

# Shire of Denmark

## Ordinary Council Meeting **AGENDA**

**17 AUGUST 2021**



TO BE HELD IN COUNCIL CHAMBERS, 953 SOUTH COAST HIGHWAY, DENMARK ON TUESDAY, 17 AUGUST 2021, COMMENCING AT 4.00PM.



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## Strategic Community Plan (snapshot)

### E1.0

#### Our Economy

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

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

### N2.0

#### Our Natural Environment

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

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

### B3.0

#### Our Built Environment

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

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

### C4.0

#### Our Community

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

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

### L5.0

#### Our Local Government

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

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

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

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

MEMBERS:

Cr Ceinwen Gearon (Shire President)  
 Cr Mark Allen (Deputy Shire President)  
 Cr Geoff Bowley  
 Cr Kingsley Gibson  
 Cr Ian Osborne  
 Cr Jan Lewis  
 Vacant

STAFF:

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

APOLOGIES

ON APPROVED LEAVE(S) OF ABSENCE

Cr Roger Seeney – Council Resolution 020521  
 Cr Janine Phillips – Council Resolution 010721

ABSENT

VISITORS

**3. DECLARATIONS OF INTEREST**

Name	Item No	Interest	Nature

**4. ANNOUNCEMENTS BY THE PERSON PRESIDING**

**5. PUBLIC QUESTION TIME**

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

Nil

**5.2 PUBLIC QUESTIONS**

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

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

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

Questions from the Public

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

Nil

**5.4 PRESENTATIONS, DEPUTATIONS & PETITIONS**

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

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

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

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

**7. CONFIRMATION OF MINUTES**

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

OFFICER RECOMMENDATION

ITEM 7.1

That the minutes of the Ordinary Meeting of Council held on the 20 July 2021 be CONFIRMED as a true and correct record of the proceedings.

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

OFFICER RECOMMENDATION

ITEM 7.2

That the Notes from the Strategic Briefing Forum held on 20 July 2021 be RECEIVED.

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

Nil

## 9. REPORTS OF OFFICERS

### 9.1 DIRECTOR ASSETS AND SUSTAINABLE DEVELOPMENT

#### 9.1.1 PROPOSED LOCAL PLANNING POLICY NO. 49 – ANCILLARY DWELLINGS

<b>File Ref:</b>	PLN.70.O
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Shire wide (excluding General Industry Zone)
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	30 July 2021
<b>Author:</b>	Will Hosken, Strategic Town Planner
<b>Authorising Officer:</b>	David King, Director Assets and Sustainable Development
<b>Attachments:</b>	Attachment 9.1.1 – Draft Local Planning Policy No. 49: Ancillary Dwellings

#### Summary:

This report requests that Council prepare proposed draft Local Planning Policy No. 49: Ancillary Dwellings (Attachment 9.1.1) for public consultation.

The purpose of this draft Local Planning Policy is to detail how the Shire will consider proposals for the development of an ancillary dwelling (commonly known as a ‘granny flat’).

#### Background:

At its meeting on 20 June 2021 the Council adopted Amendment No. 150 to *Local Planning Scheme No. 3* (the Scheme). This Amendment was proposed in order to remove barriers to the development of ancillary dwellings in the Residential Zone, supporting housing affordability by promoting a diversity of housing options, including smaller forms.

Once implemented, this Amendment will align the Shire’s approach to ancillary dwellings with the deemed provisions of the *Planning and Development (Local Planning Schemes) Regulations 2015* (the Regulations). In effect, the standards for developing an ancillary dwelling in the Residential Zone will be consistent with the *Residential Design Codes* (the R-Codes).

Outside of the Residential Zone there is currently no specific guidance in the local planning framework for the development of ancillary dwellings. On this basis the Shire:

- Refers to the definition of an ‘ancillary dwelling’ in the deemed provisions of the *Planning and Development (Local Planning Schemes) Regulations 2015*.
- Accepts and assesses proposals where there is an approved Single House.
- Uses discretion to distinguish between an ancillary dwelling and a grouped dwelling. In practice this has been informed by the R-Codes and Clause 5.3.7 (removed by Amendment No. 150), although neither the R-Codes nor Clause 5.3.7 are enforceable outside of the Residential Zone.
- Applies standard setbacks and other relevant controls according to the general development standards of each zone.

While it is desirable to support and enable the development of ancillary dwellings, it is recognised that there is an opportunity to provide greater clarity and certainty for both landowners and neighbours by articulating the Shire’s expected development standards. The most appropriate means of doing so is via a Local Planning Policy.

Officers have identified the following policy objectives:

- Promote the development of ancillary dwellings as a type of small-format housing that contributes to housing diversity.

- Preserve the amenity of residential and rural residential areas from inappropriate development.
- Identify development standards that the Shire will apply to proposals for an ancillary dwelling where the R-Codes do not apply.
- Identify development standards that demonstrate the distinction between what the Shire considers to be an ancillary dwelling and a grouped dwelling.

Key issues that the draft Local Planning Policy address include:

- The relationship between an ancillary dwelling and a second dwelling that may be permitted on larger lots in the Rural Zone.
- The location/ siting of an ancillary dwelling, as a means of demonstrating that it is subsidiary to the primary residence.
- The permitted size of an ancillary dwelling and servicing requirements (eg. car parking, water supply).
- Minimising the risk of over-development of lots in the Special Residential zone.

The draft Local Planning Policy aims to provide development standards that are aligned across all zones where possible.

In addition, the draft Local Planning Policy specifies how the Shire will consider proposals for the use of an ancillary dwelling for short stay accommodation. This could potentially occur in one of three ways, under the *Holiday Accommodation* use class:

- Short stay leasing of an ancillary dwelling where the owner lives in the primary residence or vice versa.

