

# Ordinary Council

# AGENDA

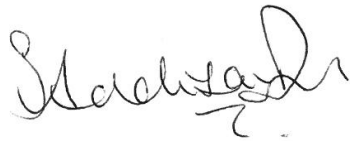
FOR THE MEETING TO BE HELD  
WEDNESDAY, 10 MARCH 2021  
IN COUNCIL CHAMBERS,  
ALLNUTT TERRACE, AUGUSTA  
COMMENCING AT 5:30PM

## Meeting Notice

Dear Councillor

I advise that an Ordinary Council Meeting of the Shire of Augusta Margaret River will be held in Council Chambers, Allnutt Terrace, Augusta on Wednesday 10 March 2021, commencing at 5:30pm.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Stephanie Addison-Brown', with a stylized flourish at the end.

**STEPHANIE ADDISON-BROWN**  
**CHIEF EXECUTIVE OFFICER**

## **ATTENTION/DISCLAIMER**

This agenda has yet to be dealt with by the Council. The Recommendations shown at the foot of each item have yet to be considered by the Council and are not to be interpreted as being the position of the Council. The minutes of the meeting held to discuss this agenda should be read to ascertain the decision of the Council.

In certain circumstances members of the public are not entitled to inspect material, which in the opinion of the Chief Executive Officer is confidential, and relates to a meeting or a part of a meeting that is likely to be closed to members of the public.

No responsibility whatsoever is implied or accepted by the Shire of Augusta Margaret River for any act, omission, statement or intimation occurring during Council or Committee meetings.

The Shire of Augusta Margaret River disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement of intimation occurring during Council or Committee meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or Committee meeting does so at that person's or legal entity's own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or intimation of approval made by any member or Officer of the Shire of Augusta Margaret River during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Augusta Margaret River.

The Shire of Augusta Margaret River advises that anyone who has any application lodged with the Shire of Augusta Margaret River must obtain and should only rely on WRITTEN CONFIRMATION of the outcome of the application and any conditions attaching to the decision made by the Shire of Augusta Margaret River in respect of the application.

The Shire of Augusta Margaret River advises that any plans or documents contained within this agenda may be subject to copyright law provisions (*Copyright Act 1968*, as amended) and that the express permission of the copyright owner(s) should be sought prior to their reproduction. It should be noted that copyright owners are entitled to take legal action against any persons who infringe their copyright. A reproduction of material that is protected by copyright may represent a copyright infringement.

# TABLE OF CONTENTS

ITEM NO. NO.	SUBJECT	PAGE
1.	<b>DECLARATION OF OPENING</b> .....	4
2.	<b>ATTENDANCE</b> .....	4
3.	<b>DISCLOSURES OF INTEREST</b> .....	4
4.	<b>PUBLIC QUESTIONS</b> .....	4
4.1.	RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE .....	4
4.2.	PUBLIC QUESTION TIME .....	4
5.	<b>APPLICATIONS FOR LEAVE OF ABSENCE</b> .....	4
6.	<b>CONFIRMATION OF MINUTES OF PREVIOUS MEETING</b> .....	4
6.1	ORDINARY COUNCIL MEETING HELD 10 FEBRUARY 2021 .....	4
7.	<b>DEPUTATIONS</b> .....	4
8.	<b>PETITIONS</b> .....	4
9.	<b>ANNOUNCEMENTS FROM THE PRESIDING MEMBER</b> .....	4
10.	<b>QUESTIONS FROM MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN</b> .....	4
11.	<b>REPORTS OF COMMITTEES AND EMPLOYEE REPORTS</b> .....	4
11.1.	<b>CHIEF EXECUTIVE OFFICER</b> .....	5
11.1.1	GENERAL MEETING OF ELECTORS - MINUTES 27 JANUARY 2021 .....	6
11.1.2	AUDIT AND RISK MANAGEMENT COMMITTEE MEETING MINUTES - 24 FEBRUARY 2021 .....	9
11.1.3	MODEL CODE OF CONDUCT FOR COUNCIL MEMBERS, COMMITTEE MEMBERS AND CANDIDATES .....	14
11.2.	<b>SUSTAINABLE DEVELOPMENT AND INFRASTRUCTURE SERVICES</b> .....	17
11.2.1	PROPOSED EXTRACTIVE INDUSTRY (GRAVEL AND SAND) - 13242 (LOT 1494) BUSSELL HIGHWAY, KUDARDUP .....	18
11.2.2	LOCAL PLANNING POLICY UPDATE: LOCAL PLANNING POLICY 1 - OUTBUILDINGS, FARM BUILDINGS AND SWIMMING POOLS, LOCAL PLANNING POLICY 22 - MARGARET RIVER PERIMETER ROAD FUNDING AND IMPLEMENTATION AND LOCAL PLANNING POLICY 23 - RENEWABLE ENERGY SYSTEMS .....	29
11.2.3	STRUCTURE PLAN MODIFICATION - ECO VILLAGE STRUCTURE PLAN - PARENT LOTS 2807 & 2812 BUSSELL HIGHWAY, WITCHCLIFFE .....	36
11.3.	<b>CORPORATE AND COMMUNITY SERVICES</b> .....	44
11.3.1	FINANCIAL ACTIVITY STATEMENT REPORT - JANUARY 2021 .....	45
11.3.2	HOMELESSNESS AND HOUSING WORKING GROUP .....	56
11.3.3	CORPORATE BUSINESS PLAN 2020-24 - YEAR ONE, QUARTER TWO PROGRESS UPDATE AND MID YEAR UPDATE .....	66
11.3.4	2020-21 BUDGET REVIEW .....	74
12.	<b>MOTIONS FROM MEMBERS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN</b> .....	84
13.	<b>MOTIONS FOR CONSIDERATION AT NEXT MEETING</b> .....	84
14.	<b>NEW BUSINESS OF AN URGENT NATURE</b> .....	84
14.1	MEMBERS .....	84
14.2	CEO .....	84
15.	<b>CONFIDENTIAL BUSINESS</b> .....	84
16.	<b>CLOSURE OF MEETING</b> .....	84

# Ordinary Council Meeting

1. **DECLARATION OF OPENING**
2. **ATTENDANCE**
3. **DISCLOSURES OF INTEREST**
4. **PUBLIC QUESTIONS**
  - 4.1. **Response to Previous Public Questions Taken on Notice**
  - 4.2. **Public Question Time**
5. **APPLICATIONS FOR LEAVE OF ABSENCE**
6. **CONFIRMATION OF MINUTES OF PREVIOUS MEETING**
  - 6.1 **Ordinary Council Meeting held 10 February 2021**
7. **DEPUTATIONS**
8. **PETITIONS**
9. **ANNOUNCEMENTS FROM THE PRESIDING MEMBER**
10. **QUESTIONS FROM MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**
11. **REPORTS OF COMMITTEES AND EMPLOYEE REPORTS**

# 11.1. Chief Executive Officer

### 11.1.1 GENERAL MEETING OF ELECTORS - MINUTES 27 JANUARY 2021

---

<b>LOCATION/ADDRESS</b>	Shire of Augusta Margaret River
<b>APPLICANT/LANDOWNER</b>	Shire of Augusta Margaret River
<b>FILE REFERENCE</b>	GRL/16
<b>REPORT AUTHOR</b>	Claire Schiller, Governance Officer / Council Support
<b>AUTHORISING OFFICER</b>	Ian McLeod, Manager Legal and Governance

---

#### IN BRIEF

- The minutes of the General Meeting of Electors held on 27 January 2021 are to be considered in accordance with section 5.33 of the *Local Government Act 1995*, and any decisions that were made at the Meeting of Electors are to be considered by Council at this meeting.

