

Ordinary Council Meeting MINUTES

15 JUNE 2021



HELD IN COUNCIL CHAMBERS, 953 SOUTH COAST HIGHWAY,
DENMARK ON TUESDAY, 15 JUNE 2021



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Strategic Community Plan (snapshot)

E1.0

Our Economy

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

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

N2.0

Our Natural Environment

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

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

B3.0

Our Built Environment

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

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

C4.0

Our Community

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

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

L5.0

Our Local Government

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

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

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DISCLAIMER

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

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DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

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

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

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

RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE

MEMBERS:

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

STAFF:

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

APOLOGIES

Mr David Schober (Chief Executive Officer)

ON APPROVED LEAVE(S) OF ABSENCE

Cr Ian Osborne – Res: 020321

ABSENT

Nil

VISITORS

Nil

DECLARATIONS OF INTEREST

Name	Item No	Interest	Nature
Cr Allen	9.2.2	Financial	Financial interest with MCC Civil.
Cr Phillip	9.3.2	Financial	Has a lease property at Peaceful Bay

ANNOUNCEMENTS BY THE PERSON PRESIDING

The Deputy Shire President, Cr Allen advised that the Minister for Emergency Services, Hon Reece Whitby MLA, had visited the Shire of Denmark on Thursday, 10th June 2021. Cr Allen said that the Shire’s Bushfire Risk Co-ordinator had provided a presentation on the Plane Tree Precinct “firewise” garden.

Cr Allen said that the Minister had commended the Shire and the Denmark community for their efforts and initiatives towards achieving fire safety.

PUBLIC QUESTION TIME

5.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

5.1.1 Mrs Karen Winer – Item 9.1.1 (Dog Policy) & Item 9.1.2 (Ocean to Channel Concept Plan)

Mrs Winer expressed concern with the reduction in the dog exercise area at Prawn Rock Channel. Mrs Winer said that she felt that the proposed amendments had been driven by the Denmark Bird Group and that the wider community consultation, dog owners in particular, needed to be better consulted. Mrs Winer asked the following questions:

1. I would like a breakdown of the community consultation process:-

a) how the stake holder list was developed?

Officers apply the International Association for Public Participation (IAP2) framework.

b) who decided and advised the outcome and prioritising of stakeholders?

Staff referenced the IAP2 framework, with Executive staff oversight.

c) regarding the terms of the "Level of Engagement" will the Shire provide other means of engaging the community to respond other than the Shire Website? If not why?

The Shire uses the following methods to engage the community:-

- Local newspapers
- Shire websites (denmark.wa.gov.au and yourdenmark.wa.go.au)
- Facebook
- Posters around town
- Hard copy surveys available (Shire of Denmark Administration Building, Recreation Centre, Library)
- e-newsletters

2. I want to see the breakdown of the community approval for the Bird Sanctuary.

Community consultation and engagement has been held and continues as the project progresses. Officers are not clear what 'Community Approval' represents.

If community members are requiring specific details pertaining to The Denmark Bird Group, a Freedom of information request would be required so that this information can be provided appropriately, and in accordance with privacy legislation.

3. Why were the 1277 registered dog's owners:

a) not sent the survey for the Dog Exercise Areas Review?

b) why was the reliance only on the Shire Website for survey responses? Why were other media not used in conjunction with this?

The Shire follows the Australian Privacy principles laid out in the Commonwealth Privacy Act 1988. The principles state that the personal information we collect for a particular purpose (in this case, the purpose of registering dogs in our Shire) must not be used for another purpose. Our solution to this is to make our community consultations as visible and widely available as possible by utilising methods as per (1b) above.

4. a) What area is the Shire offering the community to replace what they are proposing to remove from the Prawn Rock off leash exercise area?

Officers consider that the proposal is balanced and provides amenity for a wide range of users. Officers are proposing to improve infrastructure to allow better access to the off leash areas.

- b) How is the Community going to be compensated by the loss of this area, ie. Where will the Shire provide a "like" area in this location?

As 4a above.

5. What is the long term strategy for community and tourism use of the sandflats and island and associated inlet, apart from Prawn Rock Channel?

The Shire is currently developing a Tourism Strategy. This is likely to be presented to Council later this year. While it looks at tourism across the Shire it is unlikely to reference the individual elements mentioned.

6. a) What are the projected numbers of dog owners, tourists and community based on the current growth for the next 5 and 10 years?

The Shire is not aware if any such modelling exists for dog ownership. In respect to tourism, this will be provided as part of the modelling completed within the tourism strategy.

- b) regarding dog exercise areas - what is the Shire's plan, how will the Shire accommodate these increases in dog registration and dog tourism?

Please refer to 6a)

7. When will the Shire provide the community with the Denmark Bird Group full proposal?

This is the Denmark Bird Group's proposal and is not the Shire's information to circulate.

8. How will the Shire address the conflict of interest amongst the stakeholders in the Ocean to Precinct Plan? How will the Shire [sic] that the "stakeholders" give the whole community an opportunity for comments, what are the criteria for gathering this information?

Officers consider that the proposal is balanced and provides amenity for a wide range of users. Officer are proposing to improve infrastructure to allow better access to the off leash areas. It is expected that these improvements will reduce conflict.

9. Why are no outside consultants, who would be impartial, being used as representatives of all of the community stakeholders?

Officers make recommendations for the community benefit as a whole and are considered to be impartial. The Shire regularly receives feedback about the use of consultants and attempts to limit, as far as practicable, expending public funds on services staff can deliver.

10. Will the community be able to review and comment on the documentation relating to decisions relating to each stage of the development at the Channel Precinct? How will this information be provided to the community? ie. will hard copies be available [from] various Shire locations ie. the Public Library?

The Shire is committed to public consultation and engagement as already demonstrated with this project. There will be further opportunity for the community to be engaged as the project progresses, subject to funding.

The Shire uses the below methods to engage the community

- *Local newspapers*
- *Shire websites (denmark.wa.gov.au and yourdenmark.wa.go.au)*
- *Facebook*
- *Posters around town*
- *Hardcopy surveys available (Shire Admin, Recreation Centre, Library)*
- *e-newsletters*

5.2 PUBLIC QUESTIONS

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

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

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

Questions from the Public

5.2.1 Mr Dale Smith – Item 9.2.4 (Statement of Objects and Reasons and Proposed 2021/2022 Differential Rates and Minimum Payments)

Mr Smith, as a registered holiday accommodation owner, enquired as to whether the proposed increase would be aimed at accommodation providers that were already registered with the Shire of Denmark.

Cr Gibson provided an overview of the proposed holiday home charge and rating categories.

Cr Gearon noted that Council was not aware of how Mr Smith was currently rated and suggested that Mr Smith contact Shire Officer's to determine whether the proposal would affect his property.

5.2.2 Mr Damon Laurie - Item 9.2.4 (Statement of Objects and Reasons and Proposed 2021/2022 Differential Rates and Minimum Payments)

Mr Laurie enquired as to what procedures were in place to capture people who provided holiday accommodation without being registered with the Shire. Mr Laurie said that he would like to see more support to registered providers who were complying the Shire's requirements.

Cr Gearon acknowledged Mr Laurie's concerns regarding unregistered businesses and noted that it was difficult to identify the properties. Cr Gearon added that the Shire supported local tourism in a number of ways including providing financial assistance to the Denmark Chamber of Commerce to keep the Visitor Centre operating.

5.2.3 Mr Ilya Cenin - Item 9.2.4 (Statement of Objects and Reasons and Proposed 2021/2022 Differential Rates and Minimum Payments)

Mr Cenin, a registered accommodation provider, advised that local government could obtain business listings data from Air BnB that could be used to locate unregistered accommodation providers.

The Acting CEO said that he was aware that the data could be accessed but that currently Shire Officers were focussed on handling general planning applications and reviewing the local planning scheme.

Mr Cenin suggested that holiday home property managers should be available at all times and their contact information made available to surrounding homes. Mr

Cenin said that this might ensure that the property owners were the first point of call for any issues instead of the Shire Rangers or local Police.

Cr Gearon confirmed that management plans are required from holiday accommodation providers as part of the approval process.

The Acting CEO confirmed that the management plans for approved holiday homes and accommodation providers were provided to neighbouring properties.

Mr Cenin referred to the current housing shortage in Denmark and queried the restriction on holiday home and accommodation providers to not let properties for longer than a two year period.

Cr Gearon said that the Shire was looking at a number of innovative solutions regarding the housing shortage.

The Acting CEO advised that planning approvals for holiday homes are typically time limited to a three year period after which they required renewal.

5.2.4 Mr Fabian Stein – Housing Solutions within the Shire of Denmark

Mr Fabian enquired about the possibility of allowing Tiny Homes on wheels in Denmark.

Cr Gearon advised that the issue with Tiny Homes is that in Western Australia they are classified as caravans under State Legislation. Cr Gearon assured Mr Stein Council were looking into the ability to consider a variety of solutions.

5.3 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

5.4 PRESENTATIONS, DEPUTATIONS & PETITIONS

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

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

APPLICATIONS FOR FUTURE LEAVE OF ABSENCE

Nil

CONFIRMATION OF MINUTES

7.1 ORDINARY COUNCIL MEETING – 18 MAY 2021

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 7.1
MOVED: CR SEENEY	SECONDED: CR ALLEN
That the minutes of the Ordinary Meeting of Council held on the 18 May 2021 be CONFIRMED as a true and correct record of the proceedings, subject to the following corrections;	
<ol style="list-style-type: none"> Page 55 – Remove the words “<i>The imposition of a differential rating category requires an Absolute Majority decision of Council pursuant to s 6.32(1) of the Local Government Act 1995. As an absolute majority was not achieved, the resolution has not been carried in accordance with legislation and is unable to be implemented</i>”, within the resolution box for Resolution No. 140521. 	
CARRIED UNANIMOUSLY: 7/0	Res: 010621

7.2 STRATEGIC BRIEFING NOTES – 18 MAY 2021

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 7.2
MOVED: CR LEWIS	SECONDED: CR BOWLEY
That the Notes from the Strategic Briefing Forum held on the 18 May 2021 be RECEIVED.	
CARRIED UNANIMOUSLY: 7/0	Res: 020621

8. 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 28 May 2021 and therefore complies with the Shire of Denmark Standing Orders Local Law clause 3.9.

8.1 SPLIT AND SPOT RATING

File Ref:	RTS.11
Applicant / Proponent:	Not Applicable
Subject Land / Locality:	Not Applicable
Disclosure of Officer Interest:	Nil
Date:	28 May 2021
Author:	Cr Kingsley Gibson – Scotsdale/Shadforth Ward
Authorising Officer:	Cr Kingsley Gibson – Scotsdale/Shadforth Ward
Attachments:	Nil

Councillor Comments/Conclusion:

This motion seeks to provide clarity and direction to staff as to the continuing (or not) with split and spot rating of currently UV rated properties. This direction was lacking in the councillor recommendation (9.2.5) of 18 May 21, which did not direct staff in either direction with regard to this matter.

Concerns exist regarding the cost and risk of failure in attempting split-rating over a number of small non-rural enterprises on rural land. However, the vast bulk of the inequity in rating inherent in the current system is generated by a small number of larger commercial operations which exist on UV rated land. It is a substantially smaller task in both hours and dollars (and therefore of much lower risk) to investigate these few large operations for split rating than to investigate substantially more-numerous smaller operations. It is also likely that a case for non-rural land-use can be more readily and rapidly made for these larger operations, and that the owners of these operations are less likely or able to disagree with an assessment of their operations as being non-rural in nature.

For these reasons it seems a prudent use of staff time and resources to focus in the first instance on the larger commercial operations and seek to split or – if they are the predominant land use on the entire property – spot rate them and use the experience and understanding gained in so-doing to inform any consideration of possible further expansion of split-rating to smaller scale non-rural land uses in UV rated land.

N.B. If this motion or some version thereof with similar intent should be lost, it would be prudent for council to consider if it wishes to direct staff to abandon any pursuit of split or spot rating so the organisation has a clear future direction.

COUNCIL RESOLUTION & CR GIBSON'S NOTICE OF MOTION	ITEM 8.1
MOVED: CR GIBSON	SECONDED: CR PHILLIPS
That Council:	
<ol style="list-style-type: none"> 1. ENDORSE the application of split and spot rating (as appropriate) on UV rated properties containing distinctly non-rural uses which fall into the 'Rural Additional Use – Commercial' rating category, and; 2. REQUEST the CEO to progress split or (if appropriate) spot rating of these properties, and; 3. ACKNOWLEDGE that the Chief Executive Officer will build an allocation within the 2021/22 Annual Budget to resource the administration of recommendation 2, and; 4. REQUEST the CEO to report back to Council as required but within 12 months of this date as to the progress and success of these actions AND the prospective value and success of extending split rating to properties in the 'Rural Additional Use – Holiday' category. 	
AMENDMENT	
MOVED: CR BOWLEY	SECONDED: CR SEENEY
Delete the words "AND the prospective value and success of extending split rating to properties in the 'Rural Additional Use – Holiday' category" in part 4.	
LOST: 2/5	Res: 030621
<i>Pursuant to Council Policy P040134 all Councillors' votes on the above resolution are recorded as follows;</i>	
<i>FOR: Cr Bowley and Cr Seeney</i>	
<i>AGAINST: Cr Allen, Cr Gibson, Cr Gearon, Cr Phillips and Cr Lewis</i>	
THE ORIGINAL MOTION WAS THEN PUT AND CARRIED UNANIMOUSLY: 7/0	
	Res: 040621

The Elected Members decided to bring Item 9.2.4 to this point in the meeting.