This form of accommodation is considered low risk and is supported in the Draft Local Planning Policy – short stay accommodation with on-site management is generally acknowledged as being more effective at minimising undesirable outcomes.

- Short stay leasing of an ancillary dwelling in addition to the primary residence, as one combined accommodation unit.

This is effectively an extension of a holiday home, but would be assessed under the *Holiday Accommodation* use class as both the *Holiday Home (Standard)* and *Holiday Home (Large)* use classes preclude the use of an ancillary dwelling. It is noted that there is no inherent restriction on occupancy under the *Holiday Accommodation* use class.

The draft Local Planning Policy does not propose to support this type of use of an ancillary dwelling in the Residential, Special Residential and Special Rural zones, except where this is specifically provided for in special provisions of the Scheme (for example, some Special Rural provisions allow for this).

It is noted that there may be circumstances where this could be an acceptable use and potential impacts mitigated, and it is proposed that the Local Planning Scheme review consider this as part of a more holistic review of tourism use classes.

- Short stay leasing of both a primary residence and an ancillary dwelling as two separate accommodation units.

The Draft Local Planning Policy does not propose to support this type of use of an ancillary dwelling in the Residential, Special Residential and Special Rural zones, except where this is specifically provided for in special provisions of the Scheme.

This type of use could potentially support an increase in the intensity of tourism use within residential areas.

### **Occupancy Restrictions**

In July 2021 Council agreed to remove a Scheme clause restricting occupancy of ancillary dwellings in the Residential zone to family members only.

The proposed draft Local Planning Policy would clarify that the lifting of this occupancy restriction also applies to the other zones where ancillary dwellings may be contemplated. This may attract concern from developments where there is a certain expectation as to the amount of development in an area, such as the Special Residential zones of Springdale Beach and the Highlands.

On one hand, ancillary dwellings in this zone will bring additional traffic and people to an area. On the other, ancillary dwellings are small, suited to singles and couples and will contribute to assisting with the current rental and affordable housing issues in the community.

On balance the lifting of occupancy restrictions is recommended and will be tested through the advertising period should Council initiate this local planning policy.

### **Consultation:**

This report recommends the Council resolves to prepare proposed draft Local Planning Policy No. 49: Ancillary Dwellings (Attachment 9.1.1) and advertise for public comment.

In accordance with the Regulations, the Shire is required to publish notice of the proposed Draft Policy for a minimum period of 21 days. Officers recommend public consultation that exceeds the requirements of the Regulations, including an extended consultation period and a proactive public information campaign.

At the close of public consultation, the draft Local Planning Policy will be returned to Council with a summary of public submissions and recommendations on the next steps.

### **Statutory Obligations:**

The preparation of a Local Planning Policy must occur in accordance with the *Planning and Development (Local Planning Schemes) Regulations 2015*, including public consultation.

### **Policy Implications:**

Once prepared for the purpose of public consultation, the Draft Local Planning Policy No. 49: Ancillary Dwellings (Attachment 9.1.1) can be given regard in the assessment of planning applications; however, it does not carry statutory weight until a final policy is adopted by the Council after public consultation.

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

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

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

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

#### Denmark 2027

N2.0 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.*

B3.5 To have diverse and affordable housing, building and accommodation options.

L5.0 Our Local Government

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

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

Corporate Business Plan

B3.3.1 Undertake a review of the Local Planning Scheme to activate the community vision and guide future land use and development.

**Sustainability Implications:**

Sustainability Strategy 2021-2031

4.1 Implement responsible and sustainable practices through policy development and land-use planning.

The development of ancillary accommodation is a version of infill development that is typically small-scale, low-key and well suited to established areas, making the most of existing infrastructure and increasing the number of dwellings within walking and cycling proximity to services. As a small housing type, it is also inherently more sustainable an option than other alternatives.

➤ **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:**

Ancillary dwellings can offer another housing option for affordable housing where there is a documented shortfall in the Denmark community.

Adding ancillary dwellings into an established Special Residential estate may have impacts upon the established community’s quality of life.

➤ **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>Environmental:</b> That the development of additional ancillary accommodation in unsewered areas increases the risk of environmental harm.	Rare (1)	Minor (2)	Low (1-4)	Inadequate Natural Environ. Management Practices	Manage by the assessment of on-site treatment methods as part of planning assessment.
<b>Reputation:</b> That additional ancillary accommodation is met with community concern relating to amenity concerns.	Likely (4)	Minor (2)	Moderate (5-9)	Inadequate Engagement - Community / Stakeholders / Crs	Accept Officer Recommendation

**Comment/Conclusion:**

Preparation of the proposed *draft Local Planning Policy No. 49: Ancillary Dwellings* (Attachment 9.1.1) for public consultation is recommended to help provide clarity and consistency for the development of ancillary dwellings in the Shire.

**Voting Requirements:**

Simple majority.

OFFICER RECOMMENDATION	ITEM 9.1.1
<p>That Council, pursuant to Schedule 2, Part 2 of the <i>Planning and Development (Local Planning Schemes) Regulations 2015</i>, resolves to:</p> <ol style="list-style-type: none"> <li>1. PREPARE proposed draft Local Planning Policy No. 49: Ancillary Dwellings for the purpose of public consultation; and,</li> <li>2. ADVERTISE draft Local Planning Policy No. 49: Ancillary Dwellings and invite public comment for a period of no less than 21 days, reporting to Council thereafter.</li> </ol>	

### 9.1.2 PROPOSED AMENDMENT TO DEVELOPMENT APPROVAL – TAVERN/CELLAR SALES/RESTAURANT & RURAL INDUSTRY

<b>File Ref:</b>	A3905
<b>Applicant / Proponent:</b>	Matthew Beaton
<b>Subject Land / Locality:</b>	No.40 (Lot 305) Wentworth Road, Ocean Beach
<b>Disclosure of Officer Interest:</b>	None
<b>Date:</b>	30 July 2021
<b>Author:</b>	Craig Pursey, Manager Sustainable Development
<b>Authorising Officer:</b>	David King, Director Assets and Sustainable Development
<b>Attachments:</b>	Attachment 9.1.2a - Development Application to amend DA202/128 Attachment 9.1.2b - Existing development approval 2020/128 Attachment 9.1.2c - Schedule of Submissions Attachment 9.1.2d - Acoustic and Traffic reports

**Summary:**

Council has received an application to vary the maximum number of people on site from 70 people to 250 people on an existing development approval for a Tavern/Cellar Sales/Restaurant & Rural Industry at No.40 (Lot 305) Wentworth Road, Ocean Beach.