#### RECOMMENDATION

That Council:

1. Receives the minutes of the 27 January 2021 General Meeting of Electors;
  2. Notes the acceptance of the 2019/20 Annual Report in its entirety; and
  3. Notes the acceptance of the 2019/20 Audited Financial Statements.
- 

#### LOCATION PLAN

Nil

#### TABLED ITEMS

Nil

#### BACKGROUND

The General Meeting of Electors was held in Council Chambers, Margaret River, on Wednesday 27 January 2021 in accordance with the *Local Government Act 1995* and was held within the prescribed 56 days following Council's acceptance of the Audited Annual Financial Statement.

#### CONSULTATION AND ADVICE

##### External Consultation

Nil

##### Internal Consultation

Manager Legal and Governance

#### DISCUSSION / OFFICER COMMENTS

The following decisions were made at the General Electors' Meeting held 27 January 2021:

##### *MOTION / COUNCIL DECISION*

---

*CR KENNAUGH, CR DANIEL EM2020/1*

*That the General Meeting of Electors receives the 2019/20 Annual Report for the Shire of Augusta Margaret River.*

*CARRIED 5/0*

---

and;

##### *MOTION / COUNCIL DECISION*

---

*CR KENNAUGH, CR DANIEL EM2020/2*

*That the General Meeting of Electors receives the 2019/20 Audited Financial Statements for the Shire of Augusta Margaret River.*

No other motions were moved from the floor, nor decisions made by electors at the meeting.

**STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS**

*Local Government Act 1995, s5.27 (3), 5.31, s5.32 & s5.33*

**STRATEGIC PLAN / POLICY IMPLICATIONS**

***Community Strategic Plan 2036 (CSP)***

***Corporate Business Plan 2020-2024***

Key Result Area 5: Effective leadership and governance

Community Outcome 5.7: Measure and report on success and sustainability

Strategic Response 5.7.2: Report on our success and sustainability to the community and stakeholders

Service level strategy/plan 5.7.2.1: Implement Annual Reports consistent with the guidelines for the Department of Local Government, Sport and Cultural Industries' Integrated Planning and Reporting Framework

**PLANNING FRAMEWORK**

Nil

**FINANCIAL IMPLICATIONS**

**Implications**

Nil

**Long Term Financial Plan**

Nil

**Whole of Lifecycle considerations**

Nil

**SUSTAINABILITY IMPLICATIONS**

**Environmental**

Nil

**Social**

The Annual Report provides the community with a report on the progress Council has made against the Shire's Strategic Plan.

**Economic**

Nil

**ADVOCACY**

Nil

**IMPLICATIONS OF ALTERNATIVE RESOLUTION**

Nil

**VOTING REQUIREMENTS**

Simple Majority

**RECOMMENDATION**

That Council:

1. Receives the minutes of the 27 January 2021 General Meeting of Electors;
2. Notes the acceptance of the 2019/20 Annual Report in its entirety; and
3. Notes the acceptance of the 2019/20 Audited Financial Statements.

**ADVICE TO APPLICANT / PROPONENT**

Nil



**ATTACHMENTS**

1. Minutes to the General Meeting of Electors held 27 January 2021

### 11.1.2 AUDIT AND RISK MANAGEMENT COMMITTEE MEETING MINUTES - 24 FEBRUARY 2021

---

<b>LOCATION/ADDRESS</b>	Shire of Augusta Margaret River
<b>APPLICANT/LANDOWNER</b>	Shire of Augusta Margaret River
<b>FILE REFERENCE</b>	COR/57
<b>REPORT AUTHOR</b>	Claire Schiller, Governance Officer / Council Support
<b>AUTHORISING OFFICER</b>	Ian McLeod, Manager Legal and Governance

---

#### IN BRIEF

The Audit and Risk Management Committee (ARMC) meeting of 24 February considered:

- Compliance Audit Return (CAR) 2020; and
- Risk Management Update and Adoption of Strategic Risk Register.

#### RECOMMENDATION

That Council:

1. Receives the unconfirmed minutes of the Audit and Risk Management Committee meeting held on 24 February 2021;
  2. Adopts the 2020 Compliance Audit Return for the Shire of Augusta Margaret River;
  3. Authorises the Shire President and CEO to certify a copy of the Compliance Audit Return, as prescribed in r. 15(2) *LG (Audit) Regulation 1996* and forward that copy together with the relevant minutes of the 10 March 2021 Ordinary Council Meeting to the CEO of Department of Local Government, Sport and Cultural Industries prior to 31 March 2021; and
  4. Adopts the Shire's Strategic Risk Register.
- 

#### LOCATION PLAN

Nil

#### TABLED ITEMS

Nil

#### BACKGROUND

Council's ARMC comprises four members of Council and operates in accordance with the Augusta Margaret River Audit and Risk Management Committee Instrument of Appointment and Delegation. The Committee is required to discharge the legislative obligations outlined in the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996*.

#### CONSULTATION AND ADVICE

##### External Consultation

Nil

##### Internal Consultation

Nil

#### DISCUSSION / OFFICER COMMENTS

##### Compliance Audit Return 2020

The ARMC accepted and recommended that Council adopt the 2020 CAR.

The 2020 CAR consists of a total of 92 compulsory questions and 10 optional questions, divided into 11 categories, covering various aspects of the Shire's functions and services. These categories include:

1. Commercial Enterprises by Local Governments
2. Delegation of Power/Duty
3. Disclosure of Interest

4. Disposal of Property
5. Elections
6. Finance
7. Integrated Planning and Reporting
8. Local Government Employees
9. Official Conduct
10. Optional Questions
11. Tenders for Providing Goods and Services

The process of gathering responses to the 102 questions includes forwarding relevant officers the questions that relate to their duties and responsibilities. The officer is required to review relevant records, registers, minutes of meetings, advertisements, policies, etc. and provide an informed response to the question. Where the question relates to multiple officer's responsibilities, such as "Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required", all delegated officers provide a response, and the responses are compiled.