9.2.4 STATEMENT OF OBJECTS AND REASONS AND PROPOSED 2021/2022 DIFFERENTIAL RATES AND MINIMUM PAYMENTS

File Ref:	RTS.11
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	01 June 2021
Author:	Judy Savic, Finance Officer - Rates Noni Entwistle, Project Officer – Corporate Services
Authorising Officer:	Lee Sounness, Acting Director Corporate & Community Services
Attachments:	9.2.4a - Statement of Objects and Reasons for Differential Rate 9.2.4b - Draft Rates Policy – P030101

Please go to page 31 for the report and the subsequent resolution for this item.

9. REPORTS OF OFFICERS

9.1 DIRECTOR ASSETS AND SUSTAINABLE DEVELOPMENT

9.1.1 HICKS ROAD RESERVE CLOSURE

File Ref:	R30055
Applicant / Proponent:	Nil
Subject Land / Locality:	Crown Reserve 53508
Disclosure of Officer Interest:	Nil
Date:	26 May 2021
Author:	David King, Director Assets and Sustainable Development
Authorising Officer:	David King, Director Assets and Sustainable Development
Attachments:	9.1.1 - Map of Proposed Closure

Summary:

The Department of Water and Environmental Regulation has requested that the Shire of Denmark close a portion of Hicks Road, Scotsdale. It is intended that the land will then be amalgamated into Reserve 53508 which is held by the Water Resources Ministerial Body under a Management Order for the purpose of Water Source Protection and Water Supply Purposes.

Background:

Nil

Consultation:

To comply with the specific requirements of section 58(3) of the *Land Administration Act*, the Local Government must publish its intent in a newspaper circulating in its district, and consider any submissions.

Statutory Obligations:

For the transfer of Road Reserve back to UCL the following applies:

Section 58 of the Land Administration Act 1997

Provides the process of closing a road and requires the request to close a road be made to the Minister.

Section 9 of the Land Administration Regulation 1998

Provides the detail on how the request to the Minister should be made.

Policy Implications:

There are no policy implications.

Budget / Financial Implications:

There are no significant budget implications associated with this transfer.

Strategic & Corporate Plan Implications:

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

Denmark 2027

L5.0 Our Local Government

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

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:**

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

Comment/Conclusion:

A map and aerial image of the proposed closure is provided in Attachment 9.1.1a.

The portion of road that is the subject of this request is un-cleared and not used.

Water Corporation, who has land management responsibility of the adjoining land parcel, Reserve 53508, has provided their agreement for the road closure, and for the land to be included into this Reserve.

This Council report seeks a resolution from Council to advertise the proposed road closure.

Following a submission period of 35 days, this recommendation also seeks authorisation for the Chief Executive Officer to make the request for closure to the Minister.

In the event that any objections are received during the submission period, officers propose that Council reconsider closing the road with a second report to Council.

Voting Requirements:

Simple majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 9.1.1
MOVED: CR ALLEN	SECONDED: CR SEENEY
That Council; pursuant to section 58(3) and 58(1) of the <i>Land Administration Act 1997</i> ,	
1. REQUEST the Chief Executive Officer to provide public notice, seeking submissions for a period of 35 days, or more, of Council’s intent to permanently close Hicks Road Reserve as defined in Attachment 9.1.1, and;	
2. AUTHORISE the Chief Executive Officer to consider the submissions and request that the Minister close Hicks Road Reserve as defined in Attachment 9.1.1a, subject to no objections being received during the submission period, and in accordance with <i>section 9 of the Land Administration Regulations 1998</i> .	
CARRIED UNANIMOUSLY: 7/0	Res:050621

9.1.2 WASTE SERVICES ACTION PLAN

File Ref:	WST.9
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	30 May 2021
Author:	David King, Director Assets and Sustainable Development
Authorising Officer:	David King, Director Assets and Sustainable Development
Attachments:	9.1.2 - Area Specific Plan – Waste Management (Confidential for Councillors)

Note: A Confidential Attachment has been distributed under separate cover in accordance with section 5.23 of the Local Government Act 1995:

- (2)(e)(ii), being a matter that if disclosed, would reveal information that has a commercial value to a person; and
- (2)(a) a matter affecting an employee or employees

Summary:

This report tables the Area Specific Plan, which reviews of the Shire's current waste management systems and discusses progress on its recommendations.

The report also discusses National and State strategies and provides an Action Plan detailing key steps in progressing to a more sustainable waste service model.

Background:

In 2019, the Shire engaged Talis Consultants Pty Ltd (Talis) to undertake a review of the Shire's current waste management systems to identify operational efficiencies in order to achieve more sustainable outcomes.

To prepare the Area Specific Plan - Waste Management, Talis undertook a desktop review of relevant documentation to gain a detailed understanding of the Shire's current waste services and infrastructure. This review facilitated the development of a financial model to estimate future projected costs for waste management services and infrastructure and to assist the Shire in making informed decisions on future investments.

The review also identified and assessed potential service delivery models available to the Shire, along with opportunities to achieve improved waste management outcomes. A number of the key principles and strategic goals are discussed in the body of this report.

In parallel to the work undertaken by Talis, the Shire formed a Waste Working Group consisting of four Councillors and Assets and Sustainable Development Directorate staff. The objective of the Working Group was to progress a number of the recommendations from the Talis report and to guide decision making for future waste services and initiatives.

In considering potential initiatives, the Waste Working Group has measured initiatives against three criteria. These being; *Environmental Sustainability*, *Economic Sustainability* and *Cultural Sustainability*. These are explained in the Sustainability section of this report.

Consultation:

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

The Waste Working Group will develop a consultation plan for initiatives proposed for 2021/22.

Statutory Obligations:

The following statutory obligations are relevant to settings of fees and charges to recover the cost of waste services:

- Local Government Act 1995
Part 6, Division 6, in relation to the making, payment and recovery of rates with respect to S.66 of the Waste Avoidance and Resource Recovery Act 2007 (WARR Act).
Section 6.16 in relation to the setting of fees and charges.
- Waste Avoidance and Resource Recovery Act 2007 (WARR Act).
Section 61 in relation to the making of Local Laws.
Section 66 and 67 in relation to the application of waste charges
- Shire of Denmark Health Local Law
Division 2 – Disposal of refuse
Provides local laws for a number of purposes identified under Section 61 of the Waste Avoidance and Resource Recovery Act 2007 (WARR Act).

Other documents relating to waste management that may impact the Shire now, or into the future are:

- National Waste Policy: Less Waste, More Resources (2018)
National waste policy providing direction for waste management in Australia to 2030
- Environmental Protection Act 1986
Delivers regulation and compliance to pollution and environmental damage.
- Waste Avoidance and Resource Recovery Act 2007 (WARR Act)
To contribute to the sustainability and the protection of human health and the environment in western Australia and the move towards a waste free society.
- Waste Avoidance and Recovery Regulations 2008
Requires reporting of waste and recycling data
- Waste Avoidance and Resource Recovery (WARR) Strategy 2030
Sets the vision and targets for Western Australia
- Environmental Protection (Rural Landfill) Regulations 2002
Specific requirements relating to rural landfill sites.

More information on the above can be found in section 5 of the Area Specific Plan contained in Attachment 9.1.2a

Policy Implications:

P100104 Compulsory Waste Collection Services discusses the areas that Council determine should have kerbside collection services.

Budget / Financial Implications:

Waste services are managed on a cost recovery basis.

Historically, the Shire has used two methods of generating cost recovery. *Section 6.16 of the Local Government Act* for gate fees, and *Section 67 of the WARR Act* to charge kerbside collection fees for properties receiving a kerbside collection.

The cost of these services generally covers the annual operations of the waste service, including kerbside collection, facilities management and operations. However, if the Shire is to improve the waste services, and meet *WARR Strategy* targets, an increase in revenue is required.

The Shire's objectives can be achieved by imposing a waste rate under *section 66 of the WARR Act* to fund improvements to the service.

One of the requirements of *section 66 of the WARR Act* (in common with general rates under the Local Government Act) is that the rate must be set at a 'rate in the dollar'. However, a general minimum can be applied to all rateable properties providing that the amount is less than \$200 per annum.

It is proposed that Council impose a \$70 general minimum fee to all rateable properties to fund improvements to the waste service infrastructure. This minimum fee should be reviewed on an annual basis to meet Council and community expectations with regards to the waste services provision. This will be considered formally through the annual budget process.

It should be noted that properties receiving a current kerbside collection, subsidise properties without a kerbside collection. Properties without a kerbside collection do not contribute to costs of the McIntosh Road Waste facility, other than entry fees, if accessed. By imposing a general minimum across all rateable properties, officers believe a more equitable position is reached in respect to cost sharing of waste services.

To help offset the initial costs to implement the waste services review, it is proposed that initiatives identified for 2021/22 are part funded from the *Waste Management Reserve*. This will be considered formally through the annual budget process.

Strategic & Corporate Plan Implications:

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

Denmark 2027

E1.0 Our Economy

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

E1.3 To have diverse education and employment opportunities.

Corporate Business Plan

1.1.1 Advocate for the provision and promotion of services and facilities that meet the needs of the community.

Sustainability Implications:

➤ **Governance:**

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

➤ **Environmental:**

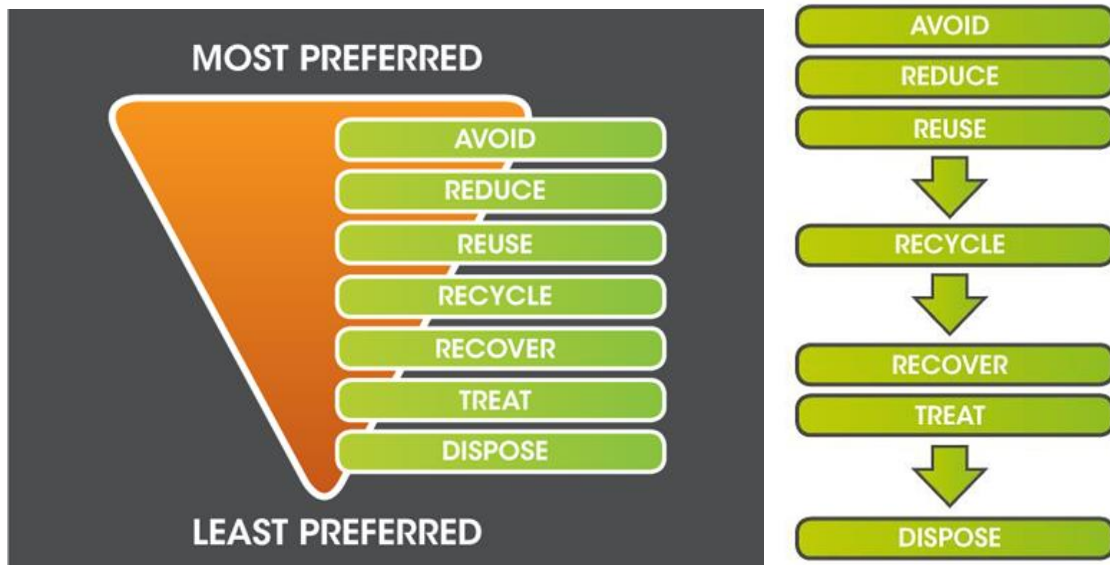
Waste Management Hierarchy

Decision making for waste services should consider environmental sustainability. Consideration of the Waste Management Hierarchy, as shown in Figure 1, should be considered in this regard.

The Waste Management Hierarchy is an internationally adopted principle and decision-making tool, which lists waste management options in order of preference according to their sustainability and environmental performance. The options that are higher in the Hierarchy are considered to result in more desirable environmental outcomes and are preferred over those located further down the Hierarchy.

For simplicity, the levels of the Hierarchy which are similar and/or complementary as detailed in Figure 1.

Figure 1 - Waste Management Hierarchy



Avoid, Reduce, Reuse

The most preferred practice in the Waste Management Hierarchy is waste avoidance. The Western Australian Waste Avoidance and Resource Recovery Strategy 2030 defines waste avoidance as the “prevention or reduction of waste generation, or the prevention or reduction of the environmental impacts.”. Waste avoidance is associated with more sustainable design, production and consumption practices.

Once waste is generated, the next step in the Hierarchy is to minimise the quantity as much as possible. Due to their links with economic growth and consumerism, waste avoidance and reduction are the most challenging aspects of waste management. Reuse is defined in the National Waste Policy as the “reallocation of a product or material without reprocessing or remanufacture”. Reuse can be achieved by an individual generator (such as reusable shopping bags), or through the transfer of items or materials from a generator to another user such as through tip shops or garage sales.