Approval is recommended subject to the upgrading and sealing of Wentworth Road and preparation of further supporting documentation prior to occupancy.

**Background:**Subject Site

No.40 (Lot 305) Wentworth Road, Ocean Beach is just over 52 hectares in area and zoned "Rural" by Town Planning Scheme No.3 (TPS 3). It forms part of a larger group of landholdings ('Raintree Farm') covering approximately 344 hectares historically used for cattle and marron farming. The site contains a large 'rural outbuilding', aquaculture dams and a new distillery building.

The site fronts South Coast Highway to the north, the Denmark – Nornalup Heritage Rail Trail to the south, and Wentworth Road to the east which provides primary vehicle access to the property. The broader locality is characterised by a range of agricultural lots primarily used for grazing and horticultural pursuits interspersed with pockets of remnant vegetation, houses and outbuildings that extend southward towards the William Bay National Park. A small winery, Monkey Rock winery, is located approximately 1.4km to the south east, and a chalet development to the south serviced off Wentworth Road.

Karri trees within the adjacent verge on South Coast Highway are noted as having aesthetic and historic significance being listed in the Shire’s Schedule of Heritage Places and the Municipal Heritage Inventory, as is the adjacent Denmark-Nornalup Railway Reserve along the southern boundary of the site.

History of Approvals

Lot 305 has been developed continuously since 2010 with the establishment of a substantial outbuilding. A summary of the development approvals issued since 2010 is provided in the table below.

DA	Date Approved	Land Use	Notes
2010/135	21/10/2010	Outbuilding (Farm Shed)	275m <sup>2</sup> in area
2016/18	8/4/2016	Outbuilding Additions/Alterations	Added ~320m <sup>2</sup> of floor area, making a 540m <sup>2</sup> shed
2016/18A	19/12/2016	Outbuilding – Amended plans	Increased outbuilding size (454m <sup>2</sup> added) and additional mezzanine resulting in a 780m <sup>2</sup> outbuilding
2016/166	2/12/2016	Aquaculture	Multiple dams across the wider farming area
2019/135	17/6/2020	Conversion of outbuilding to: <ul style="list-style-type: none"> <li>• Private Recreation (Day Spa)</li> <li>• Restaurant (small café)</li> <li>• Rural Industry (extraction of essential oils)</li> <li>• Rural Pursuit (sale of products grown on site including beef and marron)</li> </ul>	<p><i>Advertised for public comment</i></p> <p>Application was partly retrospective in nature as previously approved building was not constructed in accordance with approved plans (development approval or building permit).</p> <p>Furthermore, parts of the outbuilding had also been used for processing/ extraction of perfumes/ oils without approval for such use.</p> <p>Cap of 70 people established through condition of approval.</p>
2019/150	18/3/2020	Outbuilding – Rural Industry (extraction of oils and food production)	<p>Slab poured before approval issued.</p> <p>Location of slab and proposed use subsequently ruled out for this purpose due to bushfire issues.</p> <p>Outbuilding approved in alternate location.</p>
2020/80	30/9/2020	Change of Use – Outbuilding (2019/150) to Distillery & Cellar Sales	<p><i>Advertised for public comment.</i></p> <p>This added another land use to the site, the cap of 70 people applied to the restaurant (DA2019/135) was carried through to apply to the cellar sales &amp; restaurant area.</p>
2021/25	19/2/2021	Outbuilding – Storage Shed	<p>Outbuilding proposed on slab poured previously without approval.</p> <p>For storage of marron only with external viewing area for visitors.</p>
2020/128	19/2/2021	Outbuilding Additions/Alterations and Change of Use (Tavern, Cellar Sales/Restaurant & Rural Industry)	<p><i>Advertised for public comment.</i></p> <p>Maximum numbers continue to be capped at 70 people, although</p>

			<p>acknowledged the right to hold up to 10 events for up to 150 persons.</p> <p>Approval continues to require links to rural produce to keep it consistent with the Rural zoning.</p>
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*Note 1: Building Permits, approval to dispose of effluent and wastewater and liquor licence applications have been received subsequent to the Development Applications listed above.*

*Note 2: Scheme Amendment 148 to change the zoning of Lot 305 Wentworth Road, Ocean Beach was initiated by Council in February 2021 subject to modifications of the documentation submitted.*

Amended documents received on the 18<sup>th</sup> June 2021, are currently being reviewed for compliance with Council’s resolution before being forwarded to EPA for assessment and WAPC for permission to advertise.

Existing Approval (DA2020/128)

Council received an application to change the previously approved land uses on Lot 305 to “Outbuilding Additions/ Alterations and Change of Use (Tavern/ Cellar Sales/ Restaurant & Rural Industry)” in September 2020. The application was advertised for public comment and subsequently approved under delegated authority in February 2021. Attachment 9.1.2b is a copy of the existing development approval.

