

Minutes



ORDINARY MEETING OF COUNCIL

HELD IN THE COUNCIL CHAMBERS,
953 SOUTH COAST HIGHWAY, DENMARK ON
TUESDAY, 16 AUGUST 2016.

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Ordinary Council Meeting

16 August 2016

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1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

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

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

MEMBERS:

- Cr David Morrell (Shire President)
- Cr Kelli Gillies (Deputy Shire President)
- Cr Mark Allen
- Cr Peter Caron
- Cr Ceinwen Gearon
- Cr Jan Lewis
- Cr Roger Seeney
- Cr Rob Whooley

STAFF:

- Mr Cliff Frewing (Chief Executive Officer)
- Mr Gilbert Arlandoo (Director of Infrastructure Services)
- Mrs Annette Harbron (Director of Planning & Sustainability)
- Mr Gregg Harwood (Director of Community & Regulatory Services)
- Ms Claire Thompson (Executive Assistant)
- Ms Noni Entwisle (Finance Officer – Accounting)

APOLOGIES:

- Mr Kim Dolzadelli (Director of Finance & Administration)

ON APPROVED LEAVE(S) OF ABSENCE:

- Cr Yasmin Bartlett (pursuant to Council Resolution No. 010816)

ABSENT:

Nil

VISITORS:

- Members of the public in attendance at the commencement of the meeting: 47
- Members of the press in attendance at the commencement of the meeting: 1

DECLARATIONS OF INTEREST:

Name	Item No	Interest	Nature
Cr Whooley	7.1	Impartiality	The item is about Cr Whooley.

3. ANNOUNCEMENTS BY THE PERSON PRESIDING

The Shire President announced that public question time was not an opportunity for individuals to make personal remarks about Officers, individuals or Councillors and that he would not accept such remarks. Cr Morrell stated that public question time was an opportunity for members of the public to make comments and ask questions of the Council.

4. PUBLIC QUESTION TIME

4.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

4.1.1 Mr Brian Humphries – Dams at Hazelvale Road

At the meeting held on Tuesday, 26 July 2016, Mr Humphries introduced Mr Crossley who had ongoing concerns with his neighbour's dams. Mr Humphries referred to recent information he had distributed to Councillors during the week including time lapse pictures showing the effect of the dams on Mr Crossley's property. Mr Humphries stated that he had been advised that the neighbour had recently submitted an application for more dams and asked whether the Council were going to approve the application.

The Director of Planning & Sustainability advised that an application had been received and was currently being assessed.

Mr Humphries stated that he wished to formally lodge his objection to the application.

The Director of Planning & Sustainability advised that the location of the dam would front Hazelvale Road not Crossley's property.

Mr Humphries asked how further development on the site could be stopped.

The Shire President stated that he would take Mr Humphries question on notice and it would be responded to in writing.

A response has been provided in writing to Mr Humphries which is as follows;

"In response to your questions taken on notice at the Ordinary Council meeting held on Tuesday, 26 July 2016, regarding dams at Hazelvale Road, I provide the following responses. Your questions and these written responses will be published in the next Council Agenda for the Ordinary meeting scheduled for Tuesday, 26 August 2016.

Question - Mr Humphries asked how further development on the site could be stopped.

Response:

The Shire of Denmark is obliged to consider any development application that is lodged and are required to make a determination on the application having regard to a range of matters as provided for in the Planning and Development (Local Planning Schemes) Regulations 2015; with such determination being Development Approval with or without conditions or Development Refusal. In Western Australia, third party appeal rights do not exist; that is only the applicant/landowner has appeal rights in relation to a determination."

4.1.2 Mr Doug Head – Differential Rating

Mr Head stated that he had put in a submission with respect to differential rating, requesting that a differential rate be applied to blue gum plantations. Mr Head referred to the response that he had received from the Director of Finance & Administration stating that the Shire received funding from Commodity Routes Supplementary Funding and asked how much the funding was.

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

Cr Lewis asked whether there was an option to consider differential rating of properties which had blue gum plantations.

The Shire President advised that he would take Cr Lewis' question on notice and request that it be included in the response to Mr Head.

A response has been provided in writing to Mr Head which is as follows;

"In response to your questions taken on notice at the Ordinary Council meeting held on Tuesday, 26 July 2016, regarding differential rating of bluegum plantations, I provide the following responses. Your questions and these written responses will be published in the next Council Agenda for the Ordinary meeting scheduled for Tuesday, 26 August 2016.

Question 1 - Mr Head stated that he had put in a submission with respect to differential rating, requesting that a differential rate be applied to blue gum plantations. Mr Head referred to the response that he had received from the Director of Finance & Administration stating that the Shire received funding from Commodity Routes Supplementary Funding and asked how much the funding was.

Response:

The Shire of Denmark has received a total of \$834,272 between July 2010 and June 2016 a further amount of \$125,000 is budgeted to be received in 2016/2017 and is included in the Municipal Budget.

In relation to the same matter, Cr Lewis asked whether there was an option to consider differential rating of properties which had blue gum plantations.

Response:

The Shire of Denmark's current Policy P030101 "Council Rating Equity Policy" does not currently allow for the differential rating of Blue Gum Plantations, however this Policy could be amended by the Council to allow for such a practice to occur in accordance with the Local Government Act 1995."

4.2 PUBLIC QUESTIONS

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

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

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

Questions from the Public

4.2.1 **Ms Belinda Ross – Item 8.2.1 (CSRFF Grants – Denmark Gymnastics Club Inc., McLean Oval Drainage, Recreation Strategic Plan & McLean Park Precinct Master Plan**

Ms Ross spoke in support of the Denmark Gymnastic Club's grant application, highlighting the need for a dedicated facility in Denmark, particularly to enable more training which would assist participants to reach their full potential.

The Shire President stated that the Denmark Gymnastic Club had addressed Council earlier in the day and that whilst Council fully supported the building of a dedicated facility they believed it was important to get an overall McLean Park Master Plan in place first.

4.2.2 **Mr Bruce Smith – Inclusion of Aquatic Facility in Corporate Business Plan**

Mr Smith asked whether the Shire had received a large donation from somebody or whether someone had bequeathed money to the Shire.

The Shire President responded that he was not aware of any such donation or bequeath.

Mr Smith asked why the Council had voted to budget for an aquatic facility when ratepayers had voted no to a pool in the past two surveys conducted by the Shire. Mr Smith asked the Shire President why he had let such a motion to be passed.

The Shire President advised that he had not been at the meeting however the Presiding Person had limited capacity to prevent motions from being considered by the Council. Cr Morrell stated that if a proposed motion was reasonable then Council needed to consider and vote on it. Cr Morrell asked the Deputy Shire President to comment as the Presiding Person of the meeting where the motion was passed.

The Deputy Shire President, Cr Gillies stated that the Council had included reference to an aquatic facility for future Recreational Planning purposes only and that no funds had been allocated. Cr Gillies stated that Council recognised the significant effort that the Denmark Aquatic Centre Committee had put in over the years and believed that the potential for a pool belonged in an overall precinct plan.

Mr Smith stated that he had heard a lot of people were thinking that it was Council's way of getting a pool through the back door.

Cr Whooley stated that he believed it was Council's responsibility to do long term planning and that in the future Council could be able to financially support a pool. Cr Whooley stated that no money had been allocated to a pool in the Budget.

The Shire President advised that an aquatic facility was not in the draft 10 year Long Term Financial Plan.

4.2.3 Master Charlie Pierce – Item 8.2.1 (CSRFF Grants – Denmark Gymnastics Club Inc., McLean Oval Drainage, Recreation Strategic Plan & McLean Park Precinct Master Plan

Master Pierce stated that he had won a medal and a trophy when he had just started gymnastics last year and expressed his support for a dedicated gymnastics facility.

The Shire President congratulated Master Pierce on his medal and trophy and stated that Council would be doing its best to help the Denmark Gymnastics Club build a dedicated facility in Denmark.

4.2.4 Mr Geoff Bowley – Denmark Riverside Club Inc.

Mr Bowley spoke on behalf of the Denmark Riverside Club and clarified some figures that had recently appeared in the Denmark Bulletin and the Shire's Rating Brochure which appeared to be the Council's 2016/17 contribution to the project. Mr Bowley stated that the project would be on time and under budget. Mr Bowley stated that they had negotiated a lease with the Council which included reference to their contribution and thanked the Council for all of their support.

The Shire President congratulated Mr Bowley and the Denmark Riverside Club for completing the project ahead of schedule.

Cr Lewis sought clarification on the figures that Mr Bowley had referred to and the Chief Executive Officer provided a further explanation.

4.2.5 Mrs Lydia Kenyon – Car Park Development at Rear of Post Office & Denmark East Development Project

Mrs Kenyon gave thanks and recognition to the traditional owners of the land being the Minang and Bibbulmun people and thanked the Councillors and Shire Officers being contemporary elders, advisers and custodians of Denmark present and future. Mrs Kenyon advised that she wished to present a petition which had been signed by 97 residents however noting that the petition was a couple of months old and that the issue it referred to had already been concluded.

The Shire President advised that there was a very particular process and format for acceptable petitions however he would accept what Mrs Kenyon was submitting as an opinion by a large number of people.

The Chief Executive Officer collected the signatures from Mrs Kenyon and noted that the document was dated June 2016. Mr Frewing stated that it was related to the recent development in the carpark behind the post office and read out the preamble which was as follows;

“We request that the Shire review the proposal and pause the development until consultation has taken place and more transparency has been allocated. We also want our outstanding questions answered. These were sent via email on the 9th of June 2016.”

The Chief Executive Officer that the development had substantially occurred over two months ago.

Mrs Kenyon stated that she believed that there was a general concern within the Denmark community about levels of community consultation with respect to development. Mrs Kenyon referred to the Denmark East Development Project and expressed concern about an area of forest near the proposed development. Mrs Kenyon requested an update on the project.

The Shire President responded stating that Landcorp were managing the project, were mindful of community concern regarding the trees and were currently surveying many possible routes.

Mrs Kenyon asked whether the preferred route would destroy trees which were 400 – 500 years old.

The Chief Executive Officer responded that the route of the road had not been determined and that once Landcorp had more information the matter would be referred to the Council. Mr Frewing stated that once Council had come to some agreement then the proposed alignment would be referred to the community for comment. Mr Frewing stated that he was aware that there was a strong focus on preserving the trees and their value had been acknowledged and recognised.

Mrs Kenyon asked when the community would likely have the reports.

The Shire President responded that the reports would likely be available to Council around October.

Mrs Kenyon asked how the reports would be shared with the community.

The Shire President responded that the reports would be available on Council’s website.

Mrs Kenyon asked what the need was for an additional bridge.

The Shire President advised that there were many reasons including an alternative emergency access route across the River and as an alternative route should the town bridge be inaccessible for some reasons such as an accident or repairs.

Mrs Kenyon referred to consultants and asked why there wasn’t a community consultation consultant.

The Shire President advised that the Project Managers, Landcorp were deciding on what consultants were required to be appointed.

The Chief Executive Officer added that the community engagement process was yet to be determined as consultation would not commence for another two to three months.

4.2.6 Ms Aletia Artemis – Item 8.2.1 (CSRFF Grants – Denmark Gymnastics Club Inc., McLean Oval Drainage, Recreation Strategic Plan & McLean Park Precinct Master Plan

Ms Artemis stated that her daughter enjoys participating in gymnastics in Denmark and she supports a dedicated gymnastics facility.

4.2.7 Mrs Pam Harman – Denmark East Development Project

Mrs Harman stated that they had previously been advised that they could contact the Project Manager directly with any concerns or comments that they had on the project however Mrs Harman had sent an email through some time ago and was yet to receive a response.

The Chief Executive Officer stated that he was aware that the Project Manager was very busy and that he had asked the Council to be the filter for questions and comments from the public regarding the project. Mr Frewing suggested that perhaps Mrs Harman could forward her comment or questions through to the Shire in the first instance.

4.2.8 Mr Colin Ayres – Potato Growing Industry

Mr Ayres discussed the need to protect the seed potato industry in the district to ensure that it remains free of pests and diseases that are sometimes introduced. Mr Ayres highlighted the benefits of maintaining a sound potato growing industry and talked about the importance of potatoes as a staple food to the world's population. Mr Ayres stated that there would be a business case prepared and that local governments would be asked to get on board to ensure the protection of the industry.