Recycle

Recycling is defined in the National Waste Policy (2018) as “converting materials that would have otherwise been disposed of into new materials”. Utilising recycled products in manufacturing has significant environmental benefits as it reduces the demand for raw materials. In Western Australia, recycling has been widely adopted at a household level for packaging materials (paper, cardboard, glass, some plastics and metals) and household hazardous wastes (oils, batteries and electronic wastes).

Recover, Treat

Recovery of materials involves the physical, chemical or biological processing of waste to generate products or energy. In contrast to recycling, the products generated from recovery processes are not necessarily similar to the original waste materials, for example, compost generated from processing organic waste, such as food waste. Recovery of waste is commonly undertaken at an Alternative Waste Treatment (AWT) facility. A range of technologies are available which generate products and/or electricity or heat from a sorted or mixed waste stream.

Dispose

The least preferred level of the Waste Management Hierarchy is disposal, which typically involves the landfilling of waste. In addition, it can include incineration without any energy or heat recovery. While it is inevitable that a small portion of waste will require disposal, it is located at the bottom of the Waste Management Hierarchy and should be treated as a last resort.

Waste Avoidance and Resource Recovery Act 2007 (WARR) Strategy Targets

The WARR Strategy outlines high level overarching targets and strategies for the State under three key objectives, namely Avoid, Recover and Protect. Specific targets have also been set under each objective, which are separated into targets for the community, government and the waste industry as shown in Table 1 The targets are set for Municipal Solid Waste (MSW) and commercial and industrial waste (C&I) for 2025 and 2030.

The Shire does not currently fall under the category of a major regional centre unlike other larger regional Local Government Authorities, such as the City of Albany, who could voluntarily adopt these targets to demonstrate their commitment to sustainable waste management practices

Table 1 – WARR Targets

Objectives	Community	Government	Industry
Avoid, Reduce, Reuse (AVOID)	2025 – Reduction in MSW generation per capita by 5%	Reduction in C&D waste generation per capita by 15% by 2025, 30% by 2030	2030 – All waste is managed and/or disposed using better practice approaches.
	2030 – Reduction in MSW generation per capita by 10%	Reduction in C&I waste generation per capita by 5% by 2025, 10% by 2030	
Recycle, Recover, Treat (RECOVER)	2025 – Increase MSW recovery to 55% in major regional centres	C&I sector – Increase material recovery to 70% by 2020, 75% by 2025, 80% by 2030	2030 – All waste facilities adopt resource recovery better practice.
	2030 – Increase MSW material recovery to 60% in major regional centres	C&D sector – Increase material recovery to 75% by 2020, 77% by 2025, 80% by 2030	
Dispose (PROTECT)	2030 – Move towards zero illegal dumping	2030 – Move towards zero illegal dumping	2030 – All waste facilities adopt environmental protection better practice.
	2030 – Move towards zero littering		

➤ **Economic:**

Any new waste service should consider the cost benefit of its implementation so not to impose undue costs on the ratepayer.

➤ **Social:**

Any new waste service should serve to drive cultural change or education in 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)
Reputational: That the action plan cannot be implemented due to budget or resource constraints	Possible (3)	Moderate (3)	Moderate (5-9)	Not Meeting Community expectations	Accept Risk

Comment/Conclusion:

Area Specific Plan Recommendations

Table 2 provide the recommendations from the 2019 Area Specific Plan report.

Table 2 – Area Specific Plan - Recommendations and Officer Comment

No.	Area Specific Plan - Recommendation	Implementation Priority
1.	<p>Undertake a preliminary assessment of the Shire’s in-house waste collection costs to accurately reflect all of the cost components included in the outsourced modelling.</p> <p>Officers Comment: <i>Financially, it stands to reason that ‘in house’ services should be more cost effective than outsourcing, given that with an ‘in house’ model, Council assumes the risk and does not seek to make a profit as a contractor would. This is subject to a high utilisation rate of the waste collection vehicle.</i></p> <p><i>Accordingly, the Waste Working Group have reviewed the data and determined that the Shire should maintain ‘in house’ collection services. This provides the additional benefit of flexibility for our community, with regards to assistance for community events and other community initiatives which otherwise are likely to attract a premium cost from a contractor.</i></p>	High
2.	<p>Commence a competitive procurement process for the Shire’s waste services to understand the best possible rates for waste collection services, using mandatory and discretionary services such as:</p> <ul style="list-style-type: none"> • Commingled recycling collections – mandatory; • Refuse collections – discretionary; • FOGO collections – discretionary; and • Public place bin collections – discretionary. <p>The Shire should consult with surrounding Local Governments, particularly the City of Albany and the Shire of Plantagenet.</p> <p>Following receipt of the updated rates as part of the procurement process, the Shire could undertake detailed financial modelling based on these rates to determine the Shire’s preferred service delivery model.</p>	High
	<p>Officer Comment: <i>The South Coast Waste Alliance has an action item to Co-Tender its kerbside collection services for increased competitive leverage, especially for Denmark and other smaller Shires.</i></p> <p><i>The City of Albany’s contract end in 2025 so it is necessary to wait until this date.</i></p>	
3.	<p>Following receipt of the updated rates as part of the procurement process, the Shire could undertake detailed financial modelling based on these rates and a full technical assessment.</p>	High
	<p>Officer Comment: <i>See (1)</i></p>	
4.	<p>Enter into waste service contract for the determined outsourced services, at a minimum, the Shire’s kerbside commingled recycling collections.</p> <p>Officer Comment:</p>	High

	<i>Cleanaway have a contract for the Shires commingled recycling collections. In 2021/22 officers will Tender for an agreement until 2025.</i>	
5.	Develop a dedicated Local Law for waste services including: a. Minimum services standards; b. Bin ownership; c. Service frequency; d. Commercial waste services standards; and e. Waste facility use.	High
	Officer Comment: <i>The current local law functions adequately, but does need to be brought in line with the WARR Act. This is to be included in the Action Plan.</i>	
6.	If the Shire wishes to proceed with improvements to its waste services, it should consider a consolidated waste services reform process.	Medium
	Officer Comment: <i>See Action Plan</i>	
7.	Seek to enter into a new contractual arrangement with Green Skills for the Denmark Tip Shop, which may require the Shire to initiate the termination clause of the existing MOU.	Medium
	Officer Comment: <i>MOU will be revisited in conjunction with future upgrades.</i>	
8.	Plan for projected waste management capital costs into future budget plans.	Medium
	Officer Comment: <i>To be included in the Action Plan</i>	
9.	Progress detailed designs of the DWMRF to obtain accurate cost estimates.	Medium
	Officer Comment: <i>To be included in the Action Plan</i>	
10.	Talis recommend the Shire take steps to review the Peaceful Bay Waste Facility's operational strategy and rectify any non-compliances including the off-site informal green waste burning area at Peaceful Bay.	High
	Office Comment: <i>To be address as part of the Action Plan</i>	
11.	If the Shire wishes to gain a greater understanding of its kerbside waste composition, Talis would recommend a compositional waste audit to gather this data.	Low
	Officer Comment: <i>Whilst exact percentages may vary, it is clear that the most significant component of waste to be diverted from landfill, or other disposal processes, is organic waste. This report considers the implementation of an organic kerbside collection service to begin addressing this issue.</i>	
12.	If the Shire wanted to further explore implementing a rural tip pass system for rural residents, Talis would recommend that the Shire undertake a community consultation and a more detailed feasibility study to accurately determine the likely costs, utilisation rates and expected waste volumes of such a service	Low

	<p>service</p> <p>Officer Comment: <i>A tip pass system is already in use. However, currently only UV, non kerbside collection properties receive three (3) 1 cubic metre bulk tip passes per year.</i></p> <p><i>It is proposed that rural tip passes are extended to GRV non kerbside collection properties, and instead of thee (3) 1 cubic metre passes, this is altered to thirteen (13) 240 litre passes to accommodate multiple visits to Shire facilities.</i></p>
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Discussion on proposed Shire initiatives

A number of initiatives have been considered. These are discussed below with regards to *Environmental Sustainability, Economic Sustainability and Cultural Sustainability.*

Education – From an environmental point of view, education features in all areas of the waste management hierarchy, and is key to its successful implementation. It should be noted however, that while the Shire can provide all the mechanisms for sustainable waste management, ultimately it is up to the consumer to reduce, reuse, recycle and recover their waste. Education is a relatively low cost and can drive cultural change.

Infrastructure to enable best practise facility operation – Section 9 of the Talis report highlights some of the deficiencies in the Shires East River Road facility, and provides a conceptual development plan (CDP). The cost of the CDP is around \$1M, excluding closure costs. The detailed costs and plans are provided in Appendix B and C of the Talis report.

The conceptual designs were developed in accordance with the waste management hierarchy and best practice principles, where practicable This resulted in a logical progression for public users in a clockwise direction from the new entrance road, through the Tip Shop area, relocated site gatehouse and the multi-tier drop-off facility for community recycling and residual general waste disposal before users exit the Site. From an environmental point of view, this can be considered to target all levels of the waste management hierarchy. It is also key in meeting the WARR Strategy targets. By managing waste and customers passing through the facility, this initiative will also serve to drive cultural change, as customers will begin to see and understand the waste hierarchy first hand.

Local Law Updated – The Local Law needs to be updated to enable the Shire to enforce better waste management practises. It presents as a relatively low-cost initiative that will be vital to ensure waste practises are being adhered to in the future.

Provide recycling to all kerbside residential - It is proposed that recycling is made compulsory to the Peaceful Bay and Nornalup Townsites. From an environmental point of view this will reduce the quantity of waste going to disposal, and improve recycling percentages. Cost will be born by the recipients at the same rate as the Denmark Townsite recycling service. This also serves to improve cultural practise, by providing and educating on a new service to those areas.

Bin lid colour standardisation to reduce recycling contamination – The Shires bin stock does not adhere to the Australian Standard for bin lid colours. This causes confusion and contamination of the waste streams, especially as Denmark has a large absentee landowner base and significant visitation. Changing the bin lids will promote recycling and reduce contamination. The cost of changeover is expected to be between \$30,000 and \$50,000 which is relatively inexpensive.

Continue to promote and include fortnightly general waste collections – From an environmental and cultural point of view this service promotes a reduction in waste as households are provided less capacity to dispose of waste. This can range from simply being more conscious of waste quantities, to household composting. As this is the status quo, there is no cost implication, however, process need to be implemented to manage service changes throughout the year.

Kerbside Food Organics Green Organics (FOGO) investigations – 50% of the Shires kerbside Municipal Solid Waste (MSW) is considered to be compostable. Therefore, to achieve “2030 – Increase MSW material recovery to 60% in major regional centres” this must be diverted from landfill as it the current practise. The nearest licenced facility to receive compostable material and process it is approximately 100km away. This is not ideal, but at this time there is no alternative.

It is proposed that resourcing is provided through the 2021/22 budget to develop this initiative, and bring a further recommendation to Council.

On site processing bulk green waste investigations – As with FOGO, the nearest licenced facility to receive compostable material and process it is approximately 100km away. Officers challenge the environmental gain of chipping and carting bulk green waste away from the East River Road Facility. The cost is also high at around \$150,000 per year. As such officers consider that bulk green waste should continue to be burnt until alternative on site treatments can occur. This requires investigations into the options, licencing requirements and any operational costs.

Pre-paid tip passes for rural properties to incentivise responsible disposal and reduce illegal burning or burying – This is considered an important initiative to move towards zero illegal dumping, drive environmental better practise and change culture in the rural areas. Whilst it is difficult to approximate costs of this initiative it is not considered significant. If accepted, officers will take account of this in developing operational budgets for Waste Services in 2021/22.

Action Plan

Table 3 contains an action plan of the major initiatives for consideration.

Table 3 - Action Plan

Hierarchy Group	Avoid, Reduce, Reuse (AVIOD)	Recycle (RECOVER)	Recover and Treat (RECOVER)	Dispose (PROTECT)
2021/22		Provide all townsites with kerbside recycling services Bin lid colour standardisation to reduce recycling contamination	Continue to promote and include fortnightly general waste collections Kerbside FOGO consideration for Council including further on-site processing investigation	Pre-paid tip passes for rural properties to incentivise responsible disposal and reduce illegal burning or burying
2022/23			TBC pending investigation outcomes	
2023/24		Local Law Updated		Local Law Updated
2024/25				
2025/26				
2026/27	Infrastructure to enable best practise facility operation	Infrastructure to enable best practise facility operation		Infrastructure to enable best practise facility operation
2027/28				
2028/29				
2029/30				

Voting Requirements:
Simple majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 9.1.2
MOVED: CR LEWIS	SECONDED: CR ALLEN
That Council:	
<ol style="list-style-type: none"> 1. RECEIVE Area Specific Plan – Waste Management (Attachment 9.1.2 – confidential for Councillors); and, 2. ENDORSE the Action Plan as per Table 3 of this report. 	
CARRIED UNANIMOUSLY: 7/0	Res: 060621

9.2 DIRECTOR CORPORATE AND COMMUNITY SERVICES

9.2.1 FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021

File Ref:	FIN.1
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	28 May, 2021
Author:	Scott Sewell, Accountant
Authorising Officer:	Lee Sounness, Acting Director Corporate & Community Services
Attachments:	9.2.1 – April 2021 Monthly Financial Report

Summary:

The attached financial statements and supporting information for the period ending 30 April 2021 are presented for the consideration of Elected Members.