From a total of 102 questions, the responses provided by the Chief Executive Officer, Directors and other relevant officers indicate that compliance has been achieved in all areas with the exception of three compulsory questions and four optional questions (outlined below).

#### **Delegation of Power/Duty**

##### **Question 13:**

**Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Admin Reg 19?**

**Reference:** *Local Government Act 1995* s5.46(3), *Local Government (Administration) Regulations 1996* r.19

**Response:** No

##### **Comments:**

The delegation to declare a vehicle an "abandoned vehicle wreck" under s3.40A was exercised six times over the compliance period but the records of these decisions do not identify the decision maker.

##### **Remedial Action:**

Procedure in relation to this process will be updated so that the identity of the delegated officer exercising the power is clear.

#### **Disclosure of Interest**

##### **Question 4:**

**Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?**

**Reference:** *Local Government Act 1995* s5.75, *Local Government (Administration) Regulations 1996* r.22, Form 2

**Response:** No

##### **Comments:**

An acting manager lodged a primary return 8 months and 28 days after becoming a designated employee on 1 October 2019. The officer responsible for distributing primary returns did not identify the 'acting position' as a change of position and therefore did not forward the primary return form to the officer to complete until the oversight was realised on 3 July 2020, 175 days after the due date. As per s.28 of the *Corruption, Crime and Misconduct Act 2003*, the CEO reported the matter to the Corruption and Crime Commission (CCC) and the Director General of the Department of Local Government (DLGSC) on 28 July 2020. No further action was taken by the CCC or DLGSC.

##### **Remedial Action:**

The oversight caused review of internal processes for ensuring officers acting as designated employees are aware of their legislative responsibilities. Additional measures and processes have been established to mitigate the risk of this occurring again in the future.

**Disclosure of Interest**

**Question 15:**

**Where a council member had an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person, did they disclose the interest in accordance with Rules of Conduct Reg 11(2)?**

**Reference:** *Local Government (Rules of Conduct) Regulations 2007 r.11(1), (2) & (4)*

**Response:** No

**Comments:**

The Local Government Standards Panel found that Cr Earl failed to declare an impartiality interest in the matter of the transition of bushfire brigades to the Department of Fire and Emergency Services at the Council meeting held 12 February 2020.

**Remedial Action:**

A copy of the Financial Interest and Impartiality Interest register containing Councillor disclosures since 2017 has been uploaded onto the 'Hub', an information sharing platform, which allows Councillors to review their previous disclosures and assists them in deciding whether to disclose an interest before a meeting.

**Optional**

**Question 5:**

**Did the local government prepare and adopt by absolute majority a policy dealing with the attendance of council members and the CEO at events?**

**Reference:** *Local Government Act 1995 s5.90A(2)*

**Response:** No

**Comment and Remedial Action:**

The CEO and Councillor Attendance Policy has been drafted, workshopped with the Executive Leadership Team and will be workshopped and presented to Council in March 2021.

**Optional**

**Question 6:**

**Did the CEO publish an up-to-date version of the attendance at events policy on the local government's official website?**

**Reference:** *Local Government Act 1995 s5.90A(5)*

**Response:** No

**Comments and Remedial Action:**

Once adopted, the policy will be published on the website.

**Optional**

**Question 7:**

**Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4)?**

**Reference:** *Local Government Act 1995 s5.96(1), (2), (3) & (4)*

**Response:** No

**Comments:**

Tender Register not published on website.

**Remedial Action:**

The Tender Register will be available on the Shire's website by 30 June 2021. The Shire's legislative compliance calendar has been updated to include quarterly reviews of information published on the website.

**Optional**

**Question 8:**

**Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?**

**Reference:** *Local Government Act 1995* s5.128(1)

**Response:** No

**Comments:**

Policy not reviewed following the 2019 Local Government elections.

**Remedial Action:**

The Shire's legislative compliance calendar has been updated to include review of this policy following future local government elections.

A copy of the completed CAR for 1 January 2020 to 31 December 2020 is provided in Attachment 1.

**Risk Management Update and Adoption of Strategic Risk Register**

The ARMC endorsed and recommended that that Council adopt the Shire's Strategic Risk Register, and noted that the operational risk register and Business Continuity Plan is in progress.

**STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS**

Regulation 16 of the *Local Government (Audit) Regulations 1996* states that

*"An audit committee has the following functions —*

*(a) to guide and assist the local government in carrying out —*

*(i) its functions under Part 6 of the Act;*

*(ii) its functions relating to other audits and other matters relating to financial management;*

*(b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;*

*(c) to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to —*

*(i) report to the council the results of that review; and*

*(ii) give a copy of the CEO's report to the council.*

*(d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —*

*(i) regulation 17(1); and*

*(ii) the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*

*(e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;*

*(f) to oversee the implementation of any action that the local government —*

*(i) is required to take by section 7.12A(3); and*

*(ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and*

*(iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and*

*(iv) has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c)*

*(g) to perform any other functions conferred on the audit committee by these regulations or another written law."*

**STRATEGIC PLAN / POLICY IMPLICATIONS**

***Community Strategic Plan 2036 (CSP)***

***Corporate Business Plan 2020-2024***

Key Result Area 5: Effective leadership and governance

Community Outcome 2: Effective and integrated strategy, planning, financial and asset management

Strategic Response 4: Ensure the Shire's financial performance is well managed and leads to a strong financial position

**PLANNING FRAMEWORK**

Nil

## **FINANCIAL IMPLICATIONS**

### **Implications**

There are no financial implications associated with the adoption of the Committee minutes.

### **Long Term Financial Plan**

Nil

### **Whole of Lifecycle considerations**

Nil

## **SUSTAINABILITY IMPLICATIONS**

### **Environmental**

Nil

### **Social**

Nil

### **Economic**

Nil

## **ADVOCACY**

Nil

## **IMPLICATIONS OF ALTERNATIVE RESOLUTION**

Nil

## **VOTING REQUIREMENTS**

Simple Majority

## **RECOMMENDATION**

That Council:

1. Receives the unconfirmed minutes of the Audit and Risk Management Committee meeting held on 24 February 2021;
2. Adopts the 2020 Compliance Audit Return for the Shire of Augusta Margaret River;
3. Authorises the Shire President and CEO to certify a copy of the Compliance Audit Return, as prescribed in r. 15(2) *LG (Audit) Regulation 1996* and forward that copy together with the relevant minutes of the 10 March 2021 Ordinary Council Meeting to the CEO of Department of Local Government, Sport and Cultural Industries prior to 31 March 2021; and
4. Adopts the Shire's Strategic Risk Register.