The Shire President suggested that Mr Ayres may wish to approach the Lower Great Southern Alliance which was a group formed by the Shire of Denmark, City of Albany and the Shire of Plantagenet and involved looking into major industries, such as the potato growing industry, with a view to ensuring their long term sustainability and growth.

4.2.9 Ms Kristy McMullen – Denmark East Development Project

Ms McMullen expressed concern about the potential disruption or removal of forest area which could be in the way of the Council's preferred alignment for the road. Ms McMullen stated that she believed old forest areas were important to retain and there was scientific evidence to support their protection.

4.2.10 Mr Joss Harman – Denmark East Development Project

Mr Harman produced a map showing potential locations for the alignment for the road and bridge and what to what extent Council ensure that the forest areas was protected.

The Shire President stated that Council had approved the project and therefore would decide on the alignment. Cr Morrell assured Mr Harman that Council would look at some of achieving a positive outcome.

The Chief Executive Officer added that one of the assessment criteria for the alignment was to minimise impact on the forest and to protect the mature trees.

Mr Frewing stated that since the map, which Mr Harman referred to, was produced there had been an additional two or three options identified.

4.2.11 Ms Betty Parker – Item 8.2.1 (CSRFF Grants – Denmark Gymnastics Club Inc., McLean Oval Drainage, Recreation Strategic Plan & McLean Park Precinct Master Plan)

Ms Parker spoke in support of the proposed dedicated gymnastics facility stating that having limited time to train at the Recreation Centre was an issue.

Cr Lewis referred to previous comments that perhaps the Denmark Recreation Centre could look at opening the Centre to Denmark Gymnastics on Saturday and Sundays.

The Director of Community & Regulatory Services advised that it could be an option and that he would have a discussion with the Manager of Recreation & Youth Services about the possibility.

4.2.12 Mrs Fiona Ross – Item 8.2.1 (CSRFF Grants – Denmark Gymnastics Club Inc., McLean Oval Drainage, Recreation Strategic Plan & McLean Park Precinct Master Plan)

Mrs Ross spoke in favour of a dedicated gymnastics facility stating that her daughter participated in gymnastics and that more training time would be beneficial for all of the gymnasts.

4.2.13 Mr Adrian Baer – Item 7.1 (Cr Whooley – Leave of Absence)

Mr Baer asked the Chief Executive Officer whether he had any concerns about the governance of the Shire given that one of the Councillors was taking legal action and asked Mr Whooley whether he would step down. Mr Baer stated that as a ratepayer he had concerns about the situation.

The Chief Executive Officer responded stating that it was a very unusual situation and in his 40 years in local government he never seen such a scenario. Mr Frewing stated that it was up to Cr Whooley to determine the most appropriate course of action for himself.

Cr Whooley advised that he did not believe that there was a conflict of interest and that he had sought advice from the Shire President who in turn had received formal external advice. Cr Whooley stated that the legal proceedings would be determined in Court not Council. Cr Whooley stated that perception was different depending on where you stood and that he had considered requesting leave and would continue to assess the need into the future.

4.2.14 Mr Brian Humphries – Item 7.1 (Cr Whooley – Leave of Absence)

Mr Humphries referred to the Writ served by Cr Whooley on the Shire in May 2016 and stated that he still believed that the awareness of the writ should have been made public from day one. Mr Humphries raised concerns about Cr Whooley participating in budget deliberations and referred to the oath of office which required Councillors to be honest, remain impartial and uphold the public interest ahead of any personal interest.

The Shire President stated that prior to advising the public of the writ they had had to seek advice through a number of avenues to ensure due process and before any announcement could be made.

Mr Humphries asked why the Shire President entertained the non-disclosure of the existence of the Writ from ratepayers for more than three months.

The Shire President stated that they had been awaiting advice prior to making any announcement.

Mr Humphries asked for the exact dates that each Councillor was informed of the Writ and why the Council had approved a reduction in the Budget for legal expenses when Councillors would have known of the existence of the Writ and expenses which may be incurred.

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

Mr Humphries referred to a legal workshop which took place sometime in May and asked what the exact date that the workshop was held.

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

Mr Humphries stated that he had been informed that the Shire President had asked a question at the legal presentation, in the presence of Cr Whooley, which related to how the Council should defend a claim of a Councillor against the Shire and asked whether he believed he had compromised the Shire's defence.

The Shire President advised that he did not recall the matter referred to.

Cr Gillies asked Mr Humphries who had paid for his open letter which was recently published in the Denmark Bulletin.

Mr Humphries advised that he had paid for the notice.

4.2.15 Dr Cyril Edwards – Item 7.1 (Cr Whooley – Leave of Absence)

Mr Edwards stated that if the problem was a matter of perception in the community then that was the community's problem not the Council's. Dr Edwards stated that he believed that if Councillors supported the motion then it meant that they don't trust someone who has taken a serious oath.

4.2.16 Mr Murray Thornton – 2016/17 Municipal Budget

Mr Thornton referred to the adopted 2016/17 Budget and specifically noted that he believed that plant replacement reserve and the future refuse site reserve accounts had been underdone. Mr Thornton referred to page 21 of the Budget which talked about the premise of the plant reserve was on the basis that Council transfers the equivalent of the value of the deemed depreciation for all motor vehicles and road plant each year to the reserve.

Mr Thornton stated that he was concerned that the Council had run down the plant reserve which had been built over a number of years to ensure that the Council could afford to replace its plant when required. Mr Thornton asked what the Council's future policy would be on how they would fund replacement plant in the future given that the plant reserve had been depleted by approximately 10% of value of total rate revenue.

The Chief Executive Officer responded stating that it was always a difficult process to determine the funding of adequate works and facilities. Mr Frewing provided an example of the recent McLean Park oval drainage issues which Council had to determine whether to fund the cost of required works or put the funds into Reserve. Mr Frewing stated that transfers to reserve funds were not static and that did fluctuate from year to year depending on funds, competing programs and projects.

Mr Thornton stated that he was disappointed that it had taken the Shire 30 years to get to the point where it could afford to buy quality replacement plant only to see it now gone in one year.

4.2.17 Ms Katy Rutter – Item 8.2.1 (CSRFF Grants – Denmark Gymnastics Club Inc., McLean Oval Drainage, Recreation Strategic Plan & McLean Park Precinct Master Plan

Ms Rutter thanked Council for allowing the Denmark Gymnastics Club to present to Council earlier in the day and stated that she appreciated their support and looked forward to a new dedicated facility in the future.

4.2.18 Mr Brian Humphries – Departing Chief Executive Officer

Mr Humphries expressed his thanks to Mr Frewing for moving into the role and being there to support the community.

The Shire President stated that Mr Frewing would be departing Denmark shortly to make way for the Shire's new permanent Chief Executive Officer, Mr Bill Parker, and thanked Mr Frewing for his efforts and contributions during his time in the position. Cr Morrell expressed his particular thanks to Mr Frewing for the preparation of the Shire's integrated strategic planning documents.

4.2.19 Mrs Pam Harman – Marriage of President's Son

Mrs Harman congratulated the Shire President on the recent marriage of his Son.

The Shire President thanked Mrs Harman.

4.3 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

4.4 PRESENTATIONS, DEPUTATIONS & PETITIONS

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

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

Nil.

5. APPLICATIONS FOR FUTURE LEAVE OF ABSENCE

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

COUNCIL RESOLUTION	ITEM 6.1
MOVED: CR GILLIES	SECONDED: CR CARON
That Cr Bartlett be granted Leave of Absence for the meeting held on Tuesday, 16 August 2016.	
CARRIED UNANIMOUSLY: 8/0	Res: 010816

6. CONFIRMATION OF MINUTES

6.1 ORDINARY COUNCIL MEETING

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 6.1
MOVED: CR SEENEY	SECONDED: CR GILLIES
That the minutes of the Ordinary Meeting of Council held on the 26 July 2016 be confirmed as a true and correct record of the proceedings.	
CARRIED UNANIMOUSLY: 8/0	Res: 020816

6.2 SPECIAL COUNCIL MEETING

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 6.2
MOVED: CR GILLIES	SECONDED: CR CARON
That the minutes of the Special Meeting of Council held on the 26 July 2016 be confirmed as a true and correct record of the proceedings.	
CARRIED UNANIMOUSLY: 8/0	Res: 030816

6.3 STRATEGIC BRIEFING NOTES

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 6.3
MOVED: CR GILLIES	SECONDED: CR ALLEN
That the minutes of the Notes from the Strategic Briefing held on Tuesday, 26 July 2016 be received.	
CARRIED UNANIMOUSLY: 8/0	Res: 040816

Prior to consideration of Item 7.1 the Chief Executive Officer, through the Presiding Person, brought to the attention of the meeting the following disclosure(s) of interest:

The item relates to Cr Whooley and as a consequence there may be a perception that his impartiality on this matter may be affected. Cr Whooley declares that he will consider this matter on its merits and vote accordingly.

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

The following Notice of Motion was received by the Chief Executive Officer in writing on the 6 August 2016 and therefore complies with the Shire of Denmark Standing Orders Local Law clause 3.10.

7.1 CR WHOOLEY – LEAVE OF ABSENCE
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File Ref:	CR.3
Disclosure of Officer Interest:	Nil
Date:	6 August 2016
Author:	Cr Kelli Gillies
Attachments:	Nil

Background – as provided by Cr Gillies:

Mr Robert Whooley commenced legal proceedings against the Shire of Denmark; this legal action directly relates to Mr Robert Whooley's termination of employment as Director Infrastructure Services - Shire of Denmark.

Comment – as provided by Cr Gillies:

Council believes it is important that Cr Whooley apply for Leave of Absence; this may remove a perceived bias or conflict of interest that could exist should Cr Whooley remain as an active participant in Council proceedings during the duration of the legal action.

CEO Comment:

The motion is in order although it has no legal basis and is advisory only.

Section 2.25 of the Local Government Act 1995 relates to a request by a member for leave of absence and states that, in summary, a Council may, by resolution, grant leave of absence to a member for a period of up to three (3) months. The granting of leave, or refusal to grant the leave and the reasons for that refusal, is to be recorded in the Minutes of the meeting.

COUNCIL RESOLUTION	ITEM 7.1
MOVED: CR GILLIES	SECONDED: CR SEENEY
Council respectfully requests Cr Robert Whooley apply for Leave of Absence from Councillor duties; a term of 3 months or for the duration of the legal action [Mr Robert Whooley -v- Shire of Denmark].	
Cr Lewis spoke against the motion and asked for her words to be recorded which were as follows;	
<i>"I acknowledge that there is real concern within the community regarding this issue and I have heard strong views expressed both for and against Cr Gillies motion; ultimately however, I do not believe it is my place to ask a duly elected member to stand down. If Cr Whooley chooses to apply for Leave of Absence whilst this matter is before the courts I will support it; however as the CEO explained earlier, he is required and/or expected, as we all are, to declare a conflict of interest and leave the room if any items come before us in which he has a real or perceived bias. I therefore will not be supporting this motion."</i>	

Cr Whooley spoke against the motion and asked for his words to be recorded which were as follows;

"I wish to advise that there is no conflict of interest.

In relation to my role as a Councillor, I sought the opinion of the SP, who in turn received formal external advice.

The legal proceedings will be determined in Court- not Council.

I have not heard Council discuss this matter.

Councillors have not approached me on this, nor have I approached Councillors on this matter. If Council does discuss this matter I will declare an interest.

My concern with this motion is that it sets a very unusual precedent of one Councillor using a Council meeting to advise another Councillor how they should act.

Notice motions should not be used to express opinions no matter how well intentioned. There are other ways to provide advice.

Perception is different depending on where you stand. It may be perceived that other Councillors have a "bias, or conflict of interest" in this matter.

I am comfortable that there are rules around declaring interests and I leave impartiality to the individual Councillors.

I have considered requesting leave and will continue to assess the need into the future."

THE MOTION WAS PUT AND TIED: 4/4

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

FOR: Cr Gillies, Cr Seeney, Cr Morrell and Cr Allen.

AGAINST: Cr Whooley, Cr Gearon, Cr Lewis and Cr Caron.

THE SHIRE PRESIDENT WAS THEN REQUIRED TO EXERCISE HIS CASTING VOTE.