Background:

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

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

Consultation:

Nil

Statutory Obligations:

It is a requirement of the Local Government Act 1995 that monthly and quarterly financial statements are presented to Council, in order to allow for proper control of the Shire’s finances. In addition, Council is required by legislation to undertake a mid-year review of the Municipal Budget to ensure that income and expenditure is in keeping with budget forecasts. It should be noted, that the budget is monitored by management on a monthly basis in addition to the requirement for a mid-year review. Furthermore, in line with a commitment provided by the executive team as part of the budget adoption process and the ongoing management of the impacts of COVID, with its potential to affect the operation of Council provided services and facilities at any time, a quarterly review of the budget performance was undertaken for the financial period ended 30 September 2020, 31 December 2020 (the mid-year review) and 31 March 2021. This required all Managers and responsible officers to review all aspects of the activities included within the budget which relate to areas under their control. The attached statements are prepared in accordance with the requirements of the Local Government Act 1995 (s.5.25(1)) and the Local Government (Financial Management) Regulations 1996.

Policy Implications:

Policy P040222 - Material Variances in Budget and Actual Expenditure, relates
For the purposes of Local Government (Financial Management) Regulation 34 regarding levels of variances for financial reporting, Council adopted a variance of 10% or greater of the annual budget for each program area in the budget, as a level that requires an explanation or report, with a minimum dollar variance of \$10,000.

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

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

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

Budget / Financial Implications:

The original 2020/2021 budget adopted by Council on 4 August 2020 assumed a \$200,000 surplus closing position. The outcomes of the three quarterly budget reviews have adjusted this assumption to \$436,000 for the April financial report. A budget amendment proposed as part of this report further adjusts this amount by \$156,292 to a \$592,292 surplus.

During May, a thorough project status assessment was completed for both the operating and capital budgets which indicates that there are likely to be further savings in expenditure across the various Programs and Activities undertaken by Council, most of which relate to resourcing issues with either contractor availability or staff vacancies limiting project completion according to the financial year time frames. Most of these savings are not significant as an individual item but they have the potential to add up as a cumulative total and significantly affect the projected closing surplus funding position in comparison to the budget.

Strategic & Corporate Plan Implications:

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

Denmark 2027

L5.4 To be fiscally responsible

Corporate Business Plan

Nil

Sustainability Implications:**➤ Governance:**

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

➤ Environmental:

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

➤ Economic:

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

➤ **Social:**

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

➤ **Risk:**

Nil

Comment/Conclusion:

As at 30 April 2021, total cash funds held (excluding trust funds) totals \$9,466,993 (Note 1).

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

Reserve Funds (restricted) total \$4,235,755 (Note 5).

Municipal Funds (unrestricted) total \$5,231,238 (Note 2).

Key Financial Indicators at a Glance

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

- Taking into consideration the adopted Municipal Budget, the 30 June 2021 end of year financial position was initially budgeted for a \$200,000 surplus. As a result of the three quarterly budget reviews (including the mid-year review) undertaken, this has been amended to \$436,000. The details of which are contained in Note 3. It is recommended that a further adjustment to the budget be considered by Council, which is to recognise the \$156,292 transferred to Municipal Funds from the Denmark East Development Reserve, to recover the costs of works completed during the 2019/2020 budget year which were approved for reimbursement payment to Council. The reason this was not adjusted previously, was that works anticipated to cost \$550,000 during 2020/2021 were included in the budget and then the intended scope and purpose of these works was changed earlier in the year. This also led to doubt as to how far these works would progress prior to 30 June 2021, which would affect the final amount of any transfer from the Reserve fund. This detail is now clear and the amount will now only be \$156,292 which now needs to be accounted for. A second part to the officer recommendation is included to this report to facilitate that budget amendment.
- Operating revenue and expenditure is generally in line with year to date budget predictions for the period ended 30 April 2021 (Statement of Financial Activity), except for items referenced in Note 3(a). Some of the more significant items which relate to variances in the deployment of the depot workforce associated with wage and on-costs will have no impact on the budget overall.
- The Rates collection percentage currently sits at 93.07% and is in keeping with historical collection performance statistics (see Note 4).
- The 2020/2021 Capital Works Program is advancing well with 39.44% completed for the year to date with a total committed cost of 95.85% as at 30 April 2021 (see Note 10). It should be noted, that a number of changes have been made to the initial timetable set for the capital works infrastructure program which show some variances in the year-to-date budget when compared to actual spend, it is however quite usual for these projects to be undertaken in the second half of the financial year.
- Most transfers to and from general Reserve Funds have not been made for the 2020/2021 year as they are undertaken in the latter part of the financial year, depending on the specific projects to which the transfers relate. One transfer of \$156,292 has been made from the Demark East Development Reserve for recoup of municipal fund expenditure previously incurred as mentioned earlier in this report.
- Salaries and Wages expenditure is in line with year to date budget estimates (not reported specifically in Financial Statement).

Other Information

- Budget Surplus Brought Forward – The adopted budget for 2020/2021 was built on an estimated brought forward surplus position from 2019/2020 of \$1,504,620. The audited Annual Financial Report for 2019/2020 confirms a surplus brought forward of \$1,659,492, a variance increase to the estimate used for the adopted budget of \$154,872. This variance was included in the calculations made and adopted by Council as part of the mid-year budget review and has been adjusted accordingly.
- The financial report for the reporting period ended 30 April 2021 shows that the closing net funding position is currently sitting at \$5.228M which is comparatively high for the time of year. It should be noted that there is a significant amount of committed expenditure associated with the capital works program with a lot of projects only partially complete. However, it is possible that weather conditions and contractor availability may hinder the progress of some of the programmed works, and, where applicable, the receipt of funding assistance revenue associated with their completion. This has the capacity to change the net current funding position or closing surplus / (deficit) considerably for the 2021/2022 budget and may mean that certain projects will need to be partially re-budgeted for completion in the new financial year.
- Grant funding of \$44,193 for the installation of water tanks at three fire shed sites has been approved by DFES. These funds require no co-contribution from Council but need to be fully spent and acquitted on the approved projects so overall there is no impact to the budget bottom line. It is recommended that the receipt of these funds and associated expenditure is recognised within the current budget and an officer recommendation to that effect is included as part of this report.
- The financial statements as presented now include a Statement of Financial Activity by Nature and Type in addition to the Statement of Financial Activity by Program. This enables the reader to identify and make comparisons in revenues and expenses by certain defined classification types as defined for Local Government statutory reporting in addition to the various Activity Programs into which Local Government services are defined.

Voting Requirements:

Absolute majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 9.2.1
MOVED: CR GIBSON	SECONDED: CR GEARON
That Council;	
<ol style="list-style-type: none"> 1. With respect to Financial Statements for the period ending 30 April 2021, RECEIVE the Financial Reports, incorporating the Statement of Financial Activity and other supporting documentation, and; 2. APPROVE a budget amendment to recognise a transfer from the Denmark East Development Reserve of \$156,292 to fund the cost of works completed during the 2019/2020 financial year, and; 3. APPROVE a budget amendment to acknowledge grant funding revenue of \$44,193 to Account 1540113 – ESL Grant Revenue – Buildings and associated matching expenditure to Account 1541004 – ESL Brigades Capital Expenditure – Land & Buildings. 	
CARRIED UNANIMOUSLY AND BY ABSOLUTE MAJORITY: 7/0	
Res: 070621	

Cr Allen declared a financial interest with MCC Civil.

6.41pm – Cr Allen left the room and did not participate in discussion or vote on the matter.

9.2.2 LIST OF PAYMENTS FOR THE PERIOD ENDING 30 APRIL 2021

File Ref:	FIN.1
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	24 May 2021
Author:	Gina McPharlin, Manager of Corporate Services
Authorising Officer:	Lee Sounness, Acting Director Corporate & Community Services
Attachments:	9.2.2 – April Monthly List of Accounts Submitted Report

Summary:

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

Background:

Nil

Consultation:

Consultation was not required for this report.

Statutory Obligations:

Local Government (Financial Management) Regulation 13 relates:

Policy Implications:

Delegation Number D040201 relates.

Budget / Financial Implications:

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

Strategic & Corporate Plan Implications:

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

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

Denmark 2027

L5.4 To be fiscally responsible

Corporate Business Plan

Nil

Sustainability Implications:

➤ Governance:

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

➤ Environmental:

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

➤ Economic:

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

➤ Social:

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

➤ **Risk:**

Nil

Comment/Conclusion:

Nil

Voting Requirements:

Simple majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 9.2.2
MOVED: CR GIBSON	SECONDED: CR SEENEY
<p>That with respect to the attached Schedule of Payments, totalling \$1,443,598.92, for the month of April 2021, Council RECEIVE the following summary of accounts:</p> <ul style="list-style-type: none"> • Electronic Funds Transfers EFT29983 to EFT30190 - \$923,496.69; • Municipal Fund Cheque No's 60430 – 60433 - \$11,888.50; • Internal Account Transfers (Payroll) - \$408,911.73; and • Direct Debit - \$11,888.50; • Corporate Credit Card; \$2,187.55; • Department of Transport Remittances; \$85,225.95, and • Loan Payments: \$Nil. 	
CARRIED UNANIMOUSLY: 6/0	Res: 080621

6.44pm – The Acting Chief Executive Officer, Mr King left the room.

9.2.3 INVESTMENT REPORT FOR THE PERIOD ENDED 30 APRIL 2021

File Ref:	FIN.19
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	13 May 2021
Author:	Gina McPharlin, Acting Manager Corporate Services
Authorising Officer:	Lee Sounness, Acting Director Corporate & Community Services
Attachments:	9.2.3 April 2021 Investment Register

Summary

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

Background

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

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

Consultation

Nil.

Statutory Obligations

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

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

Policy Implications

All investments are made in accordance with Council Policy P040229 – Investments, which states that investments are to comply with the following 3 key criteria:

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

Table a.

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

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

Table b.

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

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

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

Table c.

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

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

Budget / Financial Implications

There are no significant trends or issues to be reported.

Strategic & Corporate Plan Implications

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

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

Denmark 2027

L5.4 To be fiscally responsible

Corporate Business Plan

Nil

Sustainability Implications

➤ **Governance:**

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

➤ **Environmental:**

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

➤ **Economic:**

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

➤ **Social:**

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

➤ **Risk:**

Nil.

Comment / Conclusion

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

At 30 April 2021 Council had a total of \$7,897,204 invested. And in accordance with Council Policy P040229, exposure to a particular credit rating category is limited and an appropriate portfolio credit rating mix is maintained by investing with four banking institutions.

Council policy P040229 restricts investment in an individual counterparty/institution by their credit rating to limit single entity exposure. Council cannot invest more than 20% of its investment portfolio in an institution with a Standard & Poor (S&P) rating of A-2. With 21.13% (\$1,668,649) of funds invested with the Bendigo Bank (current S&P rating A-2) at the end of April 2021, the Council's Investment Portfolio does not meet this requirement. In accordance with policy, this will be rectified in June when the term deposit investment with Bendigo Bank matures.

The total Reserve Funds invested as at 30 April 2021 totals \$4,235,755.

The total Municipal Funds Invested as at 30 April 2021 totals \$3,661,449.

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

Voting Requirements

Simple majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 9.2.3
MOVED: CR GIBSON	SECONDED: CR BOWLEY
That Council RECEIVE the Investment Register (attachment 9.2.3) for the period ended 30 April 2021.	
CARRIED UNANIMOUSLY: 6/0	Res: 090621

9.2.4 STATEMENT OF OBJECTS AND REASONS AND PROPOSED 2021/2022 DIFFERENTIAL RATES AND MINIMUM PAYMENTS

File Ref:	RTS.11
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	01 June 2021
Author:	Judy Savic, Finance Officer - Rates Noni Entwistle, Project Officer – Corporate Services
Authorising Officer:	Lee Sounness, Acting Director Corporate & Community Services
Attachments:	Attachment A – Statement of Objects and Reasons for Differential Rate Attachment B – Draft Rates Policy – P030101

This Item was brought forward by Council prior to Item 9.1.1 Hicks Road Reserve Closure

Summary:

This report details the Statement of Objects and Reasons and the proposed differential rates and minimum payments for the 2021/2022 financial year for the purpose of advertising and seeking public submissions.