## **ADVICE TO APPLICANT / PROPONENT**

Nil

## **ATTACHMENTS**

1. Minutes and Attachments of the Audit and Risk Management Committee meeting of 24 February 2021, including 2020 Compliance Audit Return and Strategic Risk Register

### 11.1.3 MODEL CODE OF CONDUCT FOR COUNCIL MEMBERS, COMMITTEE MEMBERS AND CANDIDATES

---

LOCATION/ADDRESS	Shire of Augusta Margaret River
APPLICANT/LANDOWNER	Shire of Augusta Margaret River
FILE REFERENCE	GOV/61
REPORT AUTHOR	Ian McLeod, Manager Legal and Governance
AUTHORISING OFFICER	Stephanie Addison-Brown, Chief Executive Officer

---

#### IN BRIEF

- The *Local Government (Model Code of Conduct) Regulations 2021* (the New Regulations) was gazetted on 2 February 2021 and took effect on 3 February 2021.
- The Shire is required to adopt a Code of Conduct for Council Members, Committee Members and Candidate that incorporates the Model Code of Conduct within three months, in accordance with the new s.5.104 of the *Local Government Act 1995* (the Act).
- The regulations also require a person be authorised to receive complaints.

#### RECOMMENDATION

That Council

1. Authorises the Chief Executive Officer for the purposes of receiving complaints and withdrawal of complaints in accordance with Clause 11(3) of the *Local Government (Model Code of Conduct) Regulations 2021*;
  2. Notes the Model Code of Conduct as contained within the *Local Government (Model Code of Conduct) Regulations 2021*, applicable to Council Members, Committee Members and Candidates is now in force and on the Shire's Website;
  3. Notes that a new Councillor Code of Conduct incorporating the provisions of the Model Code of Conduct will be presented to Council for adoption on 28 April 2021; and
  4. Requests the CEO communicate with WALGA another local governments in relation to the development of a complaints handling policy.
- 

#### LOCATION PLAN

Nil

#### TABLED ITEMS

Nil

#### BACKGROUND

On 27 June 2019 the *Local Government Legislation Amendment Act 2019* was passed by Parliament.

On 2 February 2021 the New Regulations were gazetted to take effect on 3 February 2021:

New sections of the Act that provided for the New Regulations were proclaimed concurrently and are also now in effect.

The Department of Local Government Sporting and Cultural Industries (DLGSC) recognises the speed with which these changes were made, providing an implementation timeframe of up to three months for local governments to operationalise the New Regulations.

Local governments are required to take specific initial actions within three weeks of the regulations taking effect (by 24 February 2021). As an interim measure, the Shire CEO, pursuant to s9.10 of the *Local Government Act 1995* authorised in writing the Shire Manager Legal Governance as the officer to receive complaints and withdrawals for the purposes of clause 11 of Schedule 1 of the *Local Government (Model Code of Conduct) Regulations 2021*.

It is further expected that local governments adopt the new regulations and any other procedures and processes required for implementation within three months from the regulations taking effect (by 3 May 2021).

## **CONSULTATION AND ADVICE**

### **External Consultation**

- WALGA
- DLGSC

### **Internal Consultation**

- CEO
- Manager Legal and Governance

## **DISCUSSION / OFFICER COMMENTS**

The New Regulations bring into effect sections 48-51 of the Amendment Act by introducing a mandatory code of conduct for council members, committee members and candidates.

The Model Code Regulations provide for:

- overarching principles to guide behaviour
- behaviours which are managed by local governments
- rules of conduct breaches which are considered by the Standards Panel.

The purpose of the model is to guide decisions, actions and behaviours. It also recognises that there is a need for a separate code for council members, committee members and candidates to clearly reflect community expectations of behaviour and ensure consistency between local governments. It also provides for a process to deal with complaints to ensure a consistent approach across the sector.

If a council member does not comply with any action required by the local government following a breach of the model Code, the local government may refer the matter to the Standards Panel as an alleged contravention of a rule of conduct. The Standards Panel has the authority to make binding decisions to resolve minor breaches.

To begin implementation of the model Code, as soon as practical (by 24 February 2021), local governments must:

- appoint a person to receive complaints by either affirming the current complaint officers or appoint a new or additional officer(s), and
- approve a form for complaints to be lodged (Attachment 4).

DLGSC advised that these two actions should be completed by 24 February 2021. A CEO approved complaint form based on the DLGSC template has been published on the Shire's website. The CEO has also authorised the Shire's manager Legal and Governance as a person to receive complaints under s9.10 of the LG Act, pending authorisation by Council as recommended in this report.

While local governments may not amend Division 2 (Principles) or Division 4 (rules of Conduct), additional behaviour requirements can be included in Division 3 (Behaviours) if deemed appropriate by the local government. Any additions must be consistent with the model Code of Conduct (section 5.104(3) of the Act).

The CEO must publish the model Code of Conduct on the Local Government's official website as required by section 5.104(7) of the Act.

Neither the Regulations nor the guidelines produced by the DLGSC provide any clear procedure or template policy for the investigation of complaints. WALGA has advised that it will continue to advocate to DLGSC to produce a template policy and more detailed guidelines for the development of a complaints handling process to deal with complaints alleging breaches of behavioural provisions. It is recommended that development of a complaints handling policy be deferred pending this advocacy.



**STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS**

Section 5.104 of the Act requires that local governments adopt the model Code as their Code of Conduct within three months of the *Local Government (Model Code of Conduct) Regulations 2021* coming into operation (by 3 May 2021).

**STRATEGIC PLAN / POLICY IMPLICATIONS**

*Community Strategic Plan 2036 (CSP)*

*Corporate Business Plan 2020-2024*

Key result area 5: Effective leadership and governance

**PLANNING FRAMEWORK**

Nil

**FINANCIAL IMPLICATIONS**

**Implications**

Nil

**Long Term Financial Plan**

Nil

**Whole of Lifecycle considerations**

Nil

**SUSTAINABILITY IMPLICATIONS**

**Environmental**

Nil

**Social**

Nil

**Economic**

Nil

**ADVOCACY**

Nil

**IMPLICATIONS OF ALTERNATIVE RESOLUTION**

Nil

**VOTING REQUIREMENTS**

Absolute Majority

**RECOMMENDATION**

That Council

1. Authorises the Chief Executive Officer for the purposes of receiving complaints and withdrawal of complaints in accordance with Clause 11(3) of the *Local Government (Model Code of Conduct) Regulations 2021*;
2. Notes the Model Code of Conduct as contained within the *Local Government (Model Code of Conduct) Regulations 2021*, applicable to Council Members, Committee Members and Candidates is now in force and on the Shire's Website;
3. Notes that a new Councillor Code of Conduct incorporating the provisions of the Model Code of Conduct will be presented to Council for adoption on 28 April 2021; and
4. Requests the CEO communicate with WALGA another local governments in relation to the development of a complaints handling policy.

