(4) of the Local Government Act 1995, the Electoral Commissioner to be responsible for the conduct of the 2021 Ordinary Elections together with any other elections or polls which may be required; and
  - b) DECIDE, in accordance with Section 4.61(2) of the Local Government Act 1995 that the method of conducting the election will be as a postal election.
2. That with respect to the vacancy created by the resignation of Cr Steve Jones, Council REQUEST the Electoral Commissioner's approval to fix the ordinary elections day in 2021 as the day for holding any poll needed for an extraordinary election to fill the vacancy.

CARRIED UNANIMOUSLY AND BY AN ABSOLUTE MAJORITY: 8/0

Res: 170221

**OFFICER RECOMMENDATION**

ITEM 9.3.6 c)

That with respect to the vacancies created by the resignation of Cr Jones, Council APPOINT;

- a) Cr \_\_\_\_\_ to the Audit Advisory Committee;
- b) Cr \_\_\_\_\_ to the Sustainability Strategy Working Group;
- c) Cr \_\_\_\_\_ to the Waste Reform Working Group;
- d) Cr \_\_\_\_\_ as the delegate to the Denmark Community Resource Centre Inc. Committee; and
- e) Cr Seeney as the delegate to the Wilson Inlet Catchment Committee Inc.

The Governance Coordinator noted that the Sustainability Strategy Working Group had since been disbanded and provided an amended Officer Recommendation.

**AMENDED OFFICER RECOMMENDATION**

ITEM 9.3.6 c)

That with respect to the vacancies created by the resignation of Cr Jones, Council APPOINT;

- Cr \_\_\_\_\_ to the Audit Advisory Committee;
- Cr \_\_\_\_\_ to the Waste Reform Working Group;
- Cr \_\_\_\_\_ as the delegate to the Denmark Community Resource Centre Inc. Committee; and
- Cr \_\_\_\_\_ as the delegate to the Wilson Inlet Catchment Committee Inc.

**COUNCIL RESOLUTION**

ITEM 9.3.6 c)

MOVED: CR GIBSON

SECONDED: CR BOWLEY

That with respect to the vacancies created by the resignation of Cr Jones, Council APPOINT;

- a) No replacement Elected Member to the Audit Advisory Committee;
- b) No replacement Elected Member to the Waste Reform Working Group;
- c) Cr Allen as the delegate to the Denmark Community Resource Centre Inc. Committee; and
- d) Cr Seeney as the delegate to the Wilson Inlet Catchment Committee Inc.

CARRIED UNANIMOUSLY: 8/0

Res: 180221

**REASONS FOR CHANGE**

Council did not believe that a replacement member for the Audit Advisory Committee or the Waste Reform Working Group was required until the membership is reconsidered after the October 2021 local government elections.

### 9.3.7 GSCORE APPLICATION TO BUILDING BETTER REGIONS FUND (BBRF) FOR THE DEVELOPMENT OF MOUNTAIN BIKE TRAILS IN THE LOWER GREAT SOUTHERN

<b>File Ref:</b>	ORG.90
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not Applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	4 February 2021
<b>Author:</b>	David Schober, Acting Chief Executive Officer
<b>Authorising Officer:</b>	David Schober, Acting Chief Executive Officer
<b>Attachments:</b>	9.3.7 - Great Southern Regional MTB Trails Proposed Project Management Structure and Budget (GSCORE)

#### Summary:

This report recommends that Council provide in principle support to the Great Southern Centre for Outdoor Recreation Excellence (GSCORE) for the preparation and submission of an application to the Building Better Regions Fund (BBRF) – Community Stream for the development of further research, consultation and planning for mountain bike trails in the Great Southern region, including Denmark.

#### Background:

GSCORE works collaboratively with local governments across the region with the aim of supporting the growth and development of the outdoor recreation sector.

In 2018/19, GSCORE produced the Great Southern Outdoor Recreation Strategy, to encourage collaboration to improve the provision of outdoor infrastructure and increase levels of participation in outdoor recreation activities. The Strategy delivers an integrated, whole-of-region approach to outdoor recreation across the Great Southern over a three-year period.

GSCORE in partnership with the Great Southern Local Government Authorities, Department of Biodiversity, Conservation and Attractions, Department of Local Government, Sport and Cultural Industries and the Great Southern Development Commission identified the Great Southern Regional Trails Master Plan (GSRTMP) as a priority project.