Background:

The Shire imposes differential rates based on the purpose for which land is zoned or for which the land is held or used. In accordance with section 6.36 of the Local Government Act 1995, the Shire is required to give local public notice of its intention to impose differential general rates prior to adopting its 2021/2022 budget. The advertising period cannot commence before 1 May 2021 which will be 2 months before the adoption of the budget.

This period of advertising allows ratepayers the ability to inspect the proposed Objects and Reasons and make a public submission in respect to the proposed differential rates and minimum payments prior to Council's adoption of the rates as part of the 2021/2022 Budget. Council can adopt a different rate in the dollar and minimum payment at the time Council adopts the 2021/2022 Budget.

Rating Review

Rating Review - Stage 2 commenced in 2020/21 and sought to consider split and spot rating for rural UV properties which are utilised for multiple purposes. The review's objective also looked to explore options that create greater equity between the minimum payment amount for GRV General and UV Rural properties.

At the Ordinary Meeting of Council on the 18th May 2021, Council endorsed the inclusion of two additional differential rating categories to the Shire's rating system as part of the 2021/22 Municipal Budget:

Unimproved Value (UV)

- Rural Additional Use – Holiday
- Rural Additional Use – Commercial

The application of split valuations on assessed rural rated properties containing distinctly non-rural uses was not endorsed.

Consultation:

Council must give local public notice which details each rate in the dollar and minimum payment and make available the Objects and Reasons for its differential rating categories. A minimum period of 21 days must be provided for the community to provide feedback. Any submissions received must be considered by Council prior to the request for The Minister's approval and adoption of rates.

The following engagement will take place outlining the intention to levy differential rates and minimum payments and details on how to make a submission:

- Public notice will be published in two local newspapers.
- Information will be made available on the Shire's website
- Post on the Shire's social media feeds.

Statutory Obligations:

Valuation of Land Act 1978

The Minister for Local Government has the responsibility for determining the method of valuation of land to be used by the Valuer General.

6.33. Differential general rates

(1) A local government may impose differential general rates according to any, or a combination, of the following characteristics:

- (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or
- (b) a purpose for which the land is held or used as determined by the local government; or
- (c) whether or not the land is vacant land; or
- (d) any other characteristic or combination of characteristics prescribed.

(2) Regulations may:

- (a) specify the characteristics under subsection (1) which a local government is to use; or
- (b) limit the characteristics under subsection (1) which a local government is permitted to use.

(3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

(4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.

(5) A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.

6.35. Minimum payment

(1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.

(2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.

(3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than:

- (a) 50% of the total number of separately rated properties in the district; or
- (b) 50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.

(4) A minimum payment is not to be imposed on more than the prescribed percentage of:

- (a) the number of separately rated properties in the district; or

- (b) the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.

(5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.

(6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories:

- (a) to land rated on gross rental value; and
- (b) to land rated on unimproved value; and
- (c) to each differential rating category where a differential general rate is imposed.

6.36. Local government to give notice of certain rates:

(1) Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.

(2) A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).

(3) A notice referred to in subsection (1):

- (a) may be published within the period of 2 months preceding the commencement of the financial year to which the proposed rates are to apply on the basis of the local government's estimate of the budget deficiency, and;
- (b) is to contain:
 - (i) details of each rate or minimum payment the local government intends to impose, and;
 - (ii) an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days (or such longer period as is specified in the notice) of the notice, and;
 - (iii) any further information in relation to the matters specified in subparagraphs (i) and (ii) which may be prescribed, and;
- (c) is to advise electors and ratepayers that the document referred to in subsection (3A):
 - (i) may be inspected at a time and place specified in the notice; and
 - (ii) is published on the local government's official website.

(3A) The local government is required to prepare a document describing the objects of, and reasons for, each proposed rate and minimum payment and to publish the document on the local government's official website.

(4) The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.

(5) Where a local government:

- (a) in an emergency, proposes to impose a supplementary general rate or specified area rate under section 6.32(3)(a), or;
- (b) proposes to modify the proposed rates or minimum payments after considering any submissions under subsection (4), is not required to give local public notice of that proposed supplementary general rate, specified area rate, modified rate or minimum payment.

Policy Implications:

Council repealed P030101 Council Rating Equity Policy on 21st April 2020. This report recommends the below Shire of Denmark Rates Policy draft be endorsed by Council in order to provide clear and transparent information to the public.

P030101 Council Rating Equity Policy (draft)

In implementing suitable rating systems and procedures, Council seeks to observe the principles of objectivity, fairness and equity, consistency, transparency, and administrative efficiency. The Shire of Denmark reviews its expenditure at the beginning of each financial year and considers efficiency measures before determining the total rating revenue to be levied.

Where a land parcel is used predominantly for rural purposes, the Unimproved Valuation ["UV"] of the land will be used as the basis of rating. Where a land parcel is used predominantly for non-rural purposes, the Gross Rental Valuation ["GRV"] of the land will be used as the basis of rating.

Definitions:

Improved - Has the same meaning as "improvements" as defined by the Valuation of Land Act 1978, namely:

"Improvements" in relation to land - means the value of all works actually effected to land, whether above or below the surface, and includes fixtures, but does not include:

- (a) machinery, whether fixed to the land or not; or*
- (b) any below ground works used in the extraction of minerals or petroleum;*

Land - means lands, tenements and hereditaments, and any improvements to land, and includes any interest in land.

Vacant – means all properties held or used for non-rural purposes and that are currently vacant.

Vacant Land - means land on which there are no improvements other than merged improvements.

Where the definition of "Improved" is amended in the Valuation of Land Act 1978, those amendments will prevail. If the Valuation of Land Act 1978 is superseded, then similar terms in the new Act will prevail (in accordance with any amendments to the Local Government Act 1995).

Holiday Purposes - a property is determined to be held or used for Holiday Purposes where the property is operating as a holiday home or holiday accommodation or where it has been granted planning approval by the Shire to operate as a holiday home or holiday accommodation and where the method of valuation used for the property for rating is on a non-commercial basis.

Holiday - has the same meaning as the following definitions in the Shire of Denmark Town Planning Scheme and its associated Policies, namely:

"Holiday Home (standard)" – means a single house (excluding ancillary accommodation), which may also be used for short stay accommodation for no more than six people (but does not include a bed and breakfast, guesthouse, chalet and short stay accommodation unit).

"Holiday Home (large)" – means premises conforming to the definition of holiday home (standard) with the exception that the premises provide short stay accommodation for more than six people but not more than 12 at any one time.

"Holiday Accommodation" – means one or more dwellings on one lot which by way of trade or business, are made available for occupation by persons other than the proprietor for holiday purposes and includes those premises known as bed and breakfast but does

not include a dwelling that is used as a rental property for tenancing for residential accommodation or Holiday Home (standard) or Holiday Home (large).

“Boarding House” – means a building in which provision is made for lodging or boarding more than six persons, exclusive of the family of the keeper, for hire or reward, but does not include:

- (a) premises the subject of a Hotel, Limited Hotel or Tavern Licence granted under the provision of the Liquor Act 1970 (as amended);
- (b) premises used as a boarding school approved under the Education Act 1928 (as amended);
- (c) a single house or grouped dwelling;
- (d) any building that is the subject of a strata title issued under the provisions of the Strata Titles Act 1985 (as amended).”

Where the definitions shown above are amended in the Town Planning Scheme, then those planning amendments will prevail in the context of implementing the rating system.

Local Scheme Reserve - has the same meaning as the purpose and intent of the reserves in the TPS3. Where the reserves are amended in the TPS3, or where TPS3 is superseded, then this document will be reviewed, and the new reserves will be used to amend the rating system.

Non-Rural Improved - a property is determined to be held or used for Non-Rural purposes where the method of valuation used for the property of rating is the Gross Rental Value (GRV) of the property.

No Zone

Where no zone is designated for a land parcel, as shown in the Scheme Maps to the TPS3, then this term applies. Where the zones are amended in the TPS3, or where the TPS3 is superseded, then this document will be reviewed, and the new zones will be used to amend the rating system.

Other Zones

Where a land parcel’s zone is not provided for in the rating system, then this term applies.

Rural - a property is determined to be held or used for Rural Purposes where the method of valuation used for the property for the purposes of rating is the Unimproved Value (UV) of the property.

Rural Use - Has the same meaning as the following definitions in the Town Planning Scheme, namely:

“permitted uses”

- One Residential Dwelling
- Two Residential Dwellings (over 10ha)

“rural pursuit” - means use of land for any of the purposes set out hereunder and shall include such buildings normally associated therewith:

- the growing of cereals or food crops except for domestic purposes
- the rearing or agistment of livestock
- the stabling, agistment or training of horses
- the growing of trees, plants, shrubs, or flowers for replanting in domestic, commercial or industrial gardens
- the sale of produce grown solely on the lot but does not include the following except as approved by the Council:
 - the keeping of pigs
 - poultry farming
 - the processing, treatment or packing of produce
 - the breeding, rearing or boarding of domestic pets

Rural Use also includes the following, as defined in the Town Planning Scheme Appendix I – Interpretations, where such uses have been approved by Council upon the subject land:

- aquaculture
- horticulture
- private tree plantation
- kennels
- extractive industry
- feedlot farming
- home occupation
- market
- office
- piggery
- poultry farming

Non-Rural Use – means all approved activity on rural land which is not listed under the term “Rural Use” for the purposes of the rating system. The term approved relates to Planning Approvals, Environmental Health Licences and Registrations, and Building Permits, from the Shire of Denmark, where applicable to the activity being undertaken.

The following table provides examples of approved activities equivalent to the Rating Category applied:

Activity	Number Approved/Licensed	Rural Additional Use Rating Category
Arts and Craft	1	Commercial
Bed and Breakfast	1	Holiday
Boarding House / Lodging House / Hotel / Motel	1	Holiday
Cellar Sales	1	Commercial
Chalet	1 to 4	Holiday
	5 or More	Commercial
Holiday Accommodation / Holiday Home	1 to 4	Holiday
	5 or More	Commercial
Brewery / Microbrewery	1	Commercial
Service Industry	1	Commercial
Winery	1	Commercial
Restaurant / Cafe	1	Commercial
Other uses not listed	1	Assessed on a case-by-case basis

*For Definitions of activities for the listed above refer to the Town Planning Scheme.

Rural Additional Use - Holiday

A property is determined to be held or used for Rural Additional Use Holiday Purposes where the method of valuation used for the property for the purposes of rating is the Unimproved Value (UV) of the property and where the property is operating holiday home(s) or holiday accommodation(s) or where it has been granted planning approval by the Shire to operate holiday home(s) or holiday accommodation(s).

Where there is approved holiday accommodation or chalets up to a quantity of four then this category will apply to assist in meeting the additional costs associated with providing tourism related infrastructure and services.

Rural Additional Use - Commercial

A property is determined to be held or used for Rural Additional Use Commercial Purposes where the method of valuation used for the property for the purposes of rating is the Unimproved Value (UV) of the property and where the property is operating approved non rural commercial activities. Where there is approved commercial activities or holiday accommodation over a quantity of four then this Rural Additional Use category will apply.

Where there is an approved commercial business or holiday accommodation over a quantity of four then this category will apply to assist in meeting the additional costs associated with providing commercial related infrastructure and services.

Split Rating

The Local Government Act 1995 permits the Shire of Denmark to “split rate” non-rural uses on unimproved value land and effectively isolate that activity from the remainder of the property and rate that activity on a separate land parcel; one land parcel reflecting the rural use and the other land parcel reflecting the non-rural use/s.

Spot Rating (changing the method of valuation)

The Local Government Act 1995 permits the Shire of Denmark to “spot rate” non-rural uses on unimproved value and is most frequently used in situations where there are a number of individual lots within a valuation area that are used for purposes that are not consistent with the predominant use of land within that valuation area.

Budget / Financial Implications:

The differential rates model as endorsed by Council will directly influence Council’s ability to fund expenditure requirements proposed to be included in the 2021/2022 Budget. Expenses will be incurred in relation to advertising, which are accommodated within the current budget.

Strategic & Corporate Plan Implications:

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

Denmark 2027

L5.0 Our Local Government

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

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

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

L5.4 To be fiscally responsible.

Corporate Business Plan

E1.4 To recognise the importance of agriculture in our local economy and protect prime agricultural land

E1.4.1 Review our differential rating policy to ensure fairness and equity across all rating categories and promote and encourage agricultural land use.

Sustainability Implications:

➤ **Governance:**

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

➤ **Environmental:**

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

➤ **Economic:**

The WA Government have not indicated they are intending to legislate a freeze on local government rates and fees and charges in relation to the COVID-19 pandemic for the 2021/22 financial year.

➤ **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)
Failing to advertise the notice of intention to levy rates for the 2021/2022 financial year	Possible (3)	Minor (2)	Moderate (5-9)	Failure to meet Statutory, Regulatory or Compliance Requirements	Accept Officer Recommendation

Comment:

Rates are a significant proportion of the Shire’s revenue and are used to achieve the objectives of the Strategic Community Plan and Corporate Business Plan. The purpose of levying rates is to meet the Shire’s budget requirements in order to deliver services and infrastructure each financial year.