A condition limiting the number of people on site was applied as condition 3 as follows:

- 1) *No more than 70 people (excluding staff) are to be on-site as part of the Tavern/Cellar Sales/ Restaurant use and Distillery (approved under DA2020/80) unless approval is granted in writing by the Shire of Denmark as part of a special event application.*

This approval also acknowledged the ability to run up to 10 special events per year accommodating a maximum of 150 people in order to assist the applicant with obtaining liquor licensing for events.

Proposal

Council has received a development application to vary DA2020/128 and to increase the maximum numbers permitted on site from 70 to 250 people. This includes:

- Expansion of the approved car park area to provide 63 bays; and
- Expansion of the approved outdoor licensed area by 650m<sup>2</sup> to a total of 2,380m<sup>2</sup>.

The applicant’s justification for the proposed increase in maximum numbers includes:

- The applicant has finalised and lodged Acoustic and Traffic reports as part of the Scheme Amendment documentation (Attachment 9.1.2d) that support the increased numbers.
  - The Traffic Assessment prepared by Riley Consulting, concludes that the anticipated traffic generated by 250 visitors will not require the upgrade of Wentworth Road or the intersection with South Coast Highway.
  - The Acoustic Assessment prepared by Herring Storer, concludes that given the local conditions, proposed development and proximity of nearby residences the proposed development can meet the requirements of the Environmental Protection (Noise) Regulations 1997.
- Additional people are required for the financial viability of the development.
- At 250 people the development will still only operate with 50% of other similar developments in the Denmark Shire, Great Southern and Warren Blackwood.
- Increased numbers allow for the recruitment, training and management of a skilled regional workforce to promote regional farm produce.

The applicant has offered to seal Wentworth Road within 12 months of approval from South Coast Highway through to the Denmark-Nornalup heritage trail 'under the terms offered in the application'. These terms have been presented by the applicant as:

"Extend sealing beyond the entrance to Lot 305 up to the Denmark - Nornalup Heritage Trail.

Shire to contribute to costs at a ratio and on terms to be agreed.

- 50% of Raintree Estates contribution costs to be paid in 2021/22.
- 25% of Raintree Estates contribution costs to be paid in 2022/23.
- 25% of Raintree Estates contribution costs to be paid in 2023/24.

Co-Contribution of the Denmark Shire to be defined based on;

- Strategic Importance of a Regional Trail Link Through Raintree.
- Unrecognized donation of land for trails in 2012.
- Future Raintree Trail's donations of land/infrastructure to
  - Improve Main Roads bike/ horse crossing safety.
  - Infrastructure to provide parking/ signpost for trail users."

Additional information is offered by the applicant around the need to improve safety in the vicinity of the Wentworth Road-South Coast Highway intersection including where numerous trails meet nearby with offers to cede land to assist in rationalising the Munda Bididi and Bibbulmun trails.

Lastly, the applicant has suggested that the speed limit in this location be reduced from 90km/hr to 80km/hr to assist with the safety concerns around the trail's relationship to the South Coast Highway in this locale.

A full copy of the application is Attachment 9.1.2a of this report.

### **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 as well as the requirements of Town Planning Scheme No.3 and Schedule 2, Part 8, Clause 64 of *the Planning and Development (Local Planning Schemes) Regulations 2015* and undertook the following level of consultation:

#### External Consultation:

- Main Roads WA.
- Thirty six (36) adjoining or nearby landowners inviting comment on the proposal.

#### Internal Consultation:

- Development Co-ordination Unit.

At the end of the advertising period, nine (9) submissions were received which have been summarised with officer comments provided at Attachment 9.1.2c.

### **Statutory Obligations:**

Planning and Development (Local Planning Schemes) Regulations 2015, Schedule 2, Part 9 clause 77 (b) allows the landowner to make application to "amend or delete any condition to which the approval is subject..."

Should Council refuse this Development Application or impose conditions on a development Approval that the applicant is aggrieved by, as per the provisions of the *Planning and Development Act 2005*, the applicant can apply to the State Administrative Tribunal for a Right of Review.

The State Administrative Tribunal (SAT) and other appeal bodies in Australia have generally adopted the approach taken in *Newbury DC v Secretary of State for the Environment (1981) AC578* when considering the validity of conditions. This decision holds that in order to be valid, a condition must:

- Be imposed for a planning purpose;
- Fairly and reasonably relate to the development considered; and,
- Be reasonable, i.e. the condition is not so unreasonable that no reasonable planning authority could have imposed it.

**Policy Implications:**

There are no policy implications.

**Budget / Financial Implications:**

There are no significant budget or financial implications associated with this report.

**Strategic & Corporate Plan Implications:**

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

Denmark 2027

E1.0 Our Economy:

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

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

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.*

- B3.3 *To have a planning framework that is visionary, supports connectivity and enables participation.*
- B3.5 *To have diverse and affordable housing, building and accommodation options.*

**Sustainability Implications:**

Sustainability Strategy 2021-2031

06 *A sustainable food system that focuses on the production, processing, distribution, and disposal of health food to the community in ways that contribute to the health of the local economy.*

- 6.2 *Support businesses seeking to develop food production facilities.*

➤ **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)	Risk Action Plan (Controls or Treatment proposed)
<b>Financial:</b> That the proponent is unhappy with the conditions of approval and seeks review at the State Administrative Tribunal	Possible (3)	Moderate (3)	Moderate (5-9)	Accept Risk
<b>Reputational:</b> That the wider community are unhappy with the extent of approved development.	Possible (3)	Insignificant (1)	Low (1-4)	Accept Risk

**Comment:**

Development approval was issued for the Outbuilding Additions/ Alterations and Change of Use (Tavern/ Cellar Sales/ Restaurant & Rural Industry) at No.40 (Lot 305) Wentworth Road, Ocean Beach under delegation in February 2021. A copy of the existing development approval is Attachment 9.1.2b of this report.