**ADVICE TO APPLICANT / PROPONENT**

Nil

**ATTACHMENTS**

Nil

## 11.2. Sustainable Development and Infrastructure

**11.2.1 PROPOSED EXTRACTIVE INDUSTRY (GRAVEL AND SAND) - 13242 (LOT 1494) BUSSELL HIGHWAY, KUDARDUP**

<b>LOCATION/ADDRESS</b>	13242 (Lot 1494) Bussell Highway, Kudardup
<b>APPLICANT/LANDOWNER</b>	Leeuwin Civil Pty Ltd
<b>FILE REFERENCE</b>	PTY/6092 P220293
<b>REPORT AUTHOR</b>	Lezia Sandon, Planning Officer
<b>AUTHORISING OFFICER</b>	Nick Logan, Director Sustainable Development and Infrastructure Services

**IN BRIEF**

- An application for Development Approval has been lodged for an Extractive Industry (Gravel and Sand) at 13242 (Lot 1494) Bussell Highway, Kudardup (the Site).
- Use of land for Extractive Industry purposes requires Council's approval in the Priority Agriculture zone.
- The application was widely advertised as part of the required consultation process.
- The Shire received 49 public submissions and 1 petition against the proposal were received by Council (OM2020/147).
- Notwithstanding the high level of public concern, there are no technical reasons preventing the application from being approved and operating in a compliant manner.

**RECOMMENDATION**

That Council grants Development Approval pursuant to Clause 68(2) of the Deemed Provisions of Local Planning Scheme No. 1 for Industry-Extractive (Gravel and Sand) at 13242 (Lot 1494) Bussell Highway, Kudardup subject to compliance with conditions.

**LOCATION PLAN**



Figure 1: Location Plan

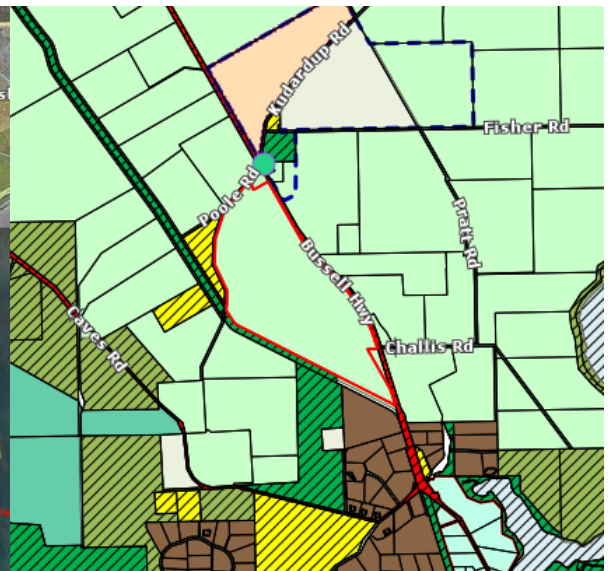


Figure 2: LPS1 Zoning map

The Site has an area of 153ha and is developed with a house and associated structures. The site is currently used for the grazing of livestock and has established landscaped windbreaks throughout the lot (see photos 1-3).

The site is west of Bussell Highway and east of the Parks and Recreation Reserves R28928 and R47049 (the Wadandi track). The site is 3km north of the Augusta townsite and within close proximity to West Bay Creek and 2km from the Jewel Cave. The surrounding land is zoned predominately 'Priority Agriculture' with portions of:

- Rural residential land to the south;and
- The incremental growth of Kudardup as a village to the north.

The proposed extraction areas are significantly screened from surrounding dwellings and sensitive landuses by established vegetation (see site photos 1-3 taken 17 September 2020).



Photo 1  
*Western lot boundary adjoining the Shire Reserve.*



Photo 2  
*Central windbreak eastern edge of cell 1 to 3.*



Photo 3  
*Bussell Highway behind the row of vegetation (eastern) taken from proposed cell 9.*

#### **TABLED ITEMS**

Nil

#### **BACKGROUND**

The application is presented to Council for determination given the level of public interest, scale and nature of the development.

Council formally received a petition against the proposal (OM2020/147) and resolved:

'That Council receives the petition and requests the CEO prepare a report on the petition of objection to the Proposed Extractive Industry Planning Application P220293.'

Subdivisional works associated with the 'Kudardup Village' have commenced some 1.2km from the subject site.

#### **THE PROPOSAL**

The application for a proposed Extractive Industry is to remove 195,000m<sup>3</sup> of gravel and sand over 16.2ha of land. The extraction area has been divided into nine cells (refer to Figure 3), and only one cell will be active at any one time. The Site will be progressively excavated and as each cell is completed it will be rehabilitated. The proposal is inclusive of a Dust Management Plan, Dieback Management Plan, Water (Stormwater) Management Plan, Rehabilitation Plan and Environmental Noise Assessment (ENA).

Key elements of the proposal are as follows:

- Extraction of gravel and sand.
- Extraction is proposed over a total area of 16.2ha with 195,000m<sup>3</sup> extracted; 125,000m<sup>3</sup> of gravel and 70,000m<sup>3</sup> of sand.
- Proposed nine cells with areas of two hectares, open pits are restricted to one cell at a time.
- Material/stockpiles are to be four metres high (maximum) consistent with the ENA.
- Topsoil shifted into stockpiles is to be used as noise mitigation bunds.
- Water from the dam and offsite is proposed to be used to manage potential dust.



- Operating hours are between 7am to 7pm Monday to Friday and 7am to 1pm on Saturdays (recommended to be amended to 7am to 5.30pm Monday to Friday and 7am to 1pm on Saturdays).
- The extraction depth is a maximum of 1.5 metres.
- The haulage route proposed is north and south of Bussell Highway.
- An average of 12 truck movements per day with a maximum of 50 movements in and out per day.
- No ripping and blasting is proposed.
- Crushing and screening is proposed onsite for a maximum of eight weeks per year.
- Equipment to be used for the extraction includes, excavator, graders, dozers, front end loaders and semi-trailers.
- Equipment to be used for rehabilitation works includes, tractors and seeders.
- No vegetation is proposed to be removed.
- Rehabilitation to pasture is proposed by resspreading the topsoil on site prior to reseeding.
- The applicant is seeking a 10-year approval.