In setting a rate in the dollar and minimum payment for each differential rating category, Council must take into consideration the following factors:

Long Term Financial Plan

The Long Term Financial Plan (LTFP) was adopted by Council in November 2019 and outlined the projected income and expenditure over the 15 year term, along with proposed capital works, projects and new initiatives. Based on the assumptions of the adopted LTFP, a 4.0% increase in rate revenue for the 2021/2022 financial year was forecast. The LTFP is currently under a major review as a result of the COVID-19 Pandemic.

Growth of rateable properties

The number of rateable properties has increased during 2021/2022 year as a result of land subdivisions approvals. The rate of increase for 2021/2022 is higher than previous years. 21 new lots have been created for the financial year to May 2021. A comparison of the increase in the property base for the current and past 7 years is reflected in the following table.

Table 1:

Year	No. of Properties	No. Change	% Change
2014	3861	24	0.62%
2015	3883	22	0.56%
2016	3958	75	1.90%
2017	3987	29	0.73%
2018	4117	130	3.16%
2019	4086	-31	-0.76%
2020	4096	10	0.24%
2021	4117	21	0.51%

Landgate UV and GRV Revaluations

The Valuation of Land Act 1978 (VLA) empowers the Valuer General (VG) to conduct general valuations on a Gross Rental Value (GRV) basis within WA at such times and frequency as is considered necessary. This is currently every 3 years. For Unimproved Value (UV) properties this is reviewed annually. Values are determined relative to sales and rentals at 1 August of the preceding year. In 2019 all GRV properties were re-valued and the new values were effective from 1 July 2019. The next revaluation is scheduled for 2022.

UV Revaluation

The 2021 revaluation of Unimproved Value (UV) properties results in an overall average increase of 4.5% according to Landgate. The intent of officers is to offset the impact of this revaluation by adjusting the rate in the dollar for the UV rating categories. However, this process is imprecise as individual property valuation changes may exceed or be lower than the increase proposed. As a consequence, property owners may receive a higher or lower rate increase than the general rate yield advertised by Council.

2021/2022 Proposed Differential Rates

The below table shows the different rate categories and compares the 2020/21 rate in the dollar and minimum to the proposed 2021/22 rate and minimum. The Shire proposes these differential rates be advertised for public comment:

Table 2:

Rating Category	2020/21		2021/22		Increase
	Minimum	Rate in \$	Minimum	Rate in \$	
Gross Rental Value (GRV)					
Non Rural Improved	1097	0.095724	1163	0.101467	6%
Holiday Purposes	1208	0.107095	1450	0.128514	20%
Vacant	1109	0.190840	1331	0.202290	6%
Unimproved Value (UV)					
Rural	1343	0.005038	1424	0.005105	6%
Additional Use - Holiday Purposes			1772	0.006126	new
Additional Use - Commercial			1772	0.009700	new

When implementing its rating strategy as part of the LFTP, Council considered the key values contained within Rating Policy Differential Rates (s.6.33) March 2016 (Rating Policy), being:

- Objectivity
- Fairness and Equity
- Consistency
- Transparency
- Administrative Efficiency

Statement of Objects and Reasons for Differential Rates 2021/2022

The overall objective of the proposed rates in the 2021/2022 Budget is to provide for the net funding requirements of the Shire of Denmark’s various programs, services and facilities.

The Objects and Reasons that have been proposed are:

1. Non-Rural Improved

The object of this rate is to apply a base rate to improved land that is held or used for Non-Rural Purposes, excluding Holiday Purposes.

The reason is to ensure that all ratepayers within the differential rate category make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities in the Shire and to achieve the required amount of revenue from the differential rate category.

2. Holiday Purposes

The object of a higher rate in the dollar for this category is to raise additional revenue to fund the level of service provided to these properties and the costs that result from visitors to these properties. The rate recognises the impact of such properties on infrastructure, the environment, housing availability and affordability within the Shire.

The reason is to assist in meeting the additional costs associated with providing tourism related infrastructure and services.

3. Vacant

The object of a higher rate in the dollar for this category is to encourage absent owners of vacant land to develop and local economy and improve local visual amenity of the town.

The reason is to ensure that ratepayers within the differential rate category make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities in the Shire.

The Shire considers the development of all vacant rateable land to be in the best interests of the community as it will improve the vibrancy of the Shire.

4. Rural

The object of the rate in the dollar for this category is to set an appropriate rate for properties held or used for Rural purposes.

The reasons are to ensure that ratepayers within the differential rate category make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities in the Shire and to achieve the required amount of revenue from the differential rate category.

5. Rural – Additional Use Holiday

The object of the rate in the dollar for this category is to recognise the additional non rural holiday use(s). The rate recognises the impact of such properties on infrastructure, the environment, housing availability and affordability within the Shire.

The reasons are to ensure that all ratepayers within the differential rate category make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities in the Shire and to assist in meeting the additional costs associated with providing tourism related infrastructure and services.

6. Rural – Additional Use Commercial

The object of the rate in the dollar for this category is to recognise the additional non rural commercial use(s). The rate recognises the impact of such properties on infrastructure and the environment within the Shire.

The reasons are to ensure that ratepayers within the differential rate category make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities in the Shire and to assist in meeting the additional costs associated with providing commercial related infrastructure and services.

Voting Requirements:

Absolute majority.

OFFICER RECOMMENDATION

ITEM 9.2.4

That Council;

1. ADOPT the Shire of Denmark’s Statement of Objects and Reasons for Differential Rates as per Attachment A, and;
2. AUTHORISE the Chief Executive Officer to advertise for a period of 21 days, by public local notice, The Shire’s intention to levy the following differential rates and minimum payments in 2021/2022, and invite submissions from electors and ratepayers during the public submission period,

Rating Category	2020/21		2021/22	
	Minimum	Rate in \$	Minimum	Rate in \$
Gross Rental Value (GRV)				
General	1097	0.095724	1163	0.101467
Holiday Purposes	1208	0.107095	1450	0.128514
Vacant	1109	0.190840	1331	0.202290
Unimproved Value (UV)				
Rural	1343	0.005038	1424	0.005105
Additional Use - Holiday Purposes			1772	0.006126
Additional Use - Commercial			1772	0.009700

and;

3. ENDORSE the draft Rates Policy – P030101 as per Attachment B.

OFFICER COMMENTS:

After publication of the Agenda Council Officers have;

1. received some advice that the definitions for *Holiday Purposes* and *Rural Additional Use Holiday* should be better stated to clarify the difference between a short-term holiday rental and a holiday home used for private purposed, and;
2. found that the proposed minimum rate in the \$ for the Vacant rate category does not meet the requirement of s6.35 of the LG Act 1995 for differential rating; and,
3. found that the proposed minimum rates for Additional Use - Holiday Purposes and Additional Use – Commercial were incorrectly published.

The Amended Officer Recommendation following amendments;

1. Seeks to provide this clarity and better align with the Officer’s original intent to link the definitions more clearly with definitions and approvals required according to the Shire’s Town Planning Scheme No. 3.
2. Part 2 of the Amended Officer Recommendation seeks to;
 - a) amend the minimum rate in the \$ for Vacant rate category to \$1220 for 2021/22 financial year, and;
 - b) the minimum rate for Additional Use - Holiday Purposes to \$1709 and amend the minimum rate for Additional Use – Commercial to \$2705.
3. Part 3 of the Amended Officer Recommendation replaces the word ENDORSE with the word ADOPT, as the proposed Policy P030101 is not required to be advertised for public comment and therefore will not be brought back to Council.

COUNCIL RESOLUTION & AMENDED OFFICER RECOMMENDATION ITEM 9.2.4
 MOVED: CR GIBSON SECONDDED: CR GEARON

That Council;

1. ADOPT the Shire of Denmark’s Statement of Objects and Reasons for Differential Rates as per Attachment 9.2.4a (page 2), subject to the following change:

- a) REPLACE **'Holiday Purposes** – a property is determined to be held or used for Holiday Purposes where the property is operating as a holiday home or holiday accommodation or where it has been granted planning approval by the Shire to operate as a holiday home or holiday accommodation and where the method of valuation used for the property for rating is on a non-commercial basis.'

TO READ **'Holiday Purposes** – a property is determined to be held or used for Holiday Purposes where the property has been granted planning approval by the Shire to operate as a *holiday home (standard or large)* or *holiday accommodation*, as defined in *Town Planning Scheme 3*, and where the method of valuation used for the property for rating is on a non-commercial basis.', and;

- b) REPLACE **'Rural - Additional Use Holiday** – a property is determined to be held or used for Rural Additional Use Holiday Purposes where the method of valuation used for the property for the purposes of rating is the Unimproved Value (UV) of the property and where the property is operating holiday home(s) or holiday accommodation(s) or where it has been granted planning approval by the Shire to operate holiday home(s) or holiday accommodation(s). Where there is an approved holiday home(s) or chalet(s) up to a quantity of four then this Rural Additional Use category will apply.'

TO READ **'Rural - Additional Use Holiday** – a property is determined to be held or used for Rural Additional Use Holiday Purposes where the method of valuation used for the property for the purposes of rating is the Unimproved Value (UV) of the property and where it has been granted planning approval by the Shire to operate a *holiday homes (standard or large)* or *holiday accommodation* as defined in *Town Planning Scheme 3*. Where there are approved holiday homes or chalets up to a quantity of four, then this Rural Additional Use category will apply.'

2. AUTHORISE the Chief Executive Officer to advertise for a period of 21 days, by public local notice, The Shire's intention to levy the following differential rates and minimum payments in 2021/2022, and invite submissions from electors and ratepayers during the public submission period,

Rating Category	2020/21		2021/22	
	Minimum	Rate in \$	Minimum	Rate in \$
Gross Rental Value (GRV)				
General	1097	0.095724	1163	0.101467
Holiday Purposes	1208	0.107095	1450	0.128514
Vacant	1109	0.190840	1331 to 1220	0.202290
Unimproved Value (UV)				
Rural	1343	0.005038	1424	0.005105
Additional Use - Holiday Purposes			1772 to 1709	0.006126
Additional Use - Commercial			1772 to 2705	0.009700

and;

3. ADOPT the draft Rates Policy – P030101 as per Attachment 9.2.4b (pages 1 and 4 respectively) subject to the following changes:

- a) REPLACE **'Holiday Purposes** – a property is determined to be held or used for Holiday Purposes where the property is operating as a holiday home or holiday accommodation or where it has been granted planning approval by the Shire to operate as a holiday home or holiday accommodation and where the method of valuation used for the property for rating is on a non-commercial basis.'

TO READ '**Holiday Purposes** – a property is determined to be held or used for Holiday Purposes where the property has been granted planning approval by the Shire to operate as a *holiday home (standard or large)* or *holiday accommodation*, as defined in *Town Planning Scheme 3*, and where the method of valuation used for the property for rating is on a non-commercial basis.'; and,

- b) REPLACE '**Rural - Additional Use Holiday** – a property is determined to be held or used for Rural Additional Use Holiday Purposes where the method of valuation used for the property for the purposes of rating is the Unimproved Value (UV) of the property and where the property is operating holiday home(s) or holiday accommodation(s) or where it has been granted planning approval by the Shire to operate holiday home(s) or holiday accommodation(s). Where there is an approved holiday home(s) or chalet(s) up to a quantity of four then this Rural Additional Use category will apply.'

TO READ '**Rural - Additional Use Holiday** – a property is determined to be held or used for Rural Additional Use Holiday Purposes where the method of valuation used for the property for the purposes of rating is the Unimproved Value (UV) of the property and where it has been granted planning approval by the Shire to operate a *holiday homes (standard or large)* or *holiday accommodation* as defined in *Town Planning Scheme 3*. Where there are approved holiday homes or chalets up to a quantity of four, then this Rural Additional Use category will apply.'

AMENDMENT

MOVED: CR LEWIS

SECONDED: CR PHILLIPS

In Part 2, that the Gross Rental Value Holiday Purposes rate in the dollar be reduced to 0.121761 and minimum to 1396.

CARRIED: 6/1

Res:100621

Pursuant to Council Policy P040134 all Councillors' votes on the above resolution are recorded as follows;

FOR: Cr Gearon, Cr Allen, Cr Gibson, Cr Lewis, Cr Phillips and Cr Bowley

AGAINST: Cr Seeney

AMENDMENT

MOVED: CR ALLEN

SECONDED: CR PHILLIPS

In Part 2, that the Unimproved Value, Additional Use - Commercial rate in the dollar be reduced to 0.0086785.

CARRIED: 6/1

Res:110621

Pursuant to Council Policy P040134 all Councillors' votes on the above resolution are recorded as follows;

FOR: Cr Gearon, Cr Allen, Cr Gibson, Cr Lewis, Cr Phillips and Cr Bowley

AGAINST: Cr Seeney

5.41pm – Cr Allen left the room.

COUNCIL RESOLUTION

ITEM 9.2.4

MOVED: CR LEWIS

SECONDED: CR PHILLIPS

That the meeting be adjourned for a short break, the time being 5.42pm.