THE SHIRE PRESIDENT USED HIS CASTING VOTE AND VOTED AGAINST THE MOTION WHICH WAS THEN LOST: 5/4

Res: 050816

5.56pm – The Shire President declared that the meeting would adjourn for a short break.

6.06pm – The meeting resumed with all Councillors and Officers who were present prior to the adjournment.

6.07pm - Public Question Time

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

Mr Noel Phillips – Rivermouth Caravan Park

Mr Phillips spoke in support of Item 8.2.2.

Mr Brian Humphries – Aquatic Centre in Corporate Business Plan

Mr Humphries referred to an article in the Denmark Bulletin about an aquatic facility being included in the Corporate Business Plan and that he believed that it required some clarification from the Council.

The Chief Executive Officer stated that he had reviewed the article and found it to be accurate and tameless and had therefore advised the Shire President not to contact the paper about it.

Mr Conrad Kenyon – Denmark East Development Project

Mr Kenyon asked whether an upgrade to the existing Rail Trail Bridge had been considered instead.

The Shire President responded that the possibility had been considered many years ago and had been rejected by Main Roads WA. Cr Morrell stated that this time it hadn't been considered due to its close proximity to the sewerage treatment plant and the Rivermouth Caravan Park.

Mr Kenyon asked where he could find out more about the consideration that had been given to the potential location.

The Director of Planning & Sustainability stated that there was reference in the Local Planning Strategy to the Rail Trail Bridge being considered.

Mrs Lydia Kenyon – Denmark East Development Project

Mrs Kenyon stated that she was concerned about an emergency exist going through a forested area.

8. REPORTS OF OFFICERS

8.1 Director of Planning & Sustainability

8.1.1 SCHEME AMENDMENT 139 – RECLASSIFYING LOT 7576 KERNUTTS ROAD, HAY FROM “PUBLIC USE” TO “PARKS & RECREATION” AND LOT 7648 KERNUTTS ROAD, HAY FROM “PUBLIC USE – AGRICULTURAL RESEARCH STATION” TO “RURAL”

File Ref:	TPS3/SA139 (A3807; A3246); TPS3/SA84
Applicant / Proponent:	Whelans on behalf of Landcorp (On Behalf of State of Western Australia)
Subject Land / Locality:	Lots 7576 & 7648 Kernutts Road, Hay
Disclosure of Officer Interest:	Nil
Date:	8 August 2016
Author:	Annette Harbron, Director of Planning & Sustainability
Authorising Officer:	Annette Harbron, Director of Planning & Sustainability
Attachments:	8.1.1a – Proposed Scheme Text Provisions, Zoning Map and Building Envelope Plan 8.1.1b – Letter from EPA in relation to Scheme Amendment 84 8.1.1c – Minutes from 27 May 2003 Council Meeting in Relation to Scheme Amendment 83

Summary:

Planning Services have received a request to initiate a Scheme Amendment to Town Planning Scheme No. 3 (TPS No. 3) to reclassify Lot 7576 Kernutts Road, Hay from “Public Use” local scheme reserve to “Parks and Recreation” local scheme reserve and Lot 7648 from “Public Use – Agricultural Research Station” local scheme reserve to “Rural” with an “Additional Use (A24)” zone to apply. By reclassifying the land as proposed and introducing the additional use zoning provisions, the existing flora and fauna values over the two lots will be protected whilst allowing for a single house to be developed on Lot 7648 only.

Having due regard to the relevant provisions of TPS No .3, the Shire's adopted Local Planning Strategy (2011) and the numerous State Planning Policies and Town Planning Scheme Policies that are relevant to this proposal, it is recommended that Scheme Amendment No. 139 be initiated.

Background:

Current Application

A request to initiate a Scheme Amendment to TPS No. 3 to reclassify Lot 7576 Kernutts Road, Hay from "Public Use" local scheme reserve to "Parks and Recreation" local scheme reserve and Lot 7648 Kernutts Road, Hay from "Public Use – Agricultural Research Station" local scheme reserve to "Rural" with an "Additional Use (A24)" zone to apply was lodged with Planning Services in February 2014. It should be noted that since lodgement, the Scheme Amendment documentation has been the subject of an internal review by the Shire's Development Co-ordination Unit and the Department of Planning whereby a number of key modifications/issues were identified that Shire officers and the Department of Planning considered needed to be addressed in the Scheme Amendment documentation prior to the matter being referred to Council for consideration of initiation.

Attached at Attachment 8.1.1a are the proposed Scheme Text provisions, Zoning Map and the referenced Building Envelope Plan. Due to the size of the document, a copy of the Scheme Amendment report documentation is available for Councillors via Dropbox or USB, with a printed version available for Councillors upon request.

In summary, the proposed Scheme provisions and the associated Building Envelope Plan will provide for a single house able to be built on Lot 7648 only.

History of Disposal Process Considerations and Scheme Amendment Considerations

At the Ordinary Meeting of Council held on 26 February 2002, Council considered the request from Vic Smith & Associates Pty Ltd Property Consultants acting on behalf of the Department of Agriculture (who were the management body for the two land parcels – with Lot 7648 being a Crown Reserve (Reserve 41253) and Lot 7576 being freehold land owned by the Minister for Works with a management order in favour of the Department of Agriculture) to provide its position on disposal and subsequent rezoning of the subject lots to "Rural", wherein Council resolved as follows (Res No: 84/02):

- 1. That Council support the freeholding and disposal of Reserve 41253 (Location 7648) Kernutts Road and advise that any subsequent proposal to rezone the land from Public Use Reserve to Rural will need to be the subject of a Town Planning Scheme Amendment prepared by planning consultants and submitted in accordance with Council's requirements for consideration.*
- 2. That Council not support the disposal of Location 7576 Kernutts Road which is zoned Public Use Reserve under Town Planning Scheme No. 3, as the land is completely vegetated and a substantial portion is a wetland and subsequent development resulting from the disposal would not be favoured.*
- 3. That Council advise that any funding generated by the ultimate sale of Location 7648 Kernutts Road must be expended by the Department of Agriculture in the Denmark area.*

At the Ordinary Meeting of Council held on 25 March 2003, Council considered the request to rezone Lot 7648 Kernutts Road from "Public Use Reserve" to "Rural" wherein Council resolved as follows (Res No: 64/03):

- 1. That Amendment No. 84 to Town Planning Scheme No. 3 be initiated subject to the modifications in the attached Schedule of Modifications being carried out.*
- 2. When modified, Amendment No. 84 be referred to the Environmental Protection Authority and once authorised by the EPA, it be advertised for a period of 42 days.*

In line with Council's resolution the Scheme Amendment 84 documentation was prepared and referred to the Environmental Protection Authority accordingly for their due consideration to proceed to advertising. On the 5 May 2003 the Environmental Protection Authority advised in order for the review of the proposal to be undertaken and an appropriate level of assessment set that that additional information was required to be provided – refer Attachment 8.1.1b. To date this information has never been provided and Scheme Amendment 84 has never progressed.

At the Ordinary Meeting of Council held on 27 May 2003, Council considered the request to rezone Lot 7576 Kernutts Road from "Public Use Reserve" to "Rural" and alter the Additional Use Schedule in the Scheme Text wherein Council resolved as follows (Res No: 148/03):

1. *That Council not proceed with and not initiate Amendment No. 83 to Town Planning Scheme No. 3.*
2. *That Council notify the Western Australian Planning Commission of (1.) above.*

A copy of the relevant minutes pertaining to this resolution is provided at Attachment 8.1.1c.

In November 2008, the Department for Planning & Infrastructure (State Land Services) requested the Shire's comments in relation to their investigations of disposing of Lots 7576 & 7648. This matter was initially considered at the Ordinary Meeting of Council held on 27 January 2009, noting Council resolved (Res No: 090109) to defer consideration and seek advice from the Department of Environment & Conservation as to the values of Location 7576 and the likelihood as to whether any clearing may or may not be approved and request Council staff to provide a report on the potential uses of the partially cleared portion of Location 7648 for the purposes of community facilities.

In line with Council's resolution, staff sought comments from the Department of Environment & Conservation and the matter was re-considered by Council at the Ordinary Meeting held on 28 April 2009 wherein Council resolved as follows (Res No: 140409):

That Council;

1. *Not support the freeholding of Plantagenet Location 7648 and Location 7576, Kernutts Road.*
2. *Council supports incorporating both parcels within the adjoining conservation estate.*
3. *Requests that the portion of cleared land over Location 7648 be revegetated and rehabilitated if the land is incorporated as part of the conservation estate.*

In October 2010, the Shire of Denmark received correspondence from the Department of Regional Development and Lands (State Lands – South East) advising that they were investigating a request for a proposal to create reserve/s for a range of lots (inclusive of Lots 7576 and 7648) for 'Conservation of Flora and Fauna' to be managed by the Conservation Commission of Western Australia (CCWA). No further action was required from the Shire of Denmark in relation to the subject lots given the Council resolution of 28 April 2009.

Following initial enquiries by Whelans in 2013 to rezone Lots 7576 & 7648, Planning Services contacted the Department of Lands (South West & Great Southern) to ascertain the status of the proposal to create the 'Conservation of Flora and Fauna' reserve. Advice received from the Property Asset & Clearing House section of the Department of Lands was that as government departments are required to pay for land now, the Conservation Commission of Western Australia advised that they were not in a position to purchase and the land has now been identified for disposal accordingly.

Consultation:

In accordance with the *Planning and Development (Local Planning Schemes) Regulations 2015*, public advertising of a 'complex amendment' (refer explanation under 'Statutory Obligations') is

required to be undertaken for a minimum period of 60 days once the Environmental Protection Authority and the Western Australian Planning Commission have considered the Scheme Amendment.

External Consultation

- Whelans (applicant)
- Department of Planning
- Department of Lands
- Department of Environment Regulation (Contaminated Sites Branch)

Internal Consultation

- Development Co-ordination Unit

Statutory Obligations:

- *Planning and Development Act 2005* – TPS No. 3 is an operative Local Planning Scheme under the Act;
- Town Planning Scheme No. 3 – Lot 7576 is currently reserved as “Public Use” and Lot 7648 is reserved as “Public Use – Agricultural Research Station” and
- *Planning and Development (Local Planning Schemes) Regulations 2015* – The Regulations set the procedure for amending a town planning scheme.

The *Planning and Development (Local Planning Schemes) Regulations 2015* provide for complex, standard and basic amendments. In relation to Scheme Amendment No. 139, it is considered to be a complex amendment having regard to Regulation 34 which is defined as:

- (a) *an amendment that is not consistent with a local planning strategy for the scheme that has been endorsed by the Commission;*
- (b) *an amendment that is not addressed by any local planning strategy;*
- (c) *an amendment relating to development that is of a scale, or will have an impact, that is significant relative to development in the locality;*
- (d) *an amendment made to comply with an order made by the Minister under section 76 or 77A of the Act;*
- (e) *an amendment to identify or amend a development contribution area or to prepare or amend a development contribution plan.*

Policy Implications:

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

- State Planning Policy No. 2.5: Land Use Planning in Rural Areas
- State Planning Policy 3.7: Planning in Bushfire Prone Areas
- Town Planning Scheme Policy No. 5: Minimum Setbacks

Budget / Financial Implications:

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

Strategic & Corporate Plan Implications:

The sites are designated in the adopted Local Planning Strategy as ‘Public Use’ – designations that reflect the current scheme reservations in Town Planning Scheme No. 3. Due regard has been given to the relevant Local Planning Strategy provisions within Scheme Amendment No. 139, namely Part 1 Section 4.7 Natural Resource Management. It is considered that the proposals for scheme reserve/zoning provisions provided for in Scheme Amendment No. 139 would be minor variations to the Local Planning Strategy and if the amendment was gazetted could be dealt with in any review of the Local Planning Strategy.

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

Environment Objective: Denmark’s natural environment is regionally significant, wild and beautiful, yet so inviting and fragile that its protection and enhancement is carefully balanced in meeting the needs of current and future generations’ lifestyle, development and tourism needs.

Environment Goal: Natural Environment – that the Shire of Denmark acknowledge the importance of the natural environment to the residents of Denmark and the region, and works with residents and all relevant agencies to maintain a high standard of environmental protection and its integration with community life.

Economic Objective: Denmark’s economy is diverse and vibrant – its primary industries of tourism and agriculture rely on and enjoy natural and other assets that are sensibly managed and promoted.