In June 2018, the Shire of Denmark wrote to GSCORE with the following commitment,

*“The Shire of Denmark would like to be considered as one of the four business cases for prioritised infrastructure projects. The Shire of Denmark is currently preparing the 2018/19 Budget and Corporate Business Plan for the period 2018/19 to 2021/22. In terms of next year’s budget, the Shire has forecast a \$30,000 contribution to the development of the Master Plan. This is obviously subject to Council’s approval”*

This was subsequently supported in the Budget with a \$30,000 allocation that has been paid to GSCORE for the production of the GSRTMP.

At the Ordinary Council Meeting on 19 May 2020 (resolution 090520), Council subsequently endorsed the Great Southern Regional Trails Master Plan 2020-2029 (GSRTMP), prepared by GSCORE.

#### Summary of GSRTMP

The GSRTMP aims to identify a clear program of trail infrastructure development across the Great Southern region over a ten-year period (2020 – 2029).

The objectives of the GSRTMP are to:

- Adopt a strategic coordinated approach to trail planning, management and maintenance through key stakeholder collaboration and prioritise and target investment;

- Develop, upgrade and maintain a network of high quality trails and facilities that deliver outstanding experiences to a wide range of trail users and activity types;
- Encourage strong local community and visitor participation in recreational trail activities through effective promotion and marketing of the regions trails; and
- Capitalise on the opportunities presented by a well-designed trails network for health, environment, culture, economic and liveability benefits.

The trail projects are separated into regional and local priorities.

A Regional Priority Project is defined as being integral to the Great Southern's vision to become a world-class trail destination.

A Local Priority Project provides a "value-added experience" to the resident and visitor and could be in the form of a trail linkage or enhancement to an existing trail.

The priorities were identified through a multi-tiered assessment process to determine their ranking. These tiers looked at market potential, destination significance, destination opportunity and destination deliverability.

The South Coast Alliance (SCA), through its Economic Development Strategy, has prioritised the development of mountain bike trails following the release and subsequent endorsement of the GSRTMP. Member Local Governments appreciate each local government will have different needs, capacity and timeframes to consider, but a joint partnership will provide the best opportunity to leverage state and federal funds to realise the GSRTMP objectives.

The attached Great Southern Regional MTB Trails Proposed Project Management Structure and Budget, prepared by GSCORE, identifies both Albany and Plantagenet as being "shovel ready" with projects for Albany Heritage Park and Poikeclerup (Albany) and Tower Hill (Plantagenet). These three projects require funding for construction. The Shire of Denmark is not at the same stage of development and requires funding to undertake more detailed community consultation, further site assessment and concept planning over the Mt Hallowell reserve.

All projects are listed as "priority trails" in the GSRTMP.

#### Building Better Regions Fund (BBRF).

There are two avenues of funding available within the BBRF, these being:

- Infrastructure Stream, which supports projects that involve construction of new infrastructure, or the upgrade or extension of existing infrastructure.
- Community Investment Stream, which funds community development activities including, but not limited to, new or expanded local events, strategic regional plans, leadership and capability building activities.

The Shire of Denmark is currently undertaking community consultation for the Ocean Beach Precinct redevelopment project. The Shire's intent is to fully appreciate the community's aspirations regarding the potential development of both Ocean Beach and Prawn Rock Channel. It is anticipated that the Shire, depending upon the community feedback received, will submit an application to the BBRF for Ocean Beach Surf Club and/or the entire precinct. One, or both, applications will be submitted under the Infrastructure stream.

#### BBRF Applicant and associated considerations

The application to the BBRF requires the grant request to nominate a specific applicant. The SCA and member local governments will need to consider all elements when determining who is best placed to apply and ultimately administer the grant process. The attached Great Southern Regional MTB Trails Proposed Project Management Structure and Budget identifies the following four options:

- Option 1 – GSCORE submits grant  
GSCORE provide grant and project management.
- Option 2 – GSCORE submits grant  
GSCORE provide grant management and all parties are responsible for their own project management.
- Option 3 – Local Governments submit their own grant  
Each local government responsible for their own project submission and management.
- Option 4 – South Coast Alliance Inc. (SCA) submits grant.  
SCA submits the grant and contracts a management agency, such as GSCORE, to manage the project.