CARRIED UNANIMOUSLY: 6/0

Res: 120621

5.55pm – The Shire President resumed the meeting with all Elected Members and Officers who were present prior to the adjournment, with the addition of Cr Allen.

AMENDMENT

MOVED: CR BOWLEY

SECONDED: CR SEENEY

That part 2 be amended as follows;

- a) Gross Rental Value – General be reduced to 0.099652 and the minimum be reduced to 1141;
- b) Gross Rental Value – Vacant be reduced to 0.198474 and the minimum be reduced to 1153;
- c) Unimproved Value – Rural be reduced to 0.00501 and the minimum be reduced to 1397;
- d) Unimproved Value – Holiday purposes be reduced to 0.006012 and the minimum be reduced to 1676;
- e) Unimproved Value – Commercial be reduced to 0.007014 and the minimum be reduced to 1955.

LOST: 2/5

Res: 130621

Pursuant to Council Policy P040134 all Councillors' votes on the above resolution are recorded as follows;

FOR: Cr Bowley and Cr Seeney

AGAINST: Cr Gearon, Cr Allen, Cr Gibson, Cr Lewis and Cr Phillips

AMENDED MOTION

That Council;

1. ADOPT the Shire of Denmark’s Statement of Objects and Reasons for Differential Rates as per Attachment 9.2.4a (page 2), subject to the following change:

- a) REPLACE ‘**Holiday Purposes** – a property is determined to be held or used for Holiday Purposes where the property is operating as a holiday home or holiday accommodation or where it has been granted planning approval by the Shire to operate as a holiday home or holiday accommodation and where the method of valuation used for the property for rating is on a non-commercial basis.’

TO READ ‘**Holiday Purposes** – a property is determined to be held or used for Holiday Purposes where the property has been granted planning approval by the Shire to operate as a *holiday home (standard or large)* or *holiday accommodation*, as defined in *Town Planning Scheme 3*, and where the method of valuation used for the property for rating is on a non-commercial basis.’, and;

- b) REPLACE ‘**Rural - Additional Use Holiday** – a property is determined to be held or used for Rural Additional Use Holiday Purposes where the method of valuation used for the property for the purposes of rating is the Unimproved Value (UV) of the property and where the property is operating holiday home(s) or holiday accommodation(s) or where it has been granted planning approval by the Shire to operate holiday home(s) or holiday accommodation(s). Where there is an approved holiday home(s) or chalet(s) up to a quantity of four then this Rural Additional Use category will apply.’

TO READ ‘**Rural - Additional Use Holiday** – a property is determined to be held or used for Rural Additional Use Holiday Purposes where the method of valuation used for the property for the purposes of rating is the Unimproved Value (UV) of the property and where it has been granted planning approval by the Shire to operate a *holiday homes (standard or large)* or *holiday accommodation* as defined in *Town Planning Scheme 3*. Where there are approved holiday homes or chalets up to a quantity of four, then this Rural Additional Use category will apply.’

2. AUTHORISE the Chief Executive Officer to advertise for a period of 21 days, by public local notice, The Shire’s intention to levy the following differential rates and minimum payments in 2021/2022, and invite submissions from electors and ratepayers during the public submission period,

	2020/21		2021/22	
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Unimproved Value (UV)				
Rural	1343	0.005038	1424	0.005105
Additional Use - Holiday Purposes			1772 to 1709	0.006126
Additional Use - Commercial			1772 to 2705	0.0086785

and;

3. ADOPT the draft Rates Policy – P030101 as per Attachment 9.2.4b (pages 1 and 4 respectively) subject to the following changes:

a) REPLACE **‘Holiday Purposes** – a property is determined to be held or used for Holiday Purposes where the property is operating as a holiday home or holiday accommodation or where it has been granted planning approval by the Shire to operate as a holiday home or holiday accommodation and where the method of valuation used for the property for rating is on a non-commercial basis.’

TO READ **‘Holiday Purposes** – a property is determined to be held or used for Holiday Purposes where the property has been granted planning approval by the Shire to operate as a *holiday home (standard or large)* or *holiday accommodation*, as defined in *Town Planning Scheme 3*, and where the method of valuation used for the property for rating is on a non-commercial basis.’; and,

b) REPLACE **‘Rural - Additional Use Holiday** – a property is determined to be held or used for Rural Additional Use Holiday Purposes where the method of valuation used for the property for the purposes of rating is the Unimproved Value (UV) of the property and where the property is operating holiday home(s) or holiday accommodation(s) or where it has been granted planning approval by the Shire to operate holiday home(s) or holiday accommodation(s). Where there is an approved holiday home(s) or chalet(s) up to a quantity of four then this Rural Additional Use category will apply.’

TO READ **‘Rural - Additional Use Holiday** – a property is determined to be held or used for Rural Additional Use Holiday Purposes where the method of valuation used for the property for the purposes of rating is the Unimproved Value (UV) of the property and where it has been granted planning approval by the Shire to operate a *holiday homes (standard or large)* or *holiday accommodation* as defined in *Town Planning Scheme 3*. Where there are approved holiday homes or chalets up to a quantity of four, then this Rural Additional Use category will apply.’

THE AMENDED MOTION BECAME THE SUBSTANTIVE MOTION WHICH WAS PUT AND CARRIED: 6/1 Res:140621

Pursuant to Council Policy P040134 all Councillors’ votes on the above resolution are recorded as follows;

FOR: *Cr Gearon, Cr Allen, Cr Gibson, Cr Bowley, Cr Lewis and Cr Phillips*
 AGAINST: *Cr Seeney*

6.25pm - Public Question Time

The Shire President stated that the second public question time would commence & called for questions from members of the public. There were no questions.

6.46pm – *The Acting Chief Executive Officer returned to the room.*

6.46pm – *The DCCS left the room.*

9.3 CHIEF EXECUTIVE OFFICER

9.3.1 EXPRESSION OF INTEREST TO THE REGIONAL CLIMATE ALLIANCE PROGRAM FOR FUNDING

File Ref:	ORG.94
Applicant / Proponent:	Shire of Denmark
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	27 April 2021
Authors:	David Schober, Chief Executive Officer
Authorising Officer:	David Schober, Chief Executive Officer
Attachments:	9.3.1a Climate Alliance Agreement 9.3.1b Regional Climate Alliance Program Guidelines

Summary:

This report recommends that Council support an expression of interest by member local governments of the South Coast Alliance Incorporated (SCA Inc.) to the West Australian Local Government Association (WALGA) Regional Climate Alliance Program (Program).

Background:

Groupings of local governments in Western Australia are invited to submit an expression of interest to establish a climate alliance to take action on climate change, energy and sustainability projects through regional partnerships. Through the Program, two pilot climate alliances will be established.

The two Alliances may access up to \$210,000 each financial year between 2021-23 to employ Regional Climate Alliance Coordinators and deliver climate change adaptation and mitigation projects.

The Program is being administered by WALGA on behalf of the Department of Water and Environmental Regulation and is an initiative under the State Government’s Western Australian Climate Policy (2020).

The guidelines state that the application must provide evidence that all Local Governments within the application have formally agreed to participate through a Council decision for the two (2) year period of the program.

The closing date for the application is 21 June 2021.

Members of the South Coast Alliance Incorporated (SCA Inc.) consist of the City of Albany and the Shires of Denmark, Plantagenet and Jerramungup. The SCA Inc. has been established for four years and is believed to be the only regional alliance of local governments in Western Australia. Given the SCA has been previously established it provides evidence of a regional working alliance already in place. Members of the SCA believe, as a result of this existing alliance, it demonstrates willingness to collaborate and provides a distinct advantage for the expression of interest when compared to other competing regional bids.

Consultation:

The opportunity to submit an expression of interest was discussed at the SCA Inc. meeting on 14 May 2021 in Jerramungup, where delegates from all four local governments were in support, pending individual member Council endorsement.

Statutory Obligations:Local Government Act 1995

Section 6.15 (1) part b), (ii) states a local government may receive revenue or income from grants or gifts.

Local Government (Functions & General) Regulations 1996

Section 32 (1) permits local governments to form an incorporated association *“for the purpose of the incorporation of the association under that Act.”*

Policy Implications:

Nil

Budget / Financial Implications:

Member local governments are not required to contribute any matching funds to the program.

Strategic & Corporate Plan Implications:

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

Strategic Community Plan

N2.4 To acknowledge and adapt to climate change

Corporate Business Plan

N2.1.10 Implement actions from the Sustainability Strategy to support the achievement of environmental objectives

Workforce Plan

If the expression of interest is successful the project would be facilitated through the Assets and Sustainable Development Directorate, and more specifically through the Waste and Sustainability team.

Sustainability Implications:**➤ Governance:**

This report recommends Council form a Climate Alliance with three other local governments and submit an expression of interest to the Climate Alliance Program. An expression of interest does not bind Council to any future agreement.

Should the expression of interest be successful further investigation into the legal framework and relationship between local governments, WALGA and the SCA Inc will need to be understood. Such considerations will include the employment relationship of the Regional Climate Alliance Coordinator, whether the Regional Climate Alliance is a subsidiary of the SCA Inc, or its own independent incorporated body, and reporting functions under the Local Government Act.

Given the speculative nature of the grant process, officers have not investigated all governance implications that may result should the expression of interest be successful. In the event of a successful bid Council will be required to authorise through a separate report to Council at a later date taking into account any governance, financial and operational considerations.

➤ **Environmental:**

Should the SCA Inc. expression of interest be successful it could provide the Shire of Denmark with a fully funded resource which should assist with the action plan from Council's recently adopted Sustainability Strategy.

➤ **Economic:**

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

➤ **Social:**

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

➤ **Risk:**

Nil

Comment/Conclusion:

Regional Climate Alliance Program Summary:

- 1) The Regional Climate Alliance Program aims to build the capacity of local governments, outside the Perth and Peel regions, to take action on climate change through the establishment of two pilot Regional Climate Alliances.
- 2) Up to \$210,000 will be available to each Climate Alliance to support employment of a Regional Climate Alliance Coordinator and to deliver climate adaptation and mitigation projects through a competitive grant process.
- 3) The Program aims to pilot the Alliance model in Western Australia and demonstrate how collective action, at a regional level, can enable local governments to overcome current capacity limitations and accelerate the delivery of climate change responses.
- 4) This Program builds on the Climate Resilient Councils project (2019-2021) and responds to the project's finding that while some of the larger local governments are progressing well in responding to climate change, most small regional local governments have made less progress.

Regional Climate Alliance Program Objectives:

- 1) Establish Regional Climate Alliances that can successfully develop and implement projects that are currently beyond the reach of individual local governments and that demonstrate a reduction in climate change risks and greenhouse gas emissions from community, business or local government activities, and;
- 2) Support local governments within the Alliances to build their capacity, beyond the life of the Program, to respond to climate change, and accelerate their adaptation and mitigation responses, and;
- 3) Provide opportunities for the Alliances to share capacity building resources between the local government sector more broadly, and;
- 4) Assess the efficacy of the Regional Climate Alliance model in WA and provide recommendations to DWER, Department of Local Government and WALGA on whether to expand the program and improve climate adaptation and mitigation action planning and implementation at the regional level, and any recommended improvements to the model.

The Program funds would allow the Regional Climate Alliance, through member local governments, to progress priority items and provide the necessary resources to bring forward community and business engagement that are currently beyond the capacity of many smaller regional local governments. This is expected to enable earlier implementation of actions to address climate change risks, including bringing forward greenhouse gas emissions reduction strategies from community and business stakeholders.

The specific notation required within the expression of interest is:

“Local Governments must ... have an agreement, signed by the Mayor/Shire President and the CEO, from the interested participating Local Governments to form an Alliance for a minimum of 2 years.”

While the SCA Inc. is already a formed alliance with four (4) member local governments, it does not have a signed Climate Alliance agreement. Officers recommend formally entering into a Regional Climate Alliance, noting the potential governance considerations discussed earlier in this report and on the basis that further investigation is required if the expression of interest is successful.

It should be noted that SCA Inc. is already progressing a range of activities that are designed to lead to a reduction in climate change risks and greenhouse gas emissions from community, business, or local government activities. In particular the Blue Green Economy review (budget allocation \$76,000 already approved) is working to identify measures that can protect our existing industries from the impact of climate change.

Additionally, the SCA Inc. Energy Project (budget allocation already approved \$57,500) is looking to reduce greenhouse emissions across the SCA Inc. region by working to facilitate an analysis of solutions such as roof top solar, building retrofits, vehicle fleets with a desire to extend this beyond local government entities to the broader business and industrial community.

To complement the Blue Green Economy Review and Energy Project the SCA Inc. Dashboard Project has also been designed to share status, progress and outcomes with our communities in order to create buy-in across the community – with work to date indicating that this may commence with a “Roadmap to Zero”, providing clarity to local governments, and community, on what level of collaboration it may take to achieve a zero-carbon emissions community by 2050.