Economic Goal: Development – that the Shire of Denmark closely monitor development and associated infrastructure needs in the region, and acts in conjunction with other authorities and agencies to plan development which is sensitive, timely and appropriate to the community’s needs.

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

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

Sustainability Implications:

➤ **Governance:**

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, noting that the proposed Scheme provisions address the relevant environmental related matters for the development of the site (e.g. identification of building envelope, vegetation protection areas, restriction on landuses, fire protection measures etc.).

➤ **Economic:**

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

➤ **Social:**

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

➤ **Risk:**

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That Council not initiate Scheme Amendment No. 139	Possible (3)	Minor (2)	Moderate (5-9)	Not Meeting Community expectations	Accept Officer Recommendation

Comment/Conclusion:

Scheme Amendment No. 139 proposes to reclassify Lot 7576 Kernutts Road, Hay from “Public Use” local scheme reserve to “Parks and Recreation” local scheme reserve and Lot 7648 from “Public Use – Agricultural Research Station” local scheme reserve to “Rural” with an “Additional Use (A24)” zone to apply. By reclassifying the land as proposed and introducing the additional use zoning provisions, the existing flora and fauna values over the two lots will be protected whilst allowing for a single house to be developed on Lot 7648 only.

As referenced in the ‘Background’ section of this report, there is extensive history in relation to the proposed disposal of the subject lots (on the basis of being State owned land) and rezoning of the subject lots. As a result, Planning Services have liaised with the Department of Lands and the Department of Environment Regulation (Contaminated Sites Branch) and their latest advice respectively is as follows:

- The land has been identified for disposal on the open market as the Conservation Commission of Western Australia and/or Department of Environment Regulation have identified that they are not in a position to purchase the land and support limited development occurring on Lot 7648.
- A Preliminary Site Investigation would not be needed as part of the scheme amendment; investigation may be required associated with development in the future.

From a Planning Services perspective it is considered that, having regard to the above comments, the scheme amendment proposal which incorporates provisions that will protect the flora and fauna values over the two lots whilst allowing for a single house only to be developed on Lot 7648 is considered appropriate.

It is therefore recommended that Council initiate Scheme Amendment No. 139 to TPS No. 3 accordingly.

Voting Requirements:

Simple majority.

OFFICER RECOMMENDATION**ITEM 8.1.1**

That with respect to the request to initiate a Scheme Amendment to reclassify Lot 7576 Kernutts Road, Hay from “Public Use” to “Parks & Recreation” and Lot 7648 Kernutts Road, Hay from “Public Use – Agricultural Research Station” to “Rural”, Council:

1. Pursuant to Section 75 of the *Planning and Development Act 2005* initiate Town Planning Scheme No. 3 Amendment No. 139 by:
 - a) Reclassifying Lot 7576 Kernutts Road, Hay from “Public Use” local scheme reserve to “Parks and Recreation” local scheme reserve.
 - b) Reclassifying Lot 7648 Kernutts Road, Hay from “Public Use – Agricultural Research Station” local scheme reserve to “Rural” with an ‘Additional Use (A24)’ zone.
 - c) Amending the Scheme Map accordingly.
 - d) Inserting Additional Use (A24) and associated provisions in Appendix II – Schedule of Additional Use Sites of the Scheme text as follows:
 - Column 1
A24
 - Column 2 – Particulars of the Land
Lot 7648 Kernutts Road, Hay
 - Column 3 – Additional Use
The objective of the ‘Additional Use’ for the subject land is to protect existing flora and fauna values and, notwithstanding the Rural zoning, accordingly restrict land use classes to the following:

'AA' uses:

- Home Occupation

'P' uses:

- Single House

All other land uses classes are prohibited 'X' use.

- Column 4 – Conditions of Additional Use
 1. The building envelope for Lot 7648 shall be as per the Building Envelope Plan Lots 7576 & 7648 Kernutts Road, Hay dated 27 January 2016 as provided for in the Scheme Amendment 139 documentation.
 2. Within those areas delineated as Vegetation Protection Area on the Building Envelope Plan, no further clearing shall occur except for:
 - Trees that are dead, diseased or dangerous;
 - To comply with any Bushfire Management requirements that relate to the site; and
 - To provide vehicular access to the designated building envelope.
 3. Development shall be connected to Alternative Treatment Units approved by the local government and the Department of Health.
 4. All buildings shall be constructed to AS3959-2009 Construction of Buildings in Bushfire Prone Areas (as amended), with all bushfire management measures recommended in the Bushfire Hazard Assessment Report contained in the Scheme Amendment 139 documentation being implemented to the satisfaction of the local government.
 5. Provision of potable water shall be the responsibility of the individual landowner at the time of development and shall involve the installation of a water storage tank of not less than 92,000 litre capacity.
 6. As a condition of Development Approval, the area around the building envelope shall be fenced so as to demarcate the development exclusion area outside of the building envelope. All fencing (internal and boundary) shall be of rural construction standard such as pine/steel post and strand to the satisfaction of the local government.
 7. A Preliminary Site Investigation is required to be undertaken, to the satisfaction of the Department of Environment Regulation, to accompany the application for development approval, given the site's historical use as an agricultural research station.
- 2. Determine that Town Planning Scheme No. 3 Scheme Amendment No. 139 is a 'Complex Amendment' as per the provisions of the *Planning and Development (Local Planning Schemes) Regulations 2015* for the following reasons:
 - a) It is an amendment that is not consistent with a local planning strategy for the scheme that has been endorsed by the Western Australian Planning Commission; and
 - b) It is an amendment that is not addressed by any local planning strategy.
- 3. Refer Town Planning Scheme No. 3 Scheme Amendment No. 139 to the Environmental Protection Authority in accordance with Section 81 of the *Planning and Development Act 2005*.
- 4. Refer Town Planning Scheme No. 3 Scheme Amendment No. 139 to the Western Australian Planning Commission in accordance with Regulation 38 of the *Planning and Development Act (Local Planning Schemes) Regulations 2015*.
- 5. Resolve to proceed to advertising of Town Planning Scheme Amendment No. 139 as per Regulation 38 of the *Planning and Development (Local Planning Schemes) Regulations 2015*.
- 6. Not proceed with Scheme Amendment 84 to rezone Lot 7648 Kernutts Road, Hay from "Public Use" to "Rural" and advise the Environmental Protection Authority and the Western Australian Planning Commission accordingly.

<p>COUNCIL RESOLUTION MOVED: CR GILLIES</p> <p>That with respect to the request to initiate a Scheme Amendment to reclassify Lot 7576 Kernutts Road, Hay from “Public Use” to “Parks & Recreation” and Lot 7648 Kernutts Road, Hay from “Public Use – Agricultural Research Station” to “Rural”, Council:</p> <ol style="list-style-type: none"> 1. Not initiate Scheme Amendment 139 at this point in time; 2. Seek to undertake discussions with the Department of Lands and the Minister for Lands regarding the disposal of this land to the adjoining State Forest landholding; noting Council has concerns over the current State Government requirement for government departments to purchase land from government departments; and 3. Re-consider the matter at the earliest available Council meeting following discussions with the Department of Lands and the Minister for Lands. <p>CARRIED UNANIMOUSLY: 8/0</p>	<p>ITEM 8.1.1 SECONDED: CR SEENEY</p> <p>Res: 060816</p>
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REASONS FOR CHANGE

Council considered that the land was more important as a community asset and not private land and previous Council resolutions and initial from the Conservation Commission of Western Australia (the then Department of Environment & Conservation) was that the land has high biodiversity values. Council also considered it an appropriate time to discuss Council’s concerns with the current land disposal processes in place that have resulted in the subject land being identified for disposal as private land.

8.2 Director of Community & Regulatory Services

<p>8.2.1 CSRFF GRANTS – DENMARK GYMNASTICS CLUB INC., MCLEAN OVAL DRAINAGE, RECREATION STRATEGIC PLAN & MCLEAN PARK PRECINCT MASTER PLAN</p>

File Ref:	A3035
Applicant / Proponent:	Denmark Gymnastics Club (Inc.)
Subject Land / Locality:	McLean Park Precinct / Reserve 15513
Disclosure of Officer Interest:	The author’s daughter is a member of the Denmark Gymnastics Club
Date:	21 July 2016
Author:	Damian Schwarzbach, Manager of Recreation & Youth Services
Authorising Officer:	Gregg Harwood, Director of Community & Regulatory Services
Attachments:	8.2.1a – Grant Application – Denmark Gymnastics 8.2.1b – Wood & Grieve Engineering/ Sports Turf Technology Drainage option Report

Summary:

The purpose of this report is to recommend to Council projects that have been identified for funding under this programme for submission to the Department of Sport & Recreation.

The Denmark Gymnastics Club Inc. (DGC) has submitted a Department of Sport and Recreation (DSR), Community Sport and Recreation Facilities Fund (CSRFF) “small” grants application for the 2016/17 grant funding round.

The DGC has requested the construction of a purpose built facility to accommodate gymnastics, other performing arts and martial arts groups.

The author has also prepared a competing “annual” grant application for drainage works at McLean Oval and an application for a contribution towards the Recreation Strategic Plan, the

High School Oval Plan and the McLean Park Precinct Master Plan as per Council's 2016/2017 budget.

Background:

CSRFF grants are made on the basis of one third Department of Sport and Recreation (DSR) and two thirds group/local government/other funding sources. Local applications compete with others from throughout the Great Southern region and the state.

Prior to the consideration of applications for funding assistance, DSR requires Local Governments to consider all of the funding applications from community groups within their area and to place a funding priority on each application.

In order to qualify for the current round, 'small' grant applications must be assessed for priority and supported by the Local Government and submitted to the DSR by 31 August 2016. For larger grant applications, they must be submitted by 16 September 2016. The next round of funding opens at the start of February 2017, presented to Council in March and delivered to DSR by end of March 2017.

The McLean Park Precinct is part of the Reserve 15513 which is an "A" class reserve that is the subject of a management order to the Shire of Denmark (with power to lease provisions for maximum 21 years) for purpose of "Recreation & Showground".

The Denmark Gymnastics Club (DGC):

The DGC is incorporated and is a member of the State Sporting Association, Gymnastics WA. The Club has a growing membership with 128 members in 2015, a significant increase from 55 members in 2013 when the club commenced.

The Denmark Recreation Centre currently operates a Toddler Gym program which caters for toddlers up to 5 years of age. On the same day, the DGC operates programs to cater for children 5 years of age and above in the form of "Kindergym" and "Gymnastics for All". This arrangement means that the gymnastics equipment is brought out of storage by Recreation Centre staff and the Club volunteers pack it away.

The DGC has proposed that a specific purpose addition be made to the Recreation Centre for their use (and other ancillary uses) at an estimated cost of \$200,000 (excluding GST). This figure has not been verified or costed by the Shire and is likely to be conservative.

The DGC's financials indicate strong performance and an ability to operate as a stand alone group. The DGC has \$33,317 in the bank showing a profit of \$10,828 for the financial year 2015/16. This however is not sufficient to meet the required 1/3 or \$66,667 (excluding GST) – the contribution required under council policy P110304 which reflects the DSR funding model.

The DCRS has also discussed the possibility of DGC sharing the Scout Hall with appropriate renovations with the Denmark Scouts and they have advised that they already have several long term timber floor activity users such as Boot Scooting and Chi Gong. This means that the Scout Hall cannot be considered as an interim solution as it is already being actively used by other community groups.

McLean Oval Drainage Proposal

Council's ongoing investment in club development has seen Denmark's sporting clubs go from strength to strength and the usage of McLean Oval increase as a result.

The oval which has been cut and filled out of a clay on a sloping site which has always had drainage problems and various options including open perimeter drains and subsoil drains have been constructed to solve drainage issues Subsoil drains lose efficiency with age and the current

system is handicapped by a relatively high drainage sump where it goes under the road has been at best marginal in dryer years and has not been able to keep up with the arrival of a traditional south coast winter.

Wood & Grieve Engineers has been engaged to assess the drainage problem and to design a suitable system and their report is attached (refer Attachment 8.2.1b) which details two options:

- Option 1: Playing Field Reconstruction

To rectify the drainage problems along the western side, the existing profile needs to be removed and replaced, and additional subsurface drains installed on closer spacing. The existing profile would need to be excavated to the clay layer, replacing it with 300 mm depth of clean sand, and laying turf rolls.