#### Key considerations

- To successfully deliver the project, project management fees need to be budgeted for either through the submission or by the local government. Project management fees can only be included in the funding request if the management agency is not the applicant. Options 1 and 2 preclude project fees being included as GSCORE would be the applicant.
- Option 3 does not allow leveraging of funds using a collaborative approach across the Alliance network.
- If the Alliance submit a grant (Option 4) all member local governments will need to support. At the time of writing, this is unknown. The ability of the Alliance to deliver capital projects is also untested.
- The City of Albany already have \$3.2 million in forward commitments to mountain bike trails. It would be unlikely they need further investment for trails and would presumably use a BBRF application (direct City of Albany submission) for other projects. At the time of writing the City of Albany have not held a briefing and their position is unclear however the author suggests they would be likely to choose option 2 as they have capacity to deliver their own project management team.
- The Shire of Plantagenet are shovel ready and the author suggests they would be best placed to work with Albany to use the already committed \$3.2 million as leverage. Plantagenet's position is known that they support a direct Alliance application, but beyond that would work directly with the City of Albany and/or GSCORE.

Given further consultation is required for a potential Mt Hallowell project, and given that the Shire does not wish to compete against its own BBRF application, officers support Option 1 under the "Proposed Project Management Approaches" (p4) from the attached Great Southern Regional MTB Trails Proposed Project Management Structure and Budget. This removes Denmark from the Infrastructure Stream for construction and supports an application to Community Investment Stream for the purposes of community consultation and further assessment. In supporting a GSCORE application this also removes any stakeholder or community perception about directly supporting other projects which could be seen as competing against the Surf Lifesaving Club and the Ocean Beach precinct project. GSCORE would be responsible for both grant and project management.

This report seeks to provide elected members and SCA member delegates with the opportunity to ask questions of GSCORE and officers ahead of the February 2021 Ordinary Council Meeting and contribute to the decision making process of this grant application at the next South Coast Alliance meeting in late February 2021.

#### **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 for this particular report.

There were three significant rounds of community consultation undertaken as part of the development of the GSRTMP.

#### Round One

- Workshops with the Shire of Denmark community members, stakeholders and trail users. This stage was used to identify aspirations for trails and to gain local knowledge of existing trails.

#### Round Two

- Targeted workshops with the community to discuss the opportunities and challenges presented. This was designed to assist GSCORE to formulate trail proposal recommendations.

#### Round Three

- The Draft Plan was circulated for a whole of community response. This comprised of a four-week community and stakeholder review and comment period was undertaken by GSCORE from 16 December 2019 closing on 19 January 2020.

The Plan was advertised through;

- The Shire's website under Community Consultation,
- Denmark Bulletin,
- On the notice boards at the Shire Administration, Denmark Recreation Centre & Denmark Library.

The Western Australian Strategic Trails Blueprint 2017-2021 produced by the State Government was utilised as a guiding document. The aim of the Blueprint is to guide future investment and planning into consistent, sustainable trail development. This document recommends the development of regional trails master plans as important tools for all levels of government.

Further consultation with the community, neighbours and stakeholders will occur should the BBRF application for further capacity building regarding Mt Hallowell be successful.

#### **Statutory Obligations:**

Nil

#### **Policy Implications:**

P110304 Sustainability & Co-location (Sport & Recreation Facilities) relates and reads as follows:

*Council will give priority support to facility development or redevelopment that shows capacity for co-locating or the sharing of resources.*

This Strategy supports the capacity for co-locating community infrastructure and sharing of resources.

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

The endorsement of a submission by GSCORE to the BBRF will require matching Council funds. Presently there are no funds available in the current 2020/21 budget. The grant application process closes on 5 March 2021, with preferred candidates notified in May/June 2021. It is therefore likely the project will not be realised until the new financial year, should the bid be successful.

Officers believe a project of \$90,000 is sufficient to realise the objectives outlined, which would require a matching Shire investment of \$45,000 next financial year, with the \$45,000 requested through the BBRF program. The value of the grant application, even though it would be made to the Community Stream, and not the Infrastructure Stream, is less likely to evoke adverse community and stakeholder perception in respect to the Surf Club project

If the Mt Hallowell project is realised, following the next phase of community engagement and capacity building, preliminary costings suggest a budget of \$1 million will be required. The Shire has included \$250,000, over a two-year period, in the Long Term Financial Plan, with the balance of the project, \$750,000, expected to come from State and Federal grants.