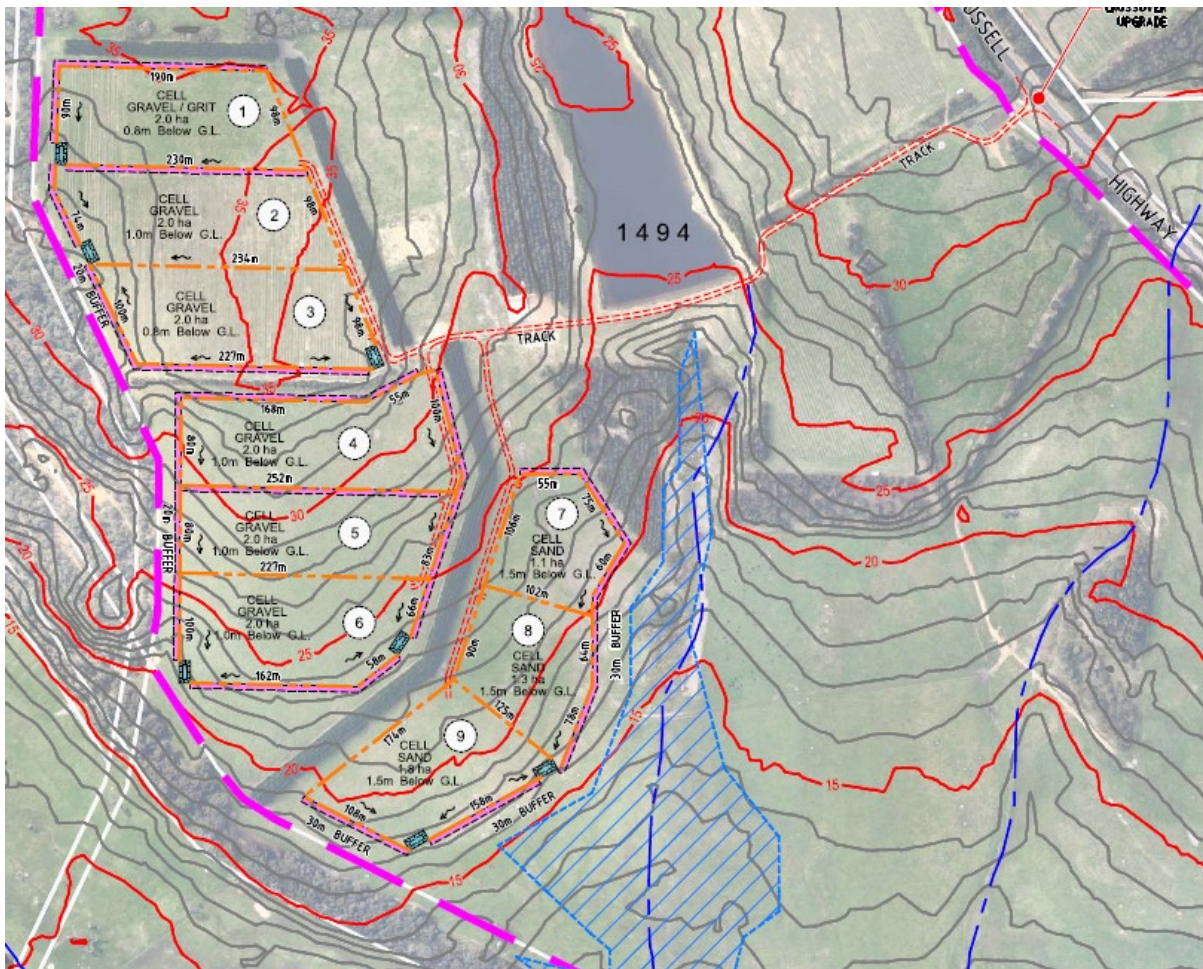


Figure 3: Cell/Pit Staging

## CONSULTATION AND ADVICE

### External Consultation

The application was referred to the following Government departments:

- Main Roads Western Australia (MRWA)
- Department of Primary Industry Regional Development (DPIRD)
- Department of Water and Environmental Regulation (DWER)
- Department of Planning, Lands and Heritage (DPLH- Heritage Operations)
- Department of Biodiversity, Conservation and Attractions (DBCA)

Initial comments and concerns raised by government agencies have been addressed through the subsequent provision of additional information by the applicant. These matters are discussed in more detail in the 'Discussion' section of this report.

The proposal was advertised to all properties within a 2km radius of the site, via the local newspaper and was available on the Shire website. The Shire received 49 public submissions of which 46 were of objection and 1 petition against the proposal. The objections can be separated into two types, being a proforma letter (20 submissions), and 26 private submissions which raised the following concerns. It is noted that 30 out of the 49 submissions received in objection were from properties greater than 1km from the subject lot.

The major issues raised were:

- Noise; generated from crushing and vehicles.
- Dust; potential dust and concerns regarding the suppressants used and their impacts.
- Visual impacts; the open pits will be unsightly for the adjoining landowners and passing traffic.
- Amenity impacts; the operation will conflict with the established uses of tourism and farming.
- Road safety; potential conflict with trucks exiting the site with traffic on Bussell highway, trucks conflicting with school buses and stops, inadequate sight lines on the 110km road, frequency of truck movements from the site.

A Schedule of submissions has been prepared and can be found at Attachment 3.

## **DISCUSSION / OFFICER COMMENTS**

### Compatibility with Priority Agriculture zone

Sand and Gravel are an essential component of land development throughout the state and are necessary to support development in the Shire. The extraction of basic raw material from agricultural land is recognised as a legitimate use of land by both state and local policy.

Decision makers cannot direct as to where the basic raw material resource is located but can make strategic decisions about where extraction will and will not be promoted. To this end there is a recommendation contained within the State Government's 'Leeuwin Naturaliste Sub Regional Strategy' which commits to working with the Shire to *"undertake a study of the supply and demand of basic raw materials within the sub-region and the opportunities for alternative building construction techniques to reduce demand from the building and construction industries"* such as has been done for the Bunbury Geographe area. Until such time as this body of work is complete it is necessary for the Shire to continue to assess proposals on a case by case basis as guided by the Scheme and in particular Local Planning Policy 3. The DPLH are undertaking this study however at this time there is no timeframe.

### Noise and Dust

Noise and dust can be dealt with in two ways, by using active management measures (such as dust suppression) and through locating operations a sufficient distance from sensitive receiving bodies (buffers).

The Shire's Policy recommends a 1km buffer to surrounding residences for extraction which involves crushing and screening. With respect to the subject proposal it should be noted that this distance does not apply to sand extraction and that the crushing of gravel will occur 8 weeks within any year with (an estimate maximum of actual screening time of 2 weeks per year depending on weather conditions). There are 8 dwellings located between 500 metres and 1km of the proposed extraction areas and 1 dwelling within 500m to the cell 1.

The separation distances recommended by the policy are in the form of acceptable development criteria, where if the separation distance is met, the proposal is deemed compliant with the policy. Where the separation cannot be met, a proposal is assessed against the performance criteria to determine if the intent of the separation distance is met. In this instance the separation distance to the impact of noise and dust and detailed information has been provided to inform an assessment against the performance criteria of the policy.

Submissions raised the noise from crushing and vehicle will be heard from the surround landowners.

To test the impact of activities upon the dwellings located within proximity to the proposed activities an Environmental Noise Assessment was prepared. The study finds that the noise generated by the excavation and crushing would be experienced by the nearest dwellings at 40dB, only slightly higher than a background reading of 37dB. This assumes that all machinery is operating simultaneously which is unlikely. It should be noted that 5 of the receiving points (dwellings) used in the modelling are located on the opposite side of the Bussell Highway.