Estimated cost \$366,850 (including GST).

The implications of this option are considered later in this report.

- Option 2a: Remedial Drainage Works

These works will give an improvement in the winter performance of the western side of the ground, while maintaining the existing turf and sand profile, and minimising the cost and disruption to the playing surface. Depending on success of remedial works, they can be followed by 'full reconstruction' of areas not showing adequate improvement. Install subsurface drains at 4-metre spacing.

Estimated cost \$65,450 (including GST).

- Option 2b: Inserted Sand Silts

This option involves inserting sand slits to break through the surface organic layer and provide channels for water movement down to the sand profile. The process involves cutting narrow slots, 20 mm wide and 270 mm apart, and inserting sand to a depth of approximately 130 mm. The sand insertion machine and outcome of the process are shown in the photos in the attachment (refer Attachment 8.2.1b). In the Perth region, the cost is approximately \$8000/ha for the supply and insertion of sand.

Estimated cost \$16,500 (including GST).

- Option 2c: Top Dress with 15mm (150 M3/Ha) of Sand

Top dress with 15 mm (150 m3/ha) of sand. The sand top dressing will form a distinct layer on the surface to limit the exposure of the organic layer to foot traffic in wet conditions. This will help to prevent the surface becoming sealed up and muddy.

Estimated cost \$8,250 (including GST).

The combined total cost of 2a, 2b and 2c = \$90,200 (including GST).

Council has allowed \$80,000 for this work under Job Number 51676 which includes \$26,666 in grants to install this system (\$53,334 Council contribution). The maximum grant under a Community Sport and Recreation Facilities Fund (CSRFF) small grants program is a one third contribution or \$26,666 for an \$80,000 on the project and \$30,066 for a \$90,200 project.

Under these funding scenarios an extra \$6,800 would need to be found in order to make the required two thirds Council contribution of \$60,134 on the increased \$90,200 project cost, should the SCRFF funding application DSR be successful.

It is anticipated that this short fall can be covered via a Budget amendment.

Recreation Strategic Plan / McLean Park Precinct Plan

The Shire is a participating Local Government in the Great Southern Sport and Recreation Facilities Plan being undertaken in partnership with the Department of Sport and Recreation and the consultant, AECOM. As a follow up to this document, the Officer has recommended to Council to engage the consultants, AECOM, to produce a Shire of Denmark Sport and Recreation Strategic Plan. This will assist Council in its long term decision making in regards to major sport and recreation infrastructure. As part of this Sport and Recreation Strategic Plan the consultant can also concentrate on specific precincts, hence proposed Master Plans for the McLean Park Precinct and the High School Oval.

The purpose of these plans is to research and document current and proposed sport and recreation opportunities for the next 10 years to assist in informing future decision making for investment. The plan is to assess the efficiency and effectiveness of recreation facilities whether provided by Council, not for profit or community based providers. Part of the work already undertaken as part of the Great Southern plan has been the assessment of current infrastructure to identify where facilities may be improved, rationalised or consolidated and made more relevant to the emerging needs of existing and future residents of the Shire.

The Officer envisages that this process will give Council;

- A guiding Plan for Sport and Recreation facility development for the Great Southern region;
- An adopted Sport and Recreation Strategic Plan for the Shire of Denmark; and
- An adopted Master Plan of the McLean Park Precinct and High School Oval to guide future development at these two facilities.

These strategic documents once completed with the appropriate community consultation will provide Council with the tools to consider sport and recreation decisions for the long term future.

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 additional external/internal engagement or consultation is required prior to the construction of a gymnastics facility at the McLean Oval Precinct for the following reasons:

- 1) The McLean Park precinct is earmarked for a study to be undertaken to provide a Master Plan of the precinct which can guide Council in future planning decisions.
- 2) This plan should go to the McLean Oval User Group, other sporting groups and the wider community before any further development takes place as the oval precinct is used by a large section of the community.

The drainage project in comparison once designed only requires communication with clubs that will be actively using the grounds.

Statutory Obligations:

There are no statutory implications other than considering a matter outside of the adopted Budget (section 6.8 of the Local Government Act 1995 requires an absolute majority decision of the Council to approve the expenditure in the event that new expenditure is intended).

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.

Applicants must be community based organisations and incorporated under the WA Association Incorporations Act 1997.

Council will require community based organisations seeking public funds of greater than \$10,000 for developing new or refurbishing current facilities to have a business plan appropriate to the size of their organisation.

Council will contribute to a maximum of one-third (1/3) only of major facility development / redevelopment with a project cost greater than \$50,000 to demonstrate the need for such development and their strategies to ensure that the development will be viable for a least the next 10 years or such period requested by Council.

Budget / Financial Implications:The Denmark Gymnastics Club

If the costings provided by DGC are accurate and if Council agrees to support the gymnastics facility grant application it would need to find \$66,667 to fund a one third Council contribution which is currently unbudgeted. This level of additional expenditure may exceed any mid-year Budget surpluses, yet to be identified.

The Gymnastics Club has approximately \$33,000 in cash and is reliant on raising the short fall through fundraising and sponsorship to make their required 1/3 contribution.

The DGC currently pay a court hire fee plus participants pay a weekly entry fee and Council's income from this is approximately \$6,000 per year.

McLean Park Oval Drainage

The McLean Oval drainage grant proposal has an allocation of \$80,000 under Job Number 51676 in the 2016/2017 Budget which includes a \$26,666 CSRFF grant funding outcome.

Option 1

There is a significant funding shortfall in budgeted funds if Councils selects this option. There is a net sum available of \$53,334 on the current Council budget compared with an estimated amount of \$244,567 required to complete the work. However, under this option, the work would not be required to commence until the end of the 2017 winter season and the additional funds would need to be included in the 2017/18 budget.

Option 2

Under these funding scenarios an extra \$6,800 would need to be found in order to make the required two thirds Council contribution of \$60,133 towards the \$90,200 project cost.

It is anticipated that this short fall could be covered via a Budget amendment during the mid- term review.

The funding application would precede the completion of the McLean Oval Precinct Plan which is not a good planning outcome.

Recreation Strategic Plan, High School Oval Plan & McLean Park Precinct Plan

The recently adopted 2016/17 Budget contains a provision of \$40,000 for preparation of a McLean Park Precinct Plan (with an external contribution of \$25,000) with a further allocation of \$10,000 for a Recreation Local Plan. It is suggested that an application be lodged under this funding programme for a one third contribution towards the cost of preparing the Plans.

Strategic & Corporate Plan Implications:

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

Recreation: ...monitor all forms of recreational and cultural facilities and services, and take careful account of the level of community support for those in determining the improvements or new facilities to be supported together with their relative contribution to personal and community well-being.

SOCIAL OBJECTIVE - Denmark's communities, people and places are connected and creative, vibrant and dynamic, healthy and safe.

Youth: ...encourage opportunities, employment and facilities for young people, and aims to involve them in decisions made within the community.

Funding: ...be fiscally responsible and seek to develop both safe income generating assets and the maximisation of external funding.

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

Referencing Council's adopted Corporate Business Plan, under the heading of 1.10 Recreation reads;

1.10.22 Review and develop a revised conceptual Master Plan for the McLean Oval Precinct.

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:**

Other than those outlined in this report, there are no known significant economic implications relating to the report or officer recommendation.

➤ **Social:**

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

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

➤ **Risk:**

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That Council not endorse the CSRFF annual grant application for the McLean Oval drainage.	Possible (3)	Moderate (3)	High (10-16)	Ineffective Management of Facilities and Events	Accept Officer Recommendation
That Council not endorse the CSRFF small grant application from the Denmark Gymnastics Club	Likely (4)	Insignificant (1)	Low (1-4)	Not Meeting Community expectations	Accept Officer Recommendation
If Council endorses the DGC application and it is successful, the location of the proposed facility may hinder further development of the McLean Park Precinct.	Possible (3)	Major (4)	High (10-16)	Inadequate Asset Management	Accept Officer Recommendation

Comment/Conclusion:

Denmark Gymnastics Club

The DGC has demonstrated over the past 4 years of operation to be a highly sought after organisation. The level of participation has risen every year and the volunteer work done by the coaches and organisers is exemplary. The gymnastics activity is healthy, develops balance and co-ordination in the Shire’s young people, and is overall to be viewed as an asset to the community.

The Officer recognises the following restrictions to the DGC;

- Due to the multi-use nature of the Recreation Centre, the equipment is unable to be set up permanently and the after school hours timeslot is the most highly booked time period in the week. During May to October, the only afternoon available for gymnastics is Thursday, which they currently operate on.
- The continual setting up and packing away of equipment increases the wear and tear resulting in higher maintenance and replacement costs.
- The work load on volunteers is increasing across all sport and recreation groups leading to volunteer burnout.
- A number of the DGC participants have been attending for a number of years and have progressed to the higher stages of gymnastics. These participants would benefit from extra, more specialised sessions to help with their development.
- If DGC participants are to develop to an elite level they need to be able to train several days a week. This is not possible with the current set up and while the roster could be rejigged to allow the equipment to be left set up over weekends it would still fall short of this requirement.
- The DGC is currently at capacity on a Thursday afternoon and cannot cater for any additional participants, thus limiting their capacity to grow as a club.

Whilst this project represents an activity that is suitable for the precinct, the proposed location of the facility is not supported by the Officer and it will most likely be shifted further down the site

once the Master Plan is finalised. The reason for this is so that it does not block the option of creating a new entrance that faces the corner of Brazier and Haire Streets if further basketball courts are added onto the Recreation Centre so that a future indoor heated pool, gym facility and dry side courts can be serviced and partially supervised by the one customer service area saving at least one staff member.

This would enable a fully developed Recreation Centre/pool complex to run with the least amount of staff and address the current shortage of parking at the site during major events and football games.

The need and the potential benefits to the community of the proposed facility and that of gymnastics generally is recognised however, the timing of this application is the limiting factor. If Council is to support the development of a Master Plan of the McLean Park Precinct, then the Officer recommends that any decision on major infrastructure developments should be placed on hold, until the Plan, including community consultation, is developed.

The total project cost is estimated at \$200,000 (excluding GST) and has not been verified. The amount requested from Council is \$60,302, representing 30% of the total cost which is less than the one third contribution stipulated in P110304.

Using these figures as a guide, if the project was on hold for a further 2 years with an increase of 10% in costs Council's contribution would be in the vicinity of \$66,000.

The DGC has \$33,000 in cash, if the project was postponed for a further 2 years, this would allow the club time to further their cash reserves and place them in an even stronger position for their grant application being accepted by Council and DSR. In their current application the budget implies funds requested from sponsorship and fundraising, the improved financial situation in two years time may alleviate any reliance on these forms of funding.

The DGC application is worthy and meets the criteria set out in Council's own policy in addition to meeting DSR's requirements, notwithstanding the current shortfall of their required cash contribution. The application has all the supporting documentation required and has answered all points requested by DSR however, as stated above the Officer considers the project to be 1 - 2 years premature, both in terms of DGC's finances and Council's recreation planning process.

McLean Park Oval Drainage

Option 1

It is acknowledged that Option 1 is significantly more than Option 2 and Council's contribution would be significantly greater than what is contained in the 2016/17 budget. However, the work involved in Option 1 will provide a much longer term solution to fixing the problem for the foreseeable future. It also eliminates the risk of performing the work outlined in Option 2 only to discover at a later stage that further work will need to be performed.

The Shire will need to fund 2/3rds of the estimated cost of the reconstruction, ie \$244,550. At the present time there is only a net amount of \$53,334 included in the Shire 2016/17 budget. An additional amount of in excess of \$190,000 would therefore need to be found to fund these works. The additional amount can be allocated in the 2017/18 budget.

If option 1 is chosen, further dialogue with the principal users would need to occur.

In comparison the options 2A, 2B & 2C of McLean Oval drainage improvement proposal are shovel ready and have the following benefits:

- 1) It is an improvement to an existing playing surface at McLean Oval that has been requested by all user groups.

- 2) The oval has many users and is subject to very high traffic levels and improved drainage will assist the grass playing surface in coping with this traffic.
- 3) The work will reduce the risk of slippage related injuries during winter.
- 4) The installation of additional drainage at the oval will not frustrate and prejudice the outcomes of the recreation master planning process.
- 5) This work has already been designed by Wood Grieve Consulting Engineers who designed the recent drainage the City of Albany's Centennial Park redevelopment.
- 6) There is a budget allocation in the 2016/2017 budget.