This project is also consistent with the Shire of Denmark Sport and Recreation Plan which was endorsed by Council in 2018.

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

The report 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.

##### 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.

#### Corporate Business Plan

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

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

### **Sustainability Implications:**

#### ➤ **Governance:**

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

#### ➤ **Environmental:**

While there are no environmental implications in endorsing an application to the BBRF, there is considerable environmental concerns around the construction and maintenance of trails in highly sensitive natural environments.

Best practice trail development involves an eight stage process and encompasses a constant evaluation, review and improvement process as trails are being developed, maintained, extended or renewed.

This process is detailed below;

1. Trail Proposal

A trail development proposal is either supported in principle by the land manager/owner, or not supported (due to environmental, social, cultural or other constraints). The purpose of a proposal could be to identify potential suitable areas for consideration.

2. Framework

A project outline developed by the steering group (stakeholders), including: project objectives, project management model, stakeholders, roles, target market, requirements, execution and ongoing management model.

3. Site Assessment

Broad-scale study of the area and identification of opportunities, constraints and characteristics such as soil types, vegetation etc.

4. Concept Planning

Identification of opportunities and conceptual trail plan, including broad trail corridors and infrastructure requirements.

5. Corridor Evaluation

Detailed assessment of trail corridors for use in determining the final trail alignment.

6. Detailed Design

Detailed trail design and alignments physically flagged in the field. Includes detail on the trail classifications, technical trail features, construction methods and specifications.

7. Construction

Trail constructed in line with the Detailed Design.

8. Management

Management plan implemented detailing maintenance and monitoring requirements.

In respect to the proposed Mt Hallowell Mountain Bike Trail Development, the Shire of Denmark, after consultation with key stakeholders, requested that additional community engagement be carried out to understand the community's views. This forms part of Stage 2, the framework section which has now been completed.

The project is now entering stages 3,4 and 5 concurrently. Funding from BBRF, if successful, will support this activity.

➤ **Economic:**

The vision to position the Great Southern as a trail destination region is designed to attract visitors from outside the area from intrastate, interstate and potentially overseas.

There are currently no existing snorkel, paddle, sanctioned cross-country or downhill mountain bike trails in the Shire of Denmark.

There are two off-road cycling trails – the WOW Trail and the Denmark-Nornalup Heritage Rail Trail.

The proposed project area provides an opportunity to address local recreational demand for mountain bike trails (as evidenced by increasing unsanctioned trail construction in the reserve).

It also supports the aspirations outlined in the GSRTMP to establish a network of MTB trails which, when marketed under one brand, could attract mountain bike trail users to the region for recreational cycling.

The Great Southern region currently has limited recognition as a mountain biking or cycle trail destination, with a small network of dual-use trails in Albany and Denmark. The experience would be tailored to the fast growing leisure and family market.

The primary focus for the Mt Hallowell area would be for the leisure market including families, youth, and beginner adult riders seeking well-marked and accessible trails. Low to medium skill levels required with some degree of challenge and difficulty.

➤ **Social:**

The development of trails will provide increased opportunities for outdoor physical activity, leading to improved physical and mental wellbeing and a reduction in lifestyle diseases and associated medical costs.

Trails are a low cost activity for the participant, which encourages accessibility to many different groups in the community. This also creates the opportunity to improve awareness and appreciation of the natural environment and support for its conservation and protection.

These social benefits will become even more prevalent post COVID-19 as the community starts to recover and look at ways to improve their health and well-being.

➤ **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 community view the endorsement of the BBRF application as sanctioning trail development.	Possible (3)	Moderate (3)	Moderate (5-9)	Inadequate Natural Environmental Management	Control through the Shire Communications team via Social media, media outlets, media releases, key stakeholder engagement.

During the consultation phase a limited number of project submissions, which supported the developing of a trail network, have identified the project does not meet their particular user group needs. Feedback has suggested the first draft concept is not long enough and benign.

While a definitive design has not been established the Project Control Group have noted this feedback contending the objective of the trails design, and subsequent use, is predominantly a family friendly trail and therefore will not necessarily meet the needs of downhill, freestyle or touring riders. The Project Control Group have also looked at extending the area designated for the proposed trail in which community consultation occurred.