The current application is specifically to amend a condition of the existing approval to increase the maximum number of visitors from 70 to 250 people. This includes increasing the size of the carpark and outdoor licensed areas.

Land Use & the Rural Zone

Historically, the maximum occupancy of tourism land uses in the Rural zone has varied over the years. Provided that the land use can be considered in the Rural zone, the maximum numbers have been constrained by the standard of access in the past.

As a working practice, the Shire has reviewed the maximum occupancy of wineries, microbreweries and other tourist uses in the Shire and has informally adopted a standard where up to 70 people does not trigger upgrading of access roads in most instances. This was assessed as being a reasonable figure to allow for the usually small-scale tourism uses to establish without undue overheads being incurred.

However, where the land use has remained the same, but numbers have increased beyond 70 people, then the issue of the appropriate standard of the access has consistently arisen. Examples include:

- Boston Brewery increase from 70 to 500 people - localised widening of the intersection, constructed entirely at the applicants expense.
- Rockcliffe Winery – Hamilton Road, fully sealed at the applicants cost, at 65 people, subsequently increased to 120 people.
- Singlefile Winery 60 people with occasional events up to 200, access unsealed road and assessed as adequate.
- Lakehouse Winery and Restaurant currently capped at 70 people. However, application to increase this to 150 was considered and gave rise to condition of approval requiring contribution to upgrade of Turner Road. The application was subsequently not acted upon.
- Parry Beach Breaks Reception Centre, up to 180 people, first 60m of Astartea Glade sealed, remainder of the road remained gravel. This was based (in part) on the determination that the reception centre use was occasional and the landowner actively maintaining the road.

Therefore, if it is accepted that an increase in numbers is not contrary to the intent of the zone then the increase the maximum numbers has the following anticipated implications:

1. Increase in noise generated by patrons whilst at the development and when leaving;
  2. Increase in traffic numbers and its impact upon the gravel surface of Wentworth Road;
- and

3. Implications for road safety at the Wentworth Road – South Coast Highway intersection.

Noise

The approved development at Lot 305 sits beside a reasonably large body of water, in a rural valley setting and close to the South Coast Highway. There is a risk that an increase in the number of patrons will affect the amenity of the area and in particular the residents of nearby houses who have lived in a predominantly farming area to date. In this case, the development is to meet the requirements of the Environmental Protection (Noise) Regulations 1997.

Herring Storer Acoustics have prepared an acoustic assessment of the development proposal considering the development's potential impact upon surrounding 'sensitive land uses' (i.e. residences) and the impact of traffic noise on the proposed development (Attachment 9.1.2d). Whilst this assessment was prepared to support Scheme Amendment 148, a proposed change of use to the Tourist zone, many of the findings are relevant to the current proposal.

The report concludes that the development can meet the requirements of the Environmental Protection (Noise) Regulations 1997. However, it is not clear what assumptions are included in this assessment, including whether the way in which noise carries across water has been factored in. Reports of this nature when considered as part of a scheme amendment are referred to the Environmental Protection Authority (EPA) and Department of Water and Environmental Regulation (DWER) for review by the agencies who administer the relevant Act.

Therefore, it is recommended that a Noise Management Plan be prepared by an appropriately qualified party to the satisfaction of the Shire of Denmark as an additional condition of approval. Therefore, it is recommended that a Noise Management Plan be prepared by an appropriately qualified party to the satisfaction of the Shire of Denmark as an additional condition of approval. This Noise Management Plan would assess the impact of the development at the nearby residences and propose measures at the proposed development to keep noise to an acceptable level under the Noise Regulations

Traffic & Road Upgrades

The development is accessed from Wentworth Road which is a gravel, rural standard road.

The current traffic numbers using Wentworth Road do not warrant its upgrading to a sealed standard.

For the previous approval, it was accepted that up to 70 people attending the development would not trigger the need to upgrade Wentworth Road, with the understanding that if the numbers exceeded 70, the road would be need to be sealed.

The 'Traffic Statement' from Riley Consulting makes the argument that the increase in traffic resulting from 250 visitors would not warrant upgrading of the unsealed road. The main basis of the report relies on a technical note published in Queensland.

The 'Traffic Statement' references the technical note and states that *"In that technical advice low traffic is defined as an AADT (Annual Average Daily Traffic) of 300 vehicles per day with 50 being up to class 12 (heavy vehicles). Beyond this threshold the guide indicates that sealing is appropriate."* It is officers view that this statement is misleading as the reports purpose is to identify when low traffic roads should be sealed and clearly indicates that there is a rational to seal low traffic roads where appropriate. Furthermore, the report clarifies that there is no standard for this trigger; this is assessed on a case-by-case basis.

There are a number of factors that affect the speed of deterioration on an unsealed road. These include traffic numbers, type of traffic, speed of traffic, acceleration and deceleration, drainage, material quality and depth. Aside from material quality and depth, the officer is not aware of any sound quantitate measures for measuring the affects of these parameters. The argument therefore can only be based on anecdotal information of local conditions. In this

case a wet climate, significant grades (acceleration and deceleration), and low lying sections of the road will contribute to the requirement for sealing.

Increasing tourism in both winter and summer across Denmark is currently negatively impacting the Shires unsealed road network. As is the case for this development, the wet climate and undulating terrain results in relatively low traffic numbers creating unacceptable and dangerous road conditions on unsealed roads. Whilst the Shire is unlikely to be able to finance the sealing of its unsealed road network in the medium term, where reasonable, it would be appropriate to require the sealing of unsealed roads for new developments that will have an adverse impact.

The application of a road upgrade condition in this case is recommended as the traffic resulting from the proposed increase in numbers will deteriorate the unsealed road to unacceptable conditions, affecting the proponent, other landowners and business operators further along the road.