Councillors should however note that in choosing the "financially conservative" options 2A, 2B & 2C at \$90,200 over the \$366,850.00 option 1 that there is a risk that if options 2A, 2B & 2C are not effective further work will be required to be performed.

Recreation Strategic Plan, High School Oval Plan & McLean Park Precinct Plan

The implications and need for these plans as a prerequisite for any future infrastructure works involving the Recreation Centre have been referred to above. The drainage works is a separate stand-alone matter. Estimated costs for the preparation of the Plans have been included in the budget.

Summary

If Council supports the applications they will be lodged with DSR by the end of August 2016, and Council will most likely be notified by the end of November 2016 if they are successful in obtaining funding (last year notification was received in February 2016). It is anticipated that funding will be available for work to commence on the "small" projects (Recreation Strategic Plan, High School Oval Plan & McLean Park Precinct Plan) by the end of the year. The work for these projects must be completed and acquitted by June 2017 under the terms of the grant. In relation to "annual" grants (option 1 for the drainage reconstruction project), the project should be completed with 12 months.

The Officer recommends that Council whilst recognising the need for a future gymnastics facility of some type, not support the DGC application in the 2016/2017 financial year and instead support a grant application that has been prepared for the drainage works at McLean Oval for the following reasons:

- 1) The proposed drainage work at McLean Oval takes a higher precedence as there are more users involved.
- 2) A new gymnastics facility has not been included in the 2016/2017 Budget and Council has resolved to prepare a Master Plan for the McLean Park precinct which is a logical preliminary step.
- 3) If Council were to support the gymnastics facility grant application it would need to allocate its contribution in the budget to fund the requested 30% Council contribution which will require an unbudgeted expenditure resolution.
- 4) The gymnastics club do not have sufficient funds and is reliant on raising the short fall through fundraising and sponsorship, to make the required 1/3 contribution or to cover any cost over runs during the construction of the project.

DSR advice received 9 August 2016:

Having considered this the DCRS took the pragmatic step of seeking DSR advice on the likelihood of obtaining grant funding for the proposed drainage options and has received the following initial advice:

“Option 2 doesn’t provide a lot of guarantees- “Depending on success of remedial works, they can be followed by ‘full reconstruction’ of areas not showing adequate improvement.” CSRFF doesn’t support short term solutions and we would rather get it right the first time.

Given the location of the oval to the river, that we know this has been a constant problem at this oval (and the Shire know this) and that Option 2 doesn’t remove any of the excessive organic matter, I would be recommending Option 1.

Apply in the main round, find out in January 2017, nurse the oval through to September 2017 while being able to communicate to the footy club that the surface will be replaced and subsoil drainage installed at the end of their season.

They are better to have one major disruption while the works are undertaken rather than a week by week assessment late in the footy season when the oval is waterlogged and possible intermittent disruption.”

The advice was also discussed at the 10 August 2016 Executive team meeting and the CEO advised that he concurred with the DSR’s approach that it was better to do it once and do it right.

In relation to the drainage issue, Council has two options:

1. Follow the Department of Sport and Recreation’s advice and apply for the “Annual” Forward Planning Grant for Option 1 to replace the surface on the western side of the oval which would mean if successful with the grant application starting works in September 2017. Council’s contribution on a \$366,850 would be in the vicinity of \$220,000 and this would be made in the 2017/2018 budget.

The closing date for application under this grant round is the 16 September 2016.

OR

2. Proceed with the “small” grant application to DSR for the remedial works Option 2 and if successful works would commence in December 2016 / January 2017. Council’s contribution would be \$60,133. If not successful with the grant application, Council will be faced with a decision in December if it will fund the remedial works out of its own Budget – and would need to find another \$30,066 of savings in the current year budget to do so. Given the advice of DSR this is a likely outcome.

The Denmark Football Club has also been provided with a copy of the Wood & Grieve Engineers draft report together with DSR’s 9 August 2016 advice and it is anticipated that they will support option 1 as does the author.

If Council was to apply for Option 1 in the large grant round it would potentially open the way to bring forward the small grant application for the development of a Recreation Strategic Plan and specific Master Plans for McLean Park Precinct and the High School Oval, providing the required two quotes can be obtained in time to satisfy DSR funding requirements and the officer recommendation reflects this.

It is also recommended that Council instruct to undertake the 15mm sand top dressing of the western side of oval as recommended in option 2C during the summer of 2016/2017 at an estimated cost of \$8,000 - \$10,000 dollars as an interim measure.

Voting Requirements:

Simple majority.

6.32pm – Cr Gillies left the room.

6.33pm – Cr Gillie returned to the room.

OFFICER RECOMMENDATION

ITEM 8.2.1

1. That Council rank the submitted Department of Sport and Recreation (DSR), Community Sport and Recreation Facilities Fund (CSRFF) small grants application for the 2016/17 grant funding round applications in the following order;
 - a) Rank a small grant application for the Shire Recreation Strategic Plan and specific Master Plans for McLean Oval Precinct and the High School Oval as Council's only CSRFF small option providing sufficient quotes can be obtained in time to satisfy DSR funding requirements; and
 - b) Advise the Denmark Gymnastics Club that its CSRFF Small Grants Round will not be supported in this grant round as it is 1 - 2 years premature in terms of both DGC's own finances and Council's recreation planning process.
2. That Council make application for a Department of Sport and Recreation Annual Forward Planning Grant for Option 1 to improve the drainage at McLean Oval by installing additional drainage and replacing the surface of the western side of the oval as per Wood & Grieve Engineers/ Sports Technology Pty Ltd August 2016 report which will involve an anticipated project cost of \$366,850 and a Council contribution of vicinity of \$220,000 in the 2017/2018 budget.
3. That the western side of McLean Oval be top dressed with at least 15mm of sand as per option 2C of Wood & Grieve Engineers/ Sports Technology Pty Ltd August 2016 report during the summer of 2015/2016.

COUNCIL RESOLUTION

ITEM 8.2.1

MOVED: CR GILLIES

SECONDED: CR SEENEY

1. That Council rank the submitted Department of Sport and Recreation (DSR), Community Sport and Recreation Facilities Fund (CSRFF) small grants application for the 2016/17 grant funding round applications in the following order;
 - a) Rank a small grant application for the Shire Recreation Strategic Plan and specific Master Plans for McLean Oval Precinct and the High School Oval as Council's only CSRFF small option providing sufficient quotes can be obtained in time to satisfy DSR funding requirements; and
 - b) Advise the Denmark Gymnastics Club that its CSRFF Small Grants Round will not be supported in this grant round as it is 1 - 2 years premature in terms of both DGC's own finances and Council's recreation planning process.
 - c) Advise the Denmark Gymnastics Club that it supports its endeavours to build a dedicated gymnastic facility at McLean Oval and that the matter will be a matter for consideration in the 2017/18 Budget process.
2. That Council make application for a Department of Sport and Recreation Annual Forward Planning Grant for Option 1 to improve the drainage at McLean Oval by installing additional drainage and replacing the surface of the western side of the oval as per Wood & Grieve Engineers/ Sports Technology Pty Ltd August 2016 report which will involve an anticipated project cost of \$366,850 and a Council contribution of vicinity of \$220,000 in the 2017/2018 budget.
3. That the western side of McLean Oval be top dressed with at least 15mm of sand as per option 2C of Wood & Grieve Engineers/ Sports Technology Pty Ltd August 2016 report during the summer of 2015/2016.

AMENDMENT

MOVED: CR WHOOLEY

SECONDED: CR ALLEN

1. Amend Part 3 to state, "That the western side of McLean Oval be top dressed with at least 15mm of sand but the area be checked for positive flow prior to implementation as per

option 2C of Wood & Grieve Engineers/ Sports Technology Pty Ltd August 2016 report during the summer of 2015/2016.”

2. Add Part 4 which states, “That the western drain be surveyed and positive overland flow path be established.”

6.49pm – Cr Gillies left the room.

6.49pm – Cr Gillies returned to the room.

6.51pm – Cr Gearon left the room.

6.51pm – Cr Gearon returned to the room.

CARRIED: 5/3

Res: 070816

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

FOR: Cr Whooley, Cr Gearon, Cr Lewis, Cr Caron and Cr Allen.

AGAINST: Cr Gillies, Cr Seeney and Cr Morrell.

AMENDED MOTION

1. That Council rank the submitted Department of Sport and Recreation (DSR), Community Sport and Recreation Facilities Fund (CSRFF) small grants application for the 2016/17 grant funding round applications in the following order;
 - a) Rank a small grant application for the Shire Recreation Strategic Plan and specific Master Plans for McLean Oval Precinct and the High School Oval as Council's only CSRFF small option providing sufficient quotes can be obtained in time to satisfy DSR funding requirements; and
 - b) Advise the Denmark Gymnastics Club that its CSRFF Small Grants Round will not be supported in this grant round as it is 1 - 2 years premature in terms of both DGC's own finances and Council's recreation planning process.
 - c) Advise the Denmark Gymnastics Club that it supports its endeavours to build a dedicated gymnastic facility at McLean Oval and that the matter will be a matter for consideration in the 2017/18 Budget process.
2. That Council make application for a Department of Sport and Recreation Annual Forward Planning Grant for Option 1 to improve the drainage at McLean Oval by installing additional drainage and replacing the surface of the western side of the oval as per Wood & Grieve Engineers/ Sports Technology Pty Ltd August 2016 report which will involve an anticipated project cost of \$366,850 and a Council contribution of vicinity of \$220,000 in the 2017/2018 budget.
3. That the western side of McLean Oval be top dressed with at least 15mm of sand but the area be checked for positive flow prior to implementation as per option 2C of Wood & Grieve Engineers/ Sports Technology Pty Ltd August 2016 report during the summer of 2015/2016.
4. That the western drain be surveyed and positive overland flow path be established.

THE AMENDED MOTION BECAME THE SUBSTANTIVE MOTION WHICH WAS PUT AND

CARRIED UNANIMOUSLY: 8/0

Res: 080816

REASONS FOR CHANGE

Council wished to express its support for the endeavours of the Denmark Gymnastics Club and note that the Club's proposal would be considered in the 2017/18 Budget. Council requested some remedial work and further investigation with respect to the western side of the oval.

8.2.2 RIVERMOUTH PRECINCT DEVELOPMENT CONCEPT PLAN WORKING GROUP

File Ref:	A3027 & A1324
Applicant / Proponent:	N Phillips on behalf of Jenbrook Nominees Pty Ltd
Subject Land / Locality:	No. 1 (Lot 1084) Inlet Drive, (Reserve 46241)
Disclosure of Officer Interest:	Nil
Date:	9 August 2016
Author:	Gregg Harwood, Director of Community & Regulatory Services
Authorising Officer:	Cliff Frewing, Chief Executive Officer
Attachments:	8.2.2a – Extract from Minutes – 28 July 2015 8.2.2b – Map of Foreshore Area 8.2.2c – Draft Working Group Terms of Reference

Summary:

The officer report considers both the current lessee of the Rivermouth Caravan Park's need for security of tenure to justify the capital risk of investing in further development in the park and Council's desire on behalf of the community to ensure that:

- a) The park continues to develop in such a way that it meets both the current and future needs of the caravan and camping traveling public and is a major economic driver for the Denmark community; and
- b) The Rivermouth foreshore and the park's interface meets with the community's expectations while enabling the park to serve both its own guests and members of the passing community in a viable and efficient manner.

To achieve these outcomes the officer report recommends that Council form the Rivermouth Precinct Development Concept Plan (RPDCP) Working Group to develop a Concept Plan to guide the future usage and development of the caravan park and the Rivermouth Precinct. In addition if the outcomes of the Working Group are agreed by Council, it is considered appropriate for Council to agree in principle to negotiate a new 21 year lease for the Caravan Park with clauses that reflect the main components of the Concept Plan.

Background:

At its 28 July 2015 Council moved the following motion in regards to a substantial renovation/café development plan that was submitted by the lessees of the Rivermouth Caravan Park.