SCA Inc. budget allocations across these project streams amount to \$133,500. This exceeds the required co-contribution level, ensuring no further contributions are required by SCA Inc. local government members for the eligibility criteria to be met.

Voting Requirements:

Simple majority.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 9.3.1
MOVED: CR LEWIS	SECONDED: CR BOWLEY
That Council;	
<ol style="list-style-type: none"> 1. Resolves to FORM a Regional Climate Alliance, consisting of the City of Albany, Shires of Denmark, Plantagenet and Jerramungup, and; 2. SUPPORT an expression of interest by the Regional Climate Alliance to the West Australian Local Government Association (WALGA) Regional Climate Alliance Program, and; 3. AUTHORISE the Chief Executive Officer and Shire President to sign documentation required to submit the expression of interest with other Regional Climate Alliance local government members. 	
CARRIED UNANIMOUSLY: 6/0	Res: 150621

Cr Phillips declared a financial interest.

6.50pm – Cr Phillips left the room and did not participate in discussion or vote on the matter.

9.3.2 PEACEFUL BAY LEASE RENEWAL POLICY

File Ref:	A3104
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Leasehold Lots on Deposited Plan 220017 (Reserve 24510)
Disclosure of Officer Interest:	Nil
Date:	27 May 2021
Author:	Claire Thompson, Governance Coordinator
Authorising Officer:	David Schober, Chief Executive Officer
Attachments:	NIL

Summary:

Council is asked to consider creating a policy to allow leaseholders at Peaceful Bay to renew their leases for 21 years in particular circumstances and that, should Council agree to consider such policy, it be advertised for public and leaseholder comment.

Background:

The Shire manages 203 leasehold properties at Peaceful Bay for the purpose of "Holiday Cottage".

The Leases are for 21 years and all expire at the same time, being June 2031.

The Lessees are able to sell their leases on the open market, subject to the approval of the Shire.

The CEO and Shire President have delegated authority from the Council to execute any assignments (see Delegation D130201).

The Peaceful Bay Progress Association, on behalf of their members, have asked if the Council would consider allowing new 21-year leases to be issued in certain circumstances, in particular, when a lease is sold.

Consultation:

The Chief Executive Officer and the Governance Coordinator have met with the Peaceful Bay Progress Association and discussed this proposal.

Initial advice from the Minister for Lands is that they would have no objections, but did suggest that consideration of the State's Coastal Planning Policy (SPP2.6) would need to be made if negotiating a new lease.

It is proposed that if Council agree in principle to allowing the leases to be renewed under certain circumstances, that this intention be advertised locally for public comment. In addition, it is proposed that Council's intention be communicated to all current leaseholders of lots on Deposited Plan 220017 and the Peaceful Bay Progress Association, inviting them to provide any comments.

Statutory Obligations:

LOCAL GOVERNMENT ACT 1995

Section 3.58 provides a local government the power to disposal (lease) land and details the methods and processes.

Regulation 30(2)(g) exempts the *leasing of residential property to a person* from disposal provisions detailed in s3.58.

"Residential" is not defined in the Local Government Act or Regulations. The *Residential Tenancies Act 1987* defines "residential premises" as being "... premises that constitute or are intended to constitute a place of residence".

The Oxford Dictionary of Construction, Surveying and Civil Engineering describes “residential” as “property built for people to live and sleep in”.

The word “residential” is an ordinary term (not technical) and given the definitions above, leasing a peaceful bay holiday cottage would be classified as an exempt disposal. A residential property does not cease to be a residential property if it is unoccupied for any period of time.

LAND ADMINISTRATION ACT 1997

Section 18 requires that Ministerial approval be obtained for any transactions involving Crown land. The Minister for Lands has indicated that he has no objections to the proposal however, consideration needs to be given to the fact that Peaceful Bay is recognised as a coastal erosion hotspot and there may be implications under the State’s Coastal Planning Policy (SPP2.6).

Policy Implications:

State Coastal Planning Policy (SPP2.6) provides a balanced approach to the pressures on coastal zones that include a mix of recreational, residential, industrial and commercial uses.

The *Ocean Beach and Peaceful Bay Coastal Hazard Risk Management and Adaptation Plan (2018)* evaluated the coastal hazards at Peaceful Bay using the methodology outlined in SPP2.6. The holiday cottage leasehold area was not identified as being at risk.

The following policy is proposed:

P100613 PEACEFUL BAY LEASES - TERM RENEWAL

Objective

To allow new 21-year leases to be issued under particular circumstances.

Background

The Shire has 203 “holiday cottage” leasehold lots at Peaceful Bay on Deposited Plan 220017.

The leases were last renewed for 21 years in 2010 and all expire in 2031.

Policy

1. Council allows new 21-year leases to be offered under the following circumstances;
 - A. Assignment of lease (sale);
 - B. Assignment of lease – on bequeathment; or
 - C. Upon completion of substantial development of the premises (valued over \$50,000).
2. The lessee will be responsible for all associated costs.

It is recommended that Council seek public and lessee comment regarding any intention to offer new 21-year leases.

Budget / Financial Implications:

The cost of advertising the draft policy can be accommodated within the Shire’s existing advertising budget.

The Peaceful Bay leaseholds pay annual rent and rates to the Shire and a market rent review is done every five years. The last market review was completed in 2020.

Income from rates and rent is absorbed into the Shire’s general revenue.

It is recommended that the market review still be carried out every five years. If a new lease is offered then the market rent at that time would be applied to the new lease.

The cost of a new lease would need to be budgeted for and could be between \$1,500 and \$3,000. The new lease would be used for all new leases so it would be a once off cost for the Shire.

Strategic & Corporate Plan Implications:

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

Denmark 2027

L5.0 Our Local Government

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

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

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

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

Corporate Business Plan

B3.3.4 Develop a Peaceful Bay Community Plan to guide the future development of community assets and land use at Peaceful Bay.

Sustainability Implications:

➤ **Governance:**

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

➤ **Environmental:**

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

➤ **Economic:**

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

➤ **Social:**

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

➤ **Risk:**

Nil

Comment/Conclusion:

The main reasons behind the request for new 21-year leases are as follows;

1. As the expiry date of the leases approaches the value of leaseholds reduces accordingly. Currently, lessees can only sell what remains on the lease term (eg. 10 years) and prospective purchasers are, generally, less inclined to pay the same as they would for a lease which would provide them with 21 years of security, and make their financial investment more worthwhile.
2. Lessees who want to make any capital investment in their property may seek some commitment from the Shire that they will be able to enjoy any improvements into the longer term. Similarly, financial institutions generally require a certain number of years of tenure as security for any loans.

Should the policy eventuate, a new lease will need to be drafted by a Solicitor. The termination clauses will be transferred to the new lease, meaning that even if Council are

providing new 21-year leases, the Shire will have the right to terminate any of the leases under certain circumstances. Officers would refer the draft lease back to Council for endorsement.

Corporate Business Plan

B3.3.4 Develop a Peaceful Bay Community Plan to guide the future development of community assets and land use at Peaceful Bay.

ADMINISTRATION, RESOURCES AND COSTS

From an administrative perspective, having different lease expiry dates could require additional human resources, more so in the future when the new leases start coming due again.

The Shire has a process to handle requests for lease assignments. The Deeds of Assignment are drawn up by solicitors, either nominated by the lessee or the Shire. A similar process would be adopted for new leases, including a property inspection and ministerial consent.

It is intended that all associated costs will be paid by the lessee.

RESERVE MANAGEMENT

Whilst not specifically related to the objective of this report, the proposal of staggered leases raises the question of long-term management for Peaceful Bay. “Staggering leases” implies the Shire’s commitment to the reserve in the longer term.

The Settlement Strategy for Denmark (TPP.28) and the Rural Settlement Strategy (TPP.29) refer to the potential growth of rural nodes, such as Peaceful Bay, as a possible attempt to reduce the pressures on the Denmark urban area.

These Strategies will both be superseded by the new Local Planning Strategy which is currently being developed.

The Shire has adopted The Peaceful Bay Conservation Plan and Development Guidelines (TPP.35) which are still used to guide development. These may, or may not, be reviewed and do not relate directly to the leases themselves.

The Corporate Business Plan includes a project to, “*Develop a Peaceful Bay Community Plan to guide the future development of community assets and land use at Peaceful Bay*” (B3.3.4). The project is identified for 2021/22 with a financial allocation required of up to \$20,000. The Town Planning Scheme and Strategy review and associated consultation processes, have in part actioned this project, but more investigation and detail may be required in the future.

Voting Requirements:
Simple majority.

6.51pm – Cr Allen returned to the room.

6.51pm – DCCS returned to the room.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION		ITEM 9.3.2
MOVED: CR GEARON		SECONDED: CR LEWIS
That Council ADVERTISE its intention to adopt the policy, included within the report, seek specific comment from the current leaseholders and consider any submissions received.		
CARRIED UNANIMOUSLY: 6/0		Res: 160621

6.53pm – Cr Phillips returned to the room.

9.3.3 DISABILITY SERVICES ADVISORY COMMITTEE – APPOINTMENT OF COMMUNITY MEMBER

File Ref:	COMM.DSAC
Applicant / Proponent:	Various
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	21 May 2021
Author:	Claire Thompson, Governance Coordinator
Authorising Officer:	David Schober, Chief Executive Officer
Attachments:	9.3.3a & 9.3.3b – Applications (Confidential for Councillors)

Summary:

Council is requested to make a community member appointment to the Disability Services Advisory Committee.

Background:

At the meeting held on 16 March 2021 Council agreed to advertise for the community member vacancy on the Disability Services Advisory Committee.

Consultation:

The vacancy was advertised in the Denmark Bulletin, on the Shire's website and the Shire's Facebook page.

Statutory Obligations:

Committee Members are required to be appointed by the Council, pursuant to section 5.10 of the Local Government Act 1995.

Policy Implications:

There are no policy implications.

Budget / Financial Implications:

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

Strategic & Corporate Plan Implications:

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

Denmark 2027

- L5.0 Our Local Government
The Shire of Denmark is recognised as a transparent, well governed and effectively managed Local Government.
- L5.1 To be high functioning, open, transparent, ethical and responsive.
- L5.2 To have meaningful, respectful and proactive collaboration with the community.
- L5.6 To seek two-way communication that is open and effective.

Corporate Business Plan

Nil

Sustainability Implications:

➤ Governance:

Community membership on Council advisory committees provides an opportunity for them to be involved, provide different perspectives and experiences with respect to the accessibility and inclusiveness of the Shire's services and functions.

➤ Environmental:

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

➤ **Economic:**

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

➤ **Social:**

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

➤ **Risk:**

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That Council do not consider any of the applications to be suitable.	Unlikely (2)	Insignificant (1)	Low (1-4)	Not Meeting Community expectations	Accept Risk

Comment/Conclusion:

Two applications have been received and have been provided to Councillors under separate cover.

The vision and objectives of the Committee are as follows;

Vision

For the Shire of Denmark to be an accessible and inclusive community for people with disability, their families and carers.

Terms of Reference

1. To support and recommend to Council, action and policies relating to the provision of services for people with disability in the Denmark community.
2. To advise Council on matters effecting people with disability generally.
3. To oversee the implementation, reviews and evaluation of the Shire of Denmark Disability Access and Inclusion Plan and make recommendations to Council on matters relating to the Plan.
4. Assist Council with the implementation of Recognition of People with Disability Policy P110709 and review the Policy at regular intervals to ensure its ongoing accuracy and relevance.

Council is not obligated to appoint any of the applicants.

Voting Requirements:

Absolute majority.

<p>COUNCIL RESOLUTION & OFFICER RECOMMENDATION MOVED: CR BOWLEY</p>	<p>ITEM 9.3.3 SECONDED: CR PHILLIPS</p>
<p>That Council appoint Marjo Hannelle as a community member on the Disability Services Advisory Committee until the October 2021 Local Government Elections and thank the other applicant for their interest.</p>	
<p>COUNCIL RESOLUTION MOVED: CR LEWIS</p>	<p>SECONDED: CR GEARON</p>
<p>That Standing Orders be suspended and meeting move behind closed doors.</p>	
<p>CARRIED UNANIMOUSLY: 7/0 Res: 170621</p>	
<p>COUNCIL RESOLUTION MOVED: CR GIBSON</p>	<p>SECONDED: CR GEARON</p>

That the meeting come out from behind closed doors and that Standing Order be resumed.	
CARRIED UNANIMOUSLY: 7/0	Res: 180621
CARRIED UNANIMOUSLY AND BY AN ABSOLUTE MAJORITY: 7/0	Res: 190621

10. COMMITTEE REPORTS AND RECOMMENDATIONS

Nil

11. MATTERS BEHIND CLOSED DOORS

Nil

12. NEW BUSINESS OF AN URGENT NATURE

Nil

13. CLOSURE OF MEETING

7.02pm – There being no further business to discuss the Shire President, Cr Gearon, declared the meeting

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

Signed: _____
David King – Acting Chief Executive Officer

Date: _____

These minutes were confirmed at a meeting on the _____.

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