The study has been reviewed by DWER who support its findings. In this way, the proposal has been able to demonstrate compliance with the Performance Criteria of LPP 3. Further compliance is demonstrated in that operations will commence at 7.00am and cease at 5.30pm.

A dust management plan provided with the original application has been further refined to meet with the Shire's satisfaction and together with the constructed topsoil bunds will provide protection for surrounding residences from dust.

#### Visual Impact

Submissions raised that the operation would be unsightly for the adjoining landowners and passing traffic along Bussell Highway.

The applicant has prepared a Visual Impact Assessment which demonstrates that the proposed extraction cells are well screened from both Bussell highway and the Wadandi Trail. The exception is a minor area of cells 7-9 which would be visible to northbound traffic on Bussell Highway. The views are broken by existing trees and would be minimal due to the required vehicle speeds on this road. Notwithstanding the limited impact, a landscape buffer plan will be prepared and implemented to address this.

It is recommended that a condition be applied which will require the planting of a vegetative screen buffer together with commencement of any operations. This will ensure that the buffer is established at the time operations commence in cells 7-9.

#### Environmental Impact.

The proposal does not require the removal of any native vegetation. On this basis, the DBCA have indicated that they do not object to the proposal.

In addition to providing detailed feedback, and ultimately support for the noise assessment DWER have advised that the proposal has demonstrated that it will be able to be implemented without unacceptable impacts on surrounding waterways.

#### Transport

A Traffic Impact Assessment was provided with the application and referred to Main Roads. Main Roads support its findings subject to a requirement that the crossover point with Bussell Highway be upgraded and this is recommended to be applied via a condition. It is a beneficial aspect of the site that it has direct access to the Highway thus avoiding truck movements on more local roads.

The frequency of truck movements in and out of the site is estimated to be 12 per day on average (with a maximum of 50 truck movements in and out per day) however truck movements will be entirely dependent on the demand for sand and gravel and are therefore likely to be inconsistent and will not occur every day.

The proposed vehicle types to the site are Category 1 to 3 Restricted Access Vehicles (RAV) primarily semi-trailer tip trucks.

#### **Conclusion**

The proposal raised a reasonably significant level of public interest and concern during the advertising period. To address these concerns, further information provided by the applicant has been reviewed by both the Shire and all relevant state government agencies. Based on this information, no legitimate technical reasons have been identified which would warrant refusal of the proposal.

#### **STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS**

The proposal has been progressed in line with the relevant requirements of LPS1.

The proposal may require a Works Approval for a Prescribed Premises *Environmental Protection Act 1986*, this application is submitted to the Department of Water and Environmental Regulation (DWER). This approval controls premises with potential to cause emission and discharges to the air, land and water and regulated and enforced by DWER.

Schedule 1 extract from the *Environmental Protection Regulations 1987 (below)*:

Category Number	Description of category	Production or design capacity
70	Screening, etc. of material: premises on which material extracted from the ground is screened, washed, crushed, ground, milled, sized or separated.	More than 5000 but less than 50 000 tonnes per year.

## STRATEGIC PLAN / POLICY IMPLICATIONS

### **Community Strategic Plan 2036 (CSP)**

### **Corporate Business Plan 2020-2024**

Key Result Area 3 - Managing Growth Sustainably

Community Outcome 3.1 - Clearly defined areas for growth and renewal

Strategic Response: Implement Local Planning Scheme

Service level strategy/plan: Provide Planning Services

## PLANNING FRAMEWORK

### Local Planning Scheme No.1 (LPS1)

Table 1 identifies Extractive Industry as an 'A' use within the Priority Agriculture zone. An 'A' use can be permitted at the Shire's discretion following a process of public consultation. Industry – Extractive is defined by the scheme as:

*"An industry which involves the extraction, quarrying or removal of sand, gravel, clay, hard rock, stone or similar material from the land and includes the treatment and storage of those materials, or the manufacture of products from those materials on, or adjacent to, the land from which the materials are extracted, but does not include industry – mining".*

### Local Planning Policy 3 Extractive Industry (LPP3)

A comprehensive assessment against this policy can be found at Attachment 1. This assessment demonstrates that:

- Amenity
- Environment
- Buffer
- Visual Impact
- Transport

Have been as assessed against the LPP3 Acceptable development provision. The application has demonstrated all Acceptable Development provisions except for Element Buffer. Element Buffer has been assessed against the Performance Criteria of the LPP3, the performance criteria allows for the site to be assessed against the principles of the *Guidance Note 3- Separation Distances Between Industrial and Sensitive Land uses*. The major principle of the Guidance note is the impact of noise to surrounding dwellings, the submitted Environmental Noise Assessment adequately demonstrates compliance to this principle and therefore the relevant Performance Criteria of the LPP3.

### State Planning Policy 6.1 Leeuwin Naturaliste Ridge Policy (LNRSP)

The site is located within the Travel Route Corridor, Travel Route Corridors with Rural Landscape Significance and General Character areas. This highlights that visual amenity is a key issue, particularly relating to views of the site from Bussell highway and the Wadandi trail.

Policy Statement 3.6 states:

*In areas of Rural Landscape Significance, as identified in Figure 3, development or change of use should protect the rural character of the land.*