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 proposed trail development does not meet the needs of defined user groups	Possible (3)	Minor (2)	Moderate (5-9)	Inadequate Engagement - Community / Stakeholders / Crs	Manage by extending community engagement prior to final design

**Comment/Conclusion:**

The Shire of Denmark is considered a prime area for developing opportunities for nature based trails. The planning and development of these trails could provide significant economic and environmental benefits, but requires careful consideration and extensive engagement with the Denmark community. Balancing the needs of the environment against trail development is highly contentious and requires continued community engagement with neighbours, stakeholders and the community. It is important to note there has been strong concerns raised by neighbouring residents for issues such as traffic management, noise, safe access and environmental impacts.

The opportunity to join SCA member local governments to leverage state and federal funds in providing a joint submission is an opportunity worthy of consideration. It will be important that the Shire manages the notion of competing against itself with the Ocean Beach precinct redevelopment.

A resolution of Council, to support or otherwise, will provide South Coast Alliance member delegates with the necessary direction at the next meeting to either support or decline to be a part of a joint BBRF application (presumably in the Infrastructure Stream) or request GSCORE to develop a separate application for the Shire of Denmark in the Community Stream.

**Conclusion:**

This report seeks to provide Shire of Denmark delegates to the South Coast Alliance a stated position of Council to confirm its involvement, or otherwise, in supporting a GSCORE application to the BBRF – Community Stream for the purposes of developing mountain bike trails in Denmark and the Great Southern.

**Voting Requirements:**

Simple majority.

**OFFICER RECOMMENDATION****ITEM 9.3.7**

That COUNCIL,

- a) Provide in principle SUPPORT to the Great Southern Centre for Outdoor Recreation Excellence (GSCORE) for the preparation and submission of an application to the Building Better Regions Fund (BBRF) – Community Stream for the development of further research, consultation and planning for mountain bike trails in the Great Southern region, including Denmark.
- b) AUTHORISE the CEO to write a letter of support for the Great Southern Centre for Outdoor Recreation Excellence (GSCORE) to endorse their application to the BBRF – Community Stream as referenced in part a.
- c) ALLOCATE up to \$45,000 in the 2021/22 Shire of Denmark Annual Budget for the purposes of supporting the BBRF - Community Stream application as referenced in part a.
- d) AUTHORISE Shire of Denmark South Coast Alliance member delegates to formally table the Shire of Denmark's position at the 22 February 2021 South Coast Alliance meeting.

The Chief Executive Officer advised that he would like to amend part c) to state that Council would consider the allocation of funds in the 2021/22 budget instead of Council approving the funds prior to 2021/22 budget deliberations. The Acting Chief Executive Officer provided the following amended officer recommendation.

**COUNCIL RESOLUTION & AMENDED OFFICER RECOMMENDATION**      **ITEM 9.3.7**  
**MOVED: CR BOWLEY**      **SECONDED: CR GIBSON**

That COUNCIL,

- a) Provide in principle SUPPORT to the Great Southern Centre for Outdoor Recreation Excellence (GSCORE) for the preparation and submission of an application to the Building Better Regions Fund (BBRF) – Community Stream for the development of further research, consultation and planning for mountain bike trails in the Great Southern region, including Denmark.
- b) AUTHORISE the CEO to write a letter of support for the Great Southern Centre for Outdoor Recreation Excellence (GSCORE) to endorse their application to the BBRF – Community Stream as referenced in part a.
- c) CONSIDER an allocation up to \$45,000 in the 2021/22 Shire of Denmark Annual Budget for the purposes of supporting the BBRF - Community Stream application as referenced in part a.
- d) AUTHORISE Shire of Denmark South Coast Alliance member delegates to formally table the Shire of Denmark’s position at the 22 February 2021 South Coast Alliance meeting.

CARRIED UNANIMOUSLY: 8/0

Res: 190221

**10. COMMITTEE REPORTS AND RECOMMENDATIONS**

Nil

**11. MATTERS BEHIND CLOSED DOORS**

Nil

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

Nil

**13. CLOSURE OF MEETING**

7.37pm - There being no further business to discuss the Shire President, Cr Gearon, declared the meeting closed.

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

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

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

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

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