The recommended outcome of a sealed road may be achieved in a number of ways:

- Developer financial contribution
- Developer construction

A developer contribution is usually sought where the reasonable contribution does not cover the entire works. In terms of an unsealed road, this might occur where a number of significant contributors will affect the requirement for upgrade.

If the ratio's provided in the applicant's Traffic Statement are accepted (i.e. 0.15 people per seat, which seem low given the rural location and high turnover nature of the business) then the following calculations apply:

- The Shire's road counts estimate Wentworth Road averages 50 vehicles per day.
- Using the rational provided in the applicant's Traffic Statement at 70 patrons, this development would increase the traffic by 1.8 times and therefore it is accepted that this development would not trigger the requirement for a road upgrade
- At 250 patron's the development would increase the traffic 7.3 times and given the local conditions outlined above, would necessitate sealing.

In this instance, it would be appropriate to accept a contribution for 100% of the costs, and the Local Government undertake the works. However, with the backlog of storm damage and a significant capital works program for 2021/22, the Shire is not sufficiently resourced to undertake these works on behalf of the developer. Therefore, it is recommended that the proponent upgrade (seal) Wentworth Road between South Coast Highway and the existing crossover to Wentworth Road prior to occupancy.

#### Intersection Safety

The adequacy of the intersection of Wentworth Road and South Coast Highway has been assessed by Main Roads WA, who have provided the following advice:

1. *No intersection upgrades are required at this time to the intersection of Wentworth Road and South Coast Highway. Projected traffic volumes do not meet the warrants for upgrading at this level of development.*
2. *If increased patron numbers are applied for again, Main Roads will reassess intersection layout and consider the need for a left turn pocket for west bound traffic at the proponent's expense.*
3. *Despite not meeting the warrants for intersection upgrades at this time, the number of vehicles turning right from South Coast Hwy into Wentworth Rd will have to be monitored, any stacking of vehicles in the east bound lane will exacerbate the risk of rear end collisions. This may require a right turn passing bulge to be installed at the proponent's cost.*

4. *Performance of the intersection during events at the venue will be monitored. If there are any safety issues as a result of the short-term increase in traffic volumes at the intersection, Main Roads reserves the right to require a temporary traffic management plan being put in place for each event at the proponent's cost.*

*In relation to Applicant's "Development Amendment document, Recommendations to Improve Safety":*

1. *A permanent reduction of the speed limit past the intersection will not be supported by Main Roads, safety concerns are to be addressed by engineering solutions.*
2. *The intersection of Wentworth Rd and South Coast Highway has the standard intersection centreline treatment in place, with double barrier lines past the intersection.*

**Voting Requirements:**

Simple majority.

<p><b>OFFICER RECOMMENDATION</b></p> <p>That Council; with respect to the proposed amendment to Development Approval DA2020/128 for Outbuilding Additions/ Alterations and Change of Use (Tavern/ Cellar Sales/ Restaurant &amp; Rural Industry) at No. 40 (Lot 305) Wentworth Road, Ocean Beach;</p> <ol style="list-style-type: none"> <li>1. NOTE the submissions received; and,</li> <li>2. In accordance with Schedule 2, Part 9, Clause 77 of the <i>Planning and Development {Local Planning Schemes} Regulations 2015</i>, AMEND Development Approval DA2020/128 for Outbuilding Additions/ Alterations and Change of Use (Tavern/ Cellar Sales/ Restaurant &amp; Rural Industry) at No. 40 (Lot 305) Wentworth Road, Ocean Beach as follows:             <ol style="list-style-type: none"> <li>a) Replace condition 3 with the following wording: No more than 250 people (excluding staff) are to be on-site as part of the Tavern/Cellar Sales/ Restaurant use and Distillery (approved under DA2020/80) unless approval is granted in writing by the Shire of Denmark as part of a special event application; and,</li> <li>b) Replace condition 20 with the following wording: All outdoor lighting shall be designed and installed in accordance with AS/NZS4282/2019 Control of the Obtrusive Effects of Outdoor Lighting and thereafter maintained to the satisfaction of the Shire of Denmark. Lighting is to be positioned and shielded so as not to cause any direct, reflected or incidental light to encroach beyond the property boundaries.  A “light spill management plan” showing how the proposed development will comply with AS/NZS4282/2019 prepared by a suitability qualified consultant may be required to prove compliance with this standard prior to an occupancy certificate being issued for the development; and,</li> <li>c) Add condition 24 as follows: Prior to an occupancy certificate being issued for the development, Wentworth Road is to be upgraded to a two-coat bitumen sealed standard, undertaken at the full cost to the applicant, to the reasonable satisfaction of the Shire of Denmark. Plans and specifications to the satisfaction of the Shire of Denmark are to be lodged for approval prior to the commencement of works; and,</li> <li>d) Add condition 25 as follows: Prior to an occupancy certificate being issued for the development, a site-specific noise management plan prepared by a suitability qualified acoustic consultant shall be submitted to and approved by the Shire of Denmark and the recommendations of that report as may be approved shall be implemented to the satisfaction of the Shire of Denmark at all times. The report shall address the noise levels and the methods by which they can be attenuated so as not to increase the level of noise from the site to protect the amenity of the area, particularly the residences nearest the proposed development.; and,</li> </ol> </li> <li>3. ADVISE the applicant that all other conditions of approval on Development Approval 2020/128 dated 19<sup>th</sup> February 2021 remain the same.</li> </ol>	<p><b>ITEM 9.1.2</b></p>
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## 9.2 DIRECTOR CORPORATE AND COMMUNITY SERVICES

### 9.2.1 FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

<b>File Ref:</b>	FIN.1
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	3 August, 2021
<b>Author:</b>	Scott Sewell, Accountant
<b>Authorising Officer:</b>	Lee Sounness, Acting Director Corporate & Community Services
<b>Attachments:</b>	Attachment 9.2.1 – June 2021 Monthly Financial Report

#### Summary:

The attached financial statements and supporting information for the period ending 30 June 2021 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 at any time, a quarterly review of the budget performance was undertaken for the financial period ended 30 September 2020, 31 December 2020 (the mid-year review) and 31 March 2021 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:**

The original 2020/2021 budget adopted by Council on 4<sup>th</sup> August 2020 assumed a \$200,000 surplus closing position. The outcomes of the three quarterly budget reviews and other amendments have adjusted this assumption to a \$592,292 surplus for the June financial report. The actual year end closing financial position is currently disclosed at \$1,573,393 (including pre-paid Financial Assistance Grants for 2021/22 of \$591,799). This end of year closing position is subject to change after audit and year-end adjustments are completed.