"That with respect to the proposed additions/alterations to the Kiosk/Administration Office Building for Denmark Rivermouth Caravan Park at No. 1 (Lot 1084) Inlet Drive, Denmark, Council:

1. *Advises the lessee that in principle support is given to the proposal as required under Clause 2 (14), however formal consent is to be deferred until such time as the Shire of Denmark and Jenbrook Nominees Pty Ltd progress discussions on the new Development Plan, such that the level of development, services and facilities provided are appropriate for the Caravan Park site and the Rivermouth Precinct.*
2. *Advises the lessee that the 10 year forecast development works plan submitted for the site, including the proposed additions/alterations to the Kiosk/Administration Office Building, are to form the initial basis for development considerations for the updated Development Plan."*

Having received this advice of this resolution the parks lessees chose not to participate in a Council funded development plan process as they felt that it unreasonably interfered in the

conduct of their business on publicly owned land and in response submitted their own brief 10 year plan which is attached.

Further discussions occurred during the intervening period without an agreed outcome.

In June 2016 the Lessees submitted the attached concept plan for an entirely new office/ reception/ café/ laundry and work area that would replace their current facility and subsequently advised that they would be prepared to participate in a Council funded joint development plan process and their desire for a new or extended lease.

The lessees briefed Council on their recently submitted plan at the 26 July 2016 briefing session and the consensus of Council was that the aesthetics of the plan and its connectivity to the foreshore needed further work.

The outcome of the briefing session was that an officer detailing the formation of a Rivermouth Precinct Development Concept Plan (RPDCP) Working Group be brought to the 16 August 2016 Council meeting.

Councillors should note that Director of Planning and Sustainability's 28 July 2015 report to Council is attached (refer Attachment 8.2.2a) for additional background as to the development history of the park.

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 additional external/internal engagement or consultation is required.

This consultation will be achieved by including the Caravan Park Lessees who are the key stake holders in the Working Group as well as the appointment of other community representatives, and advertising the draft plan for public comment when it is complete.

The proposed RPDCP had not been discussed with the lessees of the caravan park due to time restraints.

Statutory Obligations:

Clause 2(14) of the lease between Jenbrook Nominees Pty Ltd and the Shire of Denmark (which expires on 31 March 2025) states:

Lessee's Additions and Alterations

...

- c) *Any alterations, additions or improvements made to the Premises with the written consent of the Lessor shall comply with all statutory requirements.*
- d) *The Lessee shall apply for and obtain all necessary Approvals prior to commencing any alterations, additions or improvements to the Premises.*

Consequently, and also having due regard to the Shire's Procedure *OP040239: Construction of New or Significant Alternations to Building Structures on Council Land* and related Delegation 130311: *Building Structures on Council Land*, this matter is being referred to Council for consideration accordingly.

Should Council consent to the proposal as the landowner, it should be noted that Council as the decision making authority could still refuse the Planning Application - noting however that the applicant then has the ability to lodge a Right of Review with the State Administrative Tribunal as per the *Planning and Development Act 2005*.

Clause 4(17) of the lease states:

Upgrading of Premises

The Lessee shall submit from time to time to the Lessor works plans for upgrading of the Premises complying with all statutory requirements and the Lessee agrees to make satisfactory progress with upgrading of the premises throughout the Term in accordance with such works plans as amended by reasonable requirements of the Lessor or other necessary Approvals.

In this regard, the Lessee has undertaken development on-site generally in accordance with the approved Development Plan of 2004.

Development of the park is governed by Town Planning Scheme No. 3, the *Caravan Parks & Camping Grounds Act 1995* and the *Caravan Parks & Camping Grounds Regulations 1997*.

At this point in time a formal assessment of the proposal has not been undertaken by Planning Services, however a key issue that has been identified from a preliminary review is that no formal details have been provided of the improvements/upgrades proposed for the existing building to ensure that there is a complementary visual interface of the new and existing building on-site. Recent discussions have occurred with the lessee to ascertain what they proposed to do in this regard and verbal advice was received that it is likely the building would be painted in similar colours to match. From a Planning Services perspective it is considered appropriate that Council require a detailed colours and materials schedule for the proposed and existing building accompany the planning application documentation for assessment purposes accordingly.

Policy Implications:

There are no policy implications.

Budget / Financial Implications:

There are known financial implications upon Council's current Budget or Long Term Financial Plan.

Clause 4(3) of the lease states:

Ownership of Lessee Improvements, Fixtures & Fittings

- a) At the expiration or sooner determination of the Term or any renewal thereof whether by effluxion of time or caused by the surrender of the Term by the Lessee or its termination by the Lessor because of any breach of the conditions and covenants herein contained or for any other reason the Lessor shall pay to the Lessee compensation the equivalent to the value of all fixed capital improvements made by the Lessee on the Premises and in default of agreement to be determined by a valuer who is a member of the Australian Property Institute (Western Australian Division) ("Valuer") nominated by the President for the time being of the Institute at the request of the Lessor or the Lessee and the costs of the determination shall be borne equally between the Lessor and the Lessee PROVIDED THAT the obligation to pay for fixed capital improvements is only if the Lessor intends to continue to lease the Premises as a Caravan Park to a third party but not to the Lessee or the lessee of the day pursuant to an assignment of this Lease and PROVIDED THAT if the Lessor enters into a new lease of the Premises ("New Lease") within 2 years from the date of expiration or sooner determination of the Term then any payment due to the Lessee shall be paid by the Lessor to the Lessee within 30 days of the date of commencement of such New Lease.
- b) If the Lessor does not intend to continue to lease the Premises as a Caravan Park as referred to in clause 4(3)(a) then subject to clause 4(3)(c) the Lessee immediately before the determination of the Term shall remove all Buildings Structures improvements fixtures fittings plant machinery equipment utensils shelving counters safes and other material things or articles belonging to or brought upon the Premises by the Lessee and promptly make good

- to the reasonable satisfaction of the Lessor all damage caused or occasioned by such removal.
- c) The Lessor and the Lessee agree that notwithstanding the provisions of clause 4(3)(b) on the expiration of the Lease or surrender of the Premises the Lessor shall have the right to purchase at a price to be mutually agreed or failing agreement at a current market valuation the Buildings Structures improvements and fixtures removable under clause 4(3)(b) if it shall give the Lessee notice in writing of its intention to do so not less than THREE (3) months before the expiration of the Term or if the Term shall be determined by re-entry not more than FOURTEEN (14) days after such re-entry. Any valuation required to be made hereunder shall be made by the Valuer referred to in clause 4(3)(a) at the request of the Lessor and the Lessee or of either of them and the costs of any such valuation shall be paid by the Lessor and the Lessee in equal shares.
 - d) If the Lessor does not intend to continue to lease the Premises as a Caravan Park upon the determination of the Term by the effluxion of time the Lessor shall give notice in writing to the Lessee no less than FIVE (5) years prior to the determination of the Term by effluxion of time of such intention.

In view of the above provisions, it is considered important that the Shire is very much involved in the structure, look and feel of any improvements (in addition to normal Town Planning requirements), as the Shire may have to acquire the improvements at the expiration of the lease.

If Council were to elect not to renew the lease these potential costs would need accounted for in Council's Long Term Financial Plan.

The 2016/2017 budget, has included an allocation of \$10,000 to assist with facilitating an updated Development Plan for the Denmark Rivermouth and Peaceful Bay Caravan Parks.

It is anticipated that with increasing the scope to cover the foreshore study that this allocation may be largely consumed on the Rivermouth project and may be insufficient.

Strategic & Corporate Plan Implications:

The report and officer recommendation is consistent with objectives and goals under the Council's adopted Strategic Plan and the Corporate Business Plan in the following specific ways:

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

Economic Objective - Denmark's economy is diverse and vibrant - its primary industries of tourism and agriculture rely on and enjoy natural and other assets that are sensibly managed and promoted.

Environment Objective - Denmark's natural environment is regionally significant, wild and beautiful, yet so inviting and fragile that its protection and enhancement is carefully balanced in meeting the needs of current and future generations' lifestyle, development and tourism needs.

Lifestyle: ...endeavour to maintain and improve the standards and style of living, together with the creative and vibrant culture, that residents and visitors have come to expect.

Tourism: ...acknowledge the importance of tourism to the region, and, by innovative policies, practices and partnerships, facilitates and encourages the greater year-round sustainability of tourism, whilst monitoring and managing its impacts.

Recreation: ...monitor all forms of recreational and cultural facilities and services, and take careful account of the level of community support for those in determining the improvements or new

facilities to be supported together with their relative contribution to personal and community wellbeing

Waterways: ...acknowledge the importance of rivers, inlets and coastline to residents, visitors and the local economy, and implements and advocates for policies with other relevant authorities and organisations to maintain these to a high standard of health and amenity.

Objectives and/or goals from the Corporate Business Plan are as follows;

- 1.10 *Recreation: ...monitor all forms of recreational and cultural facilities and services, and take careful account of the level of community support for those in determining the improvements or new facilities to be supported together with their relative contribution to personal and community.*
- 1.10.10 *Progress the Denmark Rivermouth Foreshore Enhancement Project.*
- 2.4.2 *Work collaboratively with the Department of Water, Department of Transport, Water Corporation and other Government agencies to ensure the best outcomes for our waterways.*
- 3.7.1 *Continue to support new sustainable tourism development (across accommodation, activity, attraction, amenity, access sectors) that will contribute to growth in tourism; as well as supporting improvements to existing tourism.*

Sustainability Implications:

➤ **Governance:**

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

➤ **Environmental:**

Environmental considerations relating to the development proposal will be considered as part of the Development Plan process.

As per Clause 4(12)(b) of the lease, the Lessee shall ensure that all new fixed buildings as defined by the Act are built at or above Australian Height Datum 1.8 metres and the Lessee shall indemnify the Lessor against all loss and damage incurred by it on account of loss, damage or injury caused by flooding. This matter would also be dealt with as a condition of planning approval if the redevelopment of the shop proceeds.

➤ **Economic:**

The Denmark Rivermouth Caravan Park makes a positive contribution to Denmark's tourism industry and is a major economic driver.

➤ **Social:**

Social considerations (built heritage and indigenous heritage – given the property is adjacent to Denmark River) will be considered as part of the Development Plan and/or planning application process.

The Aboriginal Cultural Heritage Management Plan for Southern Section of Kwoorabup Beelia (Denmark River), which was adopted by Council at the 26 July 2011 Ordinary Meeting (Res No. 060711) as a guiding document to protect and manage the indigenous heritage values of the Kwoorabup Beelia (Denmark River), does not have any specific recommendations in relation to the Denmark Rivermouth Caravan Park site.

➤ **Risk:**

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That Council does not support the proposal for a redeveloped kiosk/administration building, thus not supporting the planning application as the landowner	Unlikely (2)	Insignificant (1)	Low (1-4)	Inadequate Engagement - Community / Stakeholders / Crs	Accept Officer Recommendation regarding in-principle support to the proposal at this stage
That Council does not support the development of a new Development Plan for the site or the Rivermouth Foreshore	Unlikely (2)	Moderate (3)	Moderate (5-9)	Inadequate Engagement - Community / Stakeholders / Crs	Accept Officer Recommendation

Comment/Conclusion:

The attached Terms of Reference and Project Overview Statement will create Council’s requested RPDCP working group that will cover the area as defined in the attached map (refer “Rivermouth Precinct Development Concept Plan Area”) and will have the following objectives:

1. A Development Concept Plan that will guide the future usage and development of the RPDCP area by:
 - a) Providing for a development form (public and/or commercial) that provides for a sustainable development through function, usability and/or design;
 - b) Recognising the tourist, recreation and social importance of the Rivermouth Precinct (including the Rivermouth Caravan Park) to the community and visitors alike;
 - c) Considering the Rivermouth Caravan Park lessee’s proposed strategic direction, coupled with comments from the Caravan Industry Association WA in relation to caravan park industry trends and their associated recommendations, in context of the overall Rivermouth Precinct area and the Shire’s tourism direction.
2. A Development Concept Plan that will meet present and future needs of the Shire of Denmark (as the Management Body for Reserve 46241 – being the Rivermouth Caravan Park landholding), Jenbrook Nominees Pty Ltd (being the current lessee of the Rivermouth Caravan Park) and the broader community.
3. A Development Concept Plan that is adopted by Council following engagement with key stakeholders and the community.
4. A Development Concept Plan that forms a basis for new lease discussions in relation to the Rivermouth Caravan Park (being Reserve 46241).