During May, a project status assessment was completed for both the operating and capital budgets which indicates that there were likely to be further savings in expenditure for 2020/21 across the various programs and activities undertaken by Council. These mainly relate to resourcing issues with either contractor availability or finding the necessary staff time to coordinate the project on the required timeline. Most of these savings were not significant as an individual item but had the potential to add up as a cumulative total and significantly affect the projected closing funding position in comparison to the budget.

It should also be noted that in early June Council was advised that a prepayment of approximately 50% of the Shire's estimated Financial Assistance Grant allocation for the 2021/2022 year would be made in June. This amount calculated at \$591,799 has been received and has been brought to account as part of the year end surplus in addition to the \$592,292 referred to above.

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

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

#### Denmark 2027

L5.4 To be fiscally responsible

#### Corporate Business Plan

1.1.1 Advocate for the provision and promotion of services and facilities that meet the needs of the 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:**

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 June 2021, total cash funds held (excluding trust funds) totals \$8,254,445 (Note 1).  
Shire Trust Funds total \$850 (Note 9).

Reserve Funds (restricted) total \$4,653,656 (Note 5).

Municipal Funds (unrestricted) total \$3,600,789 (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 a result of the three quarterly budget reviews (including the mid-year review) undertaken and other adjustments this has been amended to \$592,292 the details of which are contained in Note 3. The actual year end closing financial position is currently \$1,573,393 (including pre-paid Financial Assistance Grants of \$591,799), however this will change after audit and year-end adjustments are completed. Once the adjustments are completed, the closing position is expected to be close to the estimated surplus brought forward position of \$1,553,964 used for the draft proposed budget for the 2021/2022 financial year.
- Operating revenue and expenditure variances for the year ended 30 June 2021 (Statement of Financial Activity) are referenced in Note 3(a).
- The Rates Collection percentage for the year finished at 95.48% and was in keeping with historical collection performance statistics (see Note 4).
- The 2020/2021 Capital Works Program was substantially completed for the year (see Note 10).
- All transfers to and from general Reserve Funds have been made for the 2020/2021 year and confirm a closing Reserve Fund balance of \$4,653,656.
- Salaries and Wages expenditure has generally been in line with budget estimates (not reported specifically in Financial Statement).

Other Information

- Budget Surplus Brought Forward – The adopted budget for 2020/2021 was built on an estimated brought forward surplus position from 2019/2020 of \$1,504,620. The audited Annual Financial Report for 2020 confirms a surplus brought forward of \$1,659,492, a variance increase to the estimate used for the adopted budget of \$154,872. This variance was included in the calculations made and adopted by Council as part of the mid-year budget review and has been adjusted accordingly.
- The draft financial report for the reporting period ended 30 June 2021 shows that the closing net funding position is currently sitting at \$1.573M.

- The financial statements as presented now include a Statement of Financial Activity by Nature and Type in addition to the Statement of Financial Activity by Program. This enables the reader to identify and make comparisons in revenues and expenses by certain defined classification types as defined for Local Government statutory reporting in addition to the various Activity Programs into which Local Government services are defined.

**Voting Requirements:**

Simple majority.

OFFICER RECOMMENDATION	ITEM 9.2.1
<p>That Council; with respect to Financial Statements for the period ending 30 June 2021, RECEIVE the Financial Reports, incorporating the Statement of Financial Activity and other supporting documentation.</p>	

**9.2.2 LIST OF PAYMENTS FOR THE PERIOD ENDING 30 JUNE 2021**

<b>File Ref:</b>	FIN.1
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	19 July 2021
<b>Author:</b>	Gina McPharlin, Manager of Corporate Services
<b>Authorising Officer:</b>	Lee Sounness, Acting Director Corporate & Community Services
<b>Attachments:</b>	Attachment 9.2.2 – June Monthly List of Accounts Submitted Report

**Summary:**

The purpose of this report is to advise the Council of payments made during the period 1 June 2021 to 30 June 2021.

**Background:**

Nil

**Consultation:**

Consultation was not required for this report.

**Statutory Obligations:**

Local Government (Financial Management) Regulation 13 relates:

**Policy Implications:**

Delegation Number D040201 relates:

**Budget / Financial Implications:**

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

**Strategic & Corporate Plan Implications:**

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

The report and officer recommendation 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>OFFICER RECOMMENDATION</b>	<b>ITEM 9.2.2</b>
<p>That with respect to the attached Schedule of Payments, totalling \$2,185,134.19, for the month of June 2021, Council RECEIVE the following summary of accounts:</p> <ul style="list-style-type: none"> <li>• Electronic Funds Transfers EFT30434 to EFT30670 - \$1,528,327.53;</li> <li>• Municipal Fund Cheque No's 60437 – 60439 - \$25,066.15;</li> <li>• Internal Account Transfers (Payroll) - \$413,702.67; and</li> <li>• Direct Debit - \$10,377.31;</li> <li>• Corporate Credit Card; \$6,858.39;</li> <li>• Department of Transport Remittances; \$135,530.15, and</li> <li>• Loan Payments: \$65,271.99.</li> </ul>	

**9.2.3 INVESTMENT REPORT FOR THE PERIOD ENDED 30 JUNE 2021**

<b>File Ref:</b>	FIN.19
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	30 June 2021
<b>Author:</b>	Gina McPharlin, Acting Manager Corporate Services
<b>Authorising Officer:</b>	Lee Sounness, Acting Director Corporate & Community Services
<b>Attachments:</b>	Attachment 9.2.3 - June 2021 Investment Register

**Summary**

This report presents the Investment Register for the month ending 30 June 2021.