The Membership of the Working Group will comprise of a total of 10 members consisting of:

- 2 Councillors (one of whom is to be elected the Presiding Person)
- Director of Community & Regulatory Services (non voting)
- Director of Planning and Sustainability (non voting)
- 2 x representatives of Jenbrook Nominees Pty Ltd (lessee of Rivermouth Caravan Park)
- 2 x Community Representatives (at least one living outside the park)
- Caravan Industry Association & Appointed Architect – for the purpose of input only both to not have voting rights;

Vacancies for Community representatives will be advertised in a local newspaper circulating within the district, with selection and appointment being made by Council.

One decision that Council does need to make is whether the Director of Community & Regulatory Services and the Director of Planning and Sustainability should have voting rights. As the terms of reference currently stand officers will have voting rights. The reason for this is to avoid any perception that the working group is Council dominated.

Similarly the group includes two community member positions at least one of whom must live outside the park to ensure external community input.

Discussion of intention to renew/ extend the lease:

Since acquiring the park the lessees of the Rivermouth Caravan Park have shown strong business acumen, an ability and willingness to learn and adapt to emerging trends in the caravan industry together with financial reserves and willingness to invest large amounts of money into improving the park and have turned what was a third rate park in the early 2000's into a first class profitable facility that is a major economic driver in Denmark.

Given these factors it is anticipated that the task of the RPDCP working group will be a straight forward process and that once it has completed its deliberations and come to an agreed outcome that Council can then move on to negotiating either a new or an extended lease.

On this basis it is also recommended that Council also agree in principle to negotiate a new or extended 21 year lease for the caravan park with clauses that reflect the outcomes of the working group.

Voting Requirements:

Simple majority.

OFFICER RECOMMENDATION

ITEM 8.2.2

That Council:

1. Form a Rivermouth Precinct Development Concept Plan (RPDCP) Working Group to develop a Concept Plan to guide the future usage and development of the Rivermouth Caravan Park and the Rivermouth Precinct in accordance with the attached Terms of Reference.
2. Agree in principle to negotiate a new or extended 21 year lease for the caravan park with clauses that reflect the outcomes of the working group.

COUNCIL RESOLUTION

ITEM 8.2.2

MOVED: CR CARON

SECONDED: CR LEWIS

That Council:

1. Form a Rivermouth Precinct Development Concept Plan (RPDCP) Working Group to develop a Concept Plan to guide the future usage and development of the Rivermouth Caravan Park and the Rivermouth Precinct in accordance with the attached Terms of Reference.
2. Agree in principle to negotiate a new or extended 21 year lease for the caravan park with clauses that reflect the outcomes of the working group.
3. Officers voting rights are removed from the Working Group Terms of Reference.

CARRIED UNANIMOUSLY: 8/0

Res: 090816

REASONS FOR CHANGE

Council wished to amend the Working Groups Terms of Reference to state that Council Officers on the Working Group were not entitled to vote.

7.04pm – Cr Gillies left the room.

8.3 Director of Infrastructure Services

Nil

8.4 Director of Finance & Administration

8.4.1 FINANCIAL STATEMENT FOR THE MONTH ENDING 30 JUNE 2016

File Ref:	FIN.1
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Denmark
Disclosure of Officer Interest:	Nil
Date:	2 August 2016
Author:	Steve Broad, Accountant
Authorising Officer:	Kim Dolzadelli, Director of Finance And Administration
Attachments:	8.4.1 – June Monthly Financial Report

Summary:

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

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

Background:

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

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

Consultation:

Nil

Statutory Obligations:

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

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

Policy Implications:

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

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

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

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

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

Budget / Financial Implications:

There are no significant trends or issues to be reported.

Strategic & Corporate Plan Implications:

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

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

Sustainability Implications:

➤ **Governance:**

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

➤ **Environmental:**

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

➤ **Economic:**

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

➤ **Social:**

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

➤ **Risk:**

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

Comment/Conclusion:

As at 30 June 2016 total cash funds held total \$14,518,398 (Note 4).

Shire Trust Funds total \$185,449 with the amount of \$174,287 invested for 183 days with the National Bank, maturing 18 December 2016 at the quoted rate of 2.80%.

Reserve Funds total \$10,872,992 and \$6,953,566 has been placed on investment for 30 days with the Western Australian Treasury Corporation at the quoted rate of 1.70% and \$3,548,672 has been invested with the National Bank, maturing 29 August 2016 at the quoted rate of 2.10%.

Municipal Funds total \$3,645,406 with the amount of \$2,270,980 invested with the National Bank, maturing on various dates up to the 27 September 2016 at an average rate of 2.43% (refer note 4 for detail).

Key Financial Indicators at a Glance

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

- Taking into consideration the adopted Municipal Budget and subsequent amendments identified, the estimated 30 June 2016 end of year position is estimated to be \$31,022 as per budget projections (Note 5).
- Operating revenue and expenditure is slightly higher than that predicted for 30 June 2016 (Statement of Financial Activity).
- Rates Collection percentage of 95.76% is in keeping with historical collection rates (Note 6).
- The 2015/16 Capital Works Program is 60.27% complete utilising actual year to date figures and total committed cost is 59.88% at 30 June 2016 (Note 12).
- All transfers to and from Reserve Funds have been completed for 2015/16 (Note 7).

Budget Amendments and Variances (Note 5 and 5a)

As detailed in Note 5a.

Voting Requirements:

Simple majority.

7.05pm – *The Director of Community & Regulatory Services left the room.*

7.06pm – *Cr Gillies returned to the room.*

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 8.4.1
MOVED: CR GEARON	SECONDED: CR CARON
That with respect to Financial Statements for the month ending June 2016, Council;	
1. Receive the Financial Reports, incorporating the Statement of Financial Activity and other supporting documentation.	
2. Endorse the Accounts for Payment for June 2016 as listed.	
CARRIED UNANIMOUSLY: 8/0	Res: 100816

8.4.2 REVIEW OF POLICY P040206 “STAFF UNIFORMS”

File Ref:	ADMIN.2
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	The Director of Finance & Administration declares a Financial Interest as he is an employee whom is effected by this Policy.
Date:	3 August 2016
Author:	Kim Dolzadelli, Director of Finance & Administration
Authorising Officer:	Cliff Frewing, Chief Executive Officer
Attachments:	Nil

Summary:

This report seeks changes to Policy P040206 “Staff Uniforms”.

Background:

The Shire of Denmark currently provides a Staff Uniform allowance of \$400 in the first year and \$200 per year thereafter, the level of these subsidies has not increased in more than eight years.

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 engagement or consultation is required.

Councillors have previously been consulted at Budget Workshops with respect to the proposed changes and affected staff have been surveyed.

The following survey questions were asked of affected Staff:

- Option 1: I want a direct taxable payment that allows me to purchase my uniform from any supplier example Local Heroes, Kmart etc.
- Option 2: I want to retain the current system where I must purchase via an approved Uniform Supplier.

Responses received:

Option 1:..... 23 (92%)
 Option 2:..... 2 (8%)

Statutory Obligations:

Nil

Policy Implications:

Policy P040206 “Staff Uniforms” currently states:

1. Council supports the wearing of uniforms by staff.
2. Council provide all new participating inside staff (including Library staff) with a subsidy towards the initial purchase of staff uniforms (value \$400 ex GST).
3. Council provide an annual subsidy to all participating inside staff (including Library staff) for the purchase of uniforms (value \$200 ex GST).

The Officer is recommending that Policy P040206 be amended to the following:

Policy P040206 “Clothing Allowance”

1. Council supports the wearing of acceptable dress as detailed in the Organisation Procedure OP040208.
2. Council provide all new participating inside staff (including Library staff) with a subsidy towards the initial purchase of work clothing (value \$400 ex GST).
3. Council provide an annual subsidy to all participating inside staff (including Library staff) for the purchase of work clothing (value \$250 ex GST).
4. Payment of the subsidy will occur in the first pay period of each financial year after formal adoption of the annual Municipal Budget.
This payment will be subject to normal taxation requirements as per Australian Taxation Office guidelines.

The officer also notes that Organisational Procedure OP040208 “Human Resources” contains the following criteria:

“The following additional provisions apply with respect to permanent Office (inside) and Library employees;

MALES

Acceptable dress includes:

- *Business suite or tailored trousers, jacket optional;*
- *Business shirt*
- *Ties are optional*
- *Footwear and accessories must be suitable for an office environment and;*
- *Other items available to purchase from the approved uniform.*

FEMALES

Acceptable dress includes;

- *Smart "business dress";*
- *Business suits (trousers or skirt);*
- *Tailored trousers, skirt, wrap skirt or ¾ trousers;*
- *Blouse/shirts or smart top;*
- *Footwear and accessories must be suitable for an office environment and;*
- *Other items available to purchase from the approved uniform.”*

Budget / Financial Implications:

The 2016/2017 Municipal Budget caters for the proposed changes to Policy P040206.

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:

The proposed changes to Policy P040206 will allow staff to purchase work clothing from local suppliers adding to the local economy.

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 potential economic benefits to the local economy in so much that the proposed Policy change may lead to employees purchasing work clothing locally.

➤ **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 amend Policy P040206.	Possible (3)	Minor (2)	Low (1-4)	Inadequate Staff Uniform Allowance /professional presentation.	Accept Officer Recommendation
That Council not amend Policy P040206.	Possible (3)	Minor (2)	Low (1-4)	Not meeting community expectations – Buy Local	Accept Officer Recommendation

Comment/Conclusion:

Staff Uniform allowances at the Shire of Denmark have not increased in at least 8 years and the table below shows that the subsidy provided is below average.

LGA	Uniform Contribution	
	Inaugural	Annual
Albany	\$300.00	\$300.00
Broomehill Tambellup	\$600.00	\$600.00
Kojonup	\$650.00	\$450.00
Katanning	\$300.00	\$300.00
Plantagenet	\$400.00	\$400.00
Kent	\$500.00	\$500.00
West Arthur	\$450.00	\$450.00
Gnowangerup	\$550.00	\$440.00
Jerramungup	\$552.00	\$497.00
Cranbrook	\$450.00	\$450.00
AVERAGE	\$475.20	\$438.70

Shire of Denmark	Uniform Contribution	
	Inaugural	Annual
Current	\$400.00	\$200.00
Proposed	\$400.00	\$250.00

The Officer importantly notes that the proposed changes to the current Policy will also mean that employees have the ability to purchase work clothing locally which will benefit the local economy, this notwithstanding employees may also choose to purchase goods from a recognised uniform supplier should they so wish.

The other benefit to the proposed changes are:

- Removal of the overhead in administering orders on behalf of staff;
- Removal in delays of receipt of Uniforms;
- Removal in having to deal with return of items, and
- Staff will have the ability to find better value for money.

Voting Requirements:

Simple majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 8.4.2
MOVED: CR GILLIES	SECONDED: CR CARON
That with respect to Council Policy P040206 "Staff Uniforms" Council amend the policy to read as follows:	
Policy P040206 "Clothing Allowance"	
<ol style="list-style-type: none"> 1. Council supports the wearing of acceptable dress as detailed in the Organisation Procedure OP040208. 2. Council provide all new participating inside staff (including Library staff) with a subsidy towards the initial purchase of work clothing (value \$400 ex GST). 3. Council provide an annual subsidy to all participating inside staff (including Library staff) for the purchase of work clothing (value \$250 ex GST). 4. Payment of the subsidy will occur in the first pay period of each financial year after formal adoption of the annual Municipal Budget. 5. This payment will be subject to normal taxation requirements as per Australian Taxation Office guidelines. 	
CARRIED UNANIMOUSLY: 8/0	Res: 110816

8.5 Chief Executive Officer
Nil

COUNCIL RESOLUTION	
MOVED: CR GILLIES	SECONDED: CR CARON
That Council thank Mr Cliff Frewing for his services over the past eight months.	
CARRIED UNANIMOUSLY: 8/0	Res: 120816

9. COMMITTEE REPORTS & RECOMMENDATIONS
Nil

10. MATTERS BEHIND CLOSED DOORS
Nil

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

12. CLOSURE OF MEETING

7.08pm – *There being no further business to discuss the Shire President, Cr Morrell, declared the meeting closed.*

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

Signed: _____
Cliff Frewing – 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.)