**Background**

This report is for Council to receive the Investment Register as at 30 June 2021.

Council's Investment of Funds Policy (P040229 amended at 20 July 2021 OCM Res:120721 and renamed Investment of Surplus 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 (P040229 amended at 20 July 2021 OCM Res:120721 and renamed Investment of Surplus Funds Policy), which states that investments are to comply with the following 3 key criteria:

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

Table a.

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

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

Table b.

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

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

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

Table c.

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

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

### **Budget / Financial Implications**

There are no significant trends or issues to be reported.

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

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

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

#### Denmark 2027

L5.4 To be fiscally responsible

#### Corporate Business Plan

Nil

### **Sustainability Implications**

#### **4. Governance:**

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

#### **5. Environmental:**

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

#### **6. Economic:**

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

#### **7. Social:**

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

#### **8. Risk:**

Nil.

### **Comment / Conclusion**

The attached Investment Register summarises how funds are invested as per the Shires Investment Policy and reports on the Investment Portfolio balance as at 30 June 2021.

At financial year end 2020-2021, Council has \$7,314,287 invested. The Investment Portfolio complies with the criteria of Investment Policy P040229 with the portfolio balance mix meeting the requirement of no single institution holding more than 50% of the total funds invested, and an individual institutions Standard & Poor's (S&P) credit rating meeting the required threshold to limit single entity exposure.

The total Reserve Funds invested as at 30 June 2021 totals \$4,653,656.

The total Municipal Funds Invested as at 30 June 2021 totals \$2,660,631.

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.

OFFICER RECOMMENDATION	ITEM 9.2.3
That Council; RECEIVE the Investment Register (attachment 9.2.3) for the period ended 30 June 2021.	

**9.3 CHIEF EXECUTIVE OFFICER**

**9.3.1 STRATEGIC COMMUNITY PLAN WORKING GROUP**

<b>File Ref:</b>	
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	03 August 2021
<b>Author:</b>	Angela Simpson, Corporate Planner
<b>Authorising Officer:</b>	David Schober, Chief Executive Officer
<b>Attachments:</b>	Attachment 9.3.1 - Strategic Community Plan Working Group Terms of Reference

**Summary:**

Council is requested to establish a Strategic Community Plan Working Group and advertise for four (4) community members.

**Background:**

The Strategic Community Plan (SCP) is Council’s principal strategy and planning document that links community aspirations with the Council’s vision and long-term strategy. The SCP forms the basis of the Integrated Planning and Reporting Framework and provides the foundation to develop other strategic documents.

The Integrated Planning and Reporting review cycle identifies that the Strategic Community Plan is to receive a major review in 2021/22. In order to establish the proposed community engagement approach, and structure to be used for the Strategic Community Plan engagement, it is the officer’s recommendation that a Working Group be established comprising of Councillors, members of the community and two Shire Officers.

**Consultation:**

Community member vacancies will be advertised and appointed by Council. If there are more applications received than vacant positions Council will determine the suitability of candidates and appoint members based on skills, experience and knowledge.

Community and stakeholder engagement will form part of the process to develop a Strategic Community Plan for the Shire of Denmark. Optimising community involvement and the quality of decision making will be at the centre of the engagement plan.

**Statutory Obligations:**

The Local Government Act 1995 and the Local Government (Administration) Regulations 1996 require each Local Government to adopt a Strategic Community Plan as part of a ‘Plan for the Future’.

**Policy Implications:**

There are no policy implications.

**Budget / Financial Implications:**

Nil.

**Strategic & Corporate Plan Implications:**

The report and officer recommendation is consistent with Council’s adopted Strategic Community Plan Aspirations and Objectives

- L5.1 To be high functioning, open, transparent, ethical and responsive
- L5.2 To have meaningful, respectful and proactive collaboration with the community
- L5.6 To seek two-way communication that is open and effective

**Sustainability Implications:**

➤ **Governance:**

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

➤ **Environmental:**

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

➤ **Economic:**

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

➤ **Social:**

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

➤ **Risk:**

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That Council not establish the Working Group	Possible (3)	Insignificant (1)	Low (1-4)	Not Meeting Community expectations	Accept Risk

**Comment/Conclusion:**

That a working group be created consisting of:

- 3 Councillors
- 4 Community Representatives
- 2 Shire of Denmark staff; being the Corporate Planner and Community Engagement Officer

The Working Group would meet to establish a plan of engagement that will ensure that comprehensive community engagement is undertaken to inform the updated Strategic Community Plan.

**Voting Requirements:**

Simple majority.

**OFFICER RECOMMENDATION**

**ITEM 9.3.1**

That Council:

1. APPOINT three Councillors; being  
 Cr \_\_\_\_\_,  
 Cr \_\_\_\_\_,  
 Cr \_\_\_\_\_; and,
2. ADVERTISE for community members for a minimum period of 14 days; and,
3. CONVENE the first meeting of the Strategic Community Plan Working Group by 30 December 2021.

- 10. COMMITTEE REPORTS AND RECOMMENDATIONS**
- 11. MATTERS BEHIND CLOSED DOORS**
- 12. NEW BUSINESS OF AN URGENT NATURE**  
Nil
- 13. CLOSURE OF MEETING**