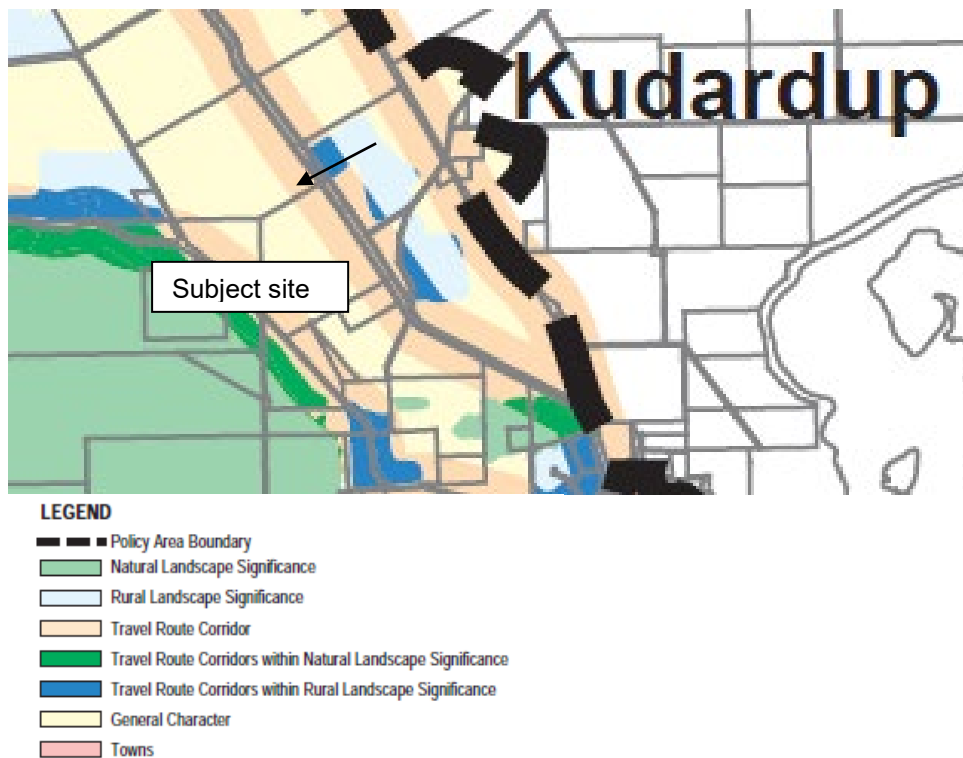


Figure 4: LNRSP Policies.

#### State Planning Policy 2.5 Rural Planning (SPP2.5)

The provisions of this policy apply to all rural land in Western Australia. The policy seeks to protect agricultural land resources, whilst also acknowledging the benefits of some non-agricultural uses. Within the 'priority agriculture' zone extractive industries are to be considered as discretionary and minimising land use conflicts is identified as the primary concern. The policy recognises the need to extract basic raw materials and recommends, *"these activities be regarded as generally acceptable, subject to assessment on their individual merits in rural areas"*.

#### Leeuwin Naturaliste Sub Regional Strategy (WAPC)

This broad strategic policy document acknowledges the legitimate use of rural land for basic raw material extraction. A policy statement is included to this effect which states:

*"The WAPC seeks to protect and preserve rural land for rural purposes including primary production, basic raw materials, regional facilities and protection of biodiversity and landscape."*

### **FINANCIAL IMPLICATIONS**

#### **Implications**

The proponent will be responsible for all costs associated with the proposed development.

#### **Long Term Financial Plan**

Nil

#### **Whole of Lifecycle considerations**

Nil

### **SUSTAINABILITY IMPLICATIONS**

#### **Environmental**

No vegetation is proposed to be removed. Only one cell may be open at any one time and is required to be rehabilitated prior to the next cell commencing.

#### **Social**

The development has the potential to provide employment opportunities to the community.

### **Economic**

Basic raw materials are a necessary input to housing construction and road building which are key economic drivers in the Shire.

### **ADVOCACY**

Nil

### **IMPLICATIONS OF ALTERNATIVE RESOLUTION**

If Council resolve to refuse the proposal, reasons will need to be provided.

A refusal will give rise to the ability for the applicant to request review of that decision by the State Administrative Tribunal.

If Council was of a mind not to support Saturday operations, condition 4 could be substituted for:

*The Extractive Industry (including site construction and truck operating hours) shall not operate outside the hours of 7am to 5.30pm Monday to Friday. The Extractive Industry shall not operate on Saturday, Sunday or public holidays.*

### **VOTING REQUIREMENTS**

Simple Majority

### **RECOMMENDATION**

That Council grants Development Approval pursuant to Clause 68(2) of the Deemed Provisions of Local Planning Scheme No. 1 for Industry-Extractive (Sand and Gravel) at 13242 (Lot 1494) Bussell Highway, Kudardup subject to compliance with the following conditions:

### **CONDITIONS**

1. The development is to be carried out in compliance with the plans and documentation listed below and endorsed with Council's stamp, except where amended by other conditions of this consent.

Plans and Specifications	P1 being the Extraction Plan received at the Shire on 5 June 2020, and P2 being the report titled ' <i>Application for Extractive Industry Approval/Extractive Industry lot 1494, 13242 Bussell Highway, Kudardup</i> ' received on 5 June 2020 including the Rehabilitation Plan, Dieback Management Plan, Water (Stormwater) Management Plan and Dust Management Plan, except as may be modified by the following conditions.
--------------------------	---

2. If the development, the subject of this approval, is not substantially commenced within two (2) years from the date of this letter, the approval shall lapse and be of no further effect. Where an approval has lapsed, development is prohibited without further approval being obtained.
3. This approval is valid until the end of 2031 calendar year and implementation shall be in accordance with the staging and rehabilitation requirements, detailed in attached approved plans 'P1' and 'P2', to the satisfaction of the Shire.
4. The Extractive Industry (including site construction and truck operating hours) shall not operate outside the hours of 7am to 5.30pm Monday to Friday and 7am to 1pm on Saturdays. The Extractive Industry shall not operate on Sundays or public holidays.
5. Extraction is limited to one cell at a time. Rehabilitation of a cell shall commence prior to moving on to the next cell and shall be completed within a reasonable time to the satisfaction of the Shire.
6. The proponent shall pay a Rehabilitation Bond, within 90 days from the date of this approval, to be held against satisfactory completion of rehabilitation works required as a condition of this approval. the rehabilitation bond will be based on the final exposed footprint at any stage of the extraction.

7. All excavated areas shall be rehabilitated to the satisfaction of the Shire within 12 months from the expiry date of this approval, or within 12 months of depletion of the resource whichever occurs first.
8. Works shall be conducted at all times in accordance with the approved Rehabilitation Plan, version 1 and dated 5 June 2020, and to the satisfaction of the Shire.
9. Within 90 days from the date of this approval, a Landscape Buffer Plan shall be prepared to the satisfaction of the Shire by a suitably qualified and/or experienced landscape consultant. The Landscape Buffer Plan shall be drawn to scale and shall include, but is not limited to, the following:
  - a) The location, planting density, name and mature heights of existing and proposed trees and shrubs and ground covers as buffer plantings for visual screening including along the western lot boundary abutting the Wadandi Track Reserve 47049 and as visual screening along the Bussell Highway boundary (as shown on approved plan 'P1').
  - b) Vegetated buffers at least 10m wide and containing a variety of plant species to ensure effective screening while responding to variations in natural ground.
  - c) A planting schedule commencing at Cell 1 and corresponding to excavation stages while ensuring planting is established in the first winter, to the satisfaction of the Shire, and prior to commencement of excavation of each subsequent cell.
  - d) Details of soil treatment or mulching measures and weed control and maintenance.
  - e) A quantitative completion criteria.
  - f) An annual monitoring plan.
  - g) Appropriate separation for fire breaks and maintenance.
  - h) Natural landscaped areas to be retained.
  - i) Appropriate separation from proposed buffer plantings (including root zone separation) to excavation cells.
  - j) Planting areas to be reticulated or irrigated using water sensitive principles.
10. Landscaping shall be implemented, in accordance with the approved Landscape Plan, prior to occupation/use of the development and shall be maintained at all times.
11. The existing trees are to be retained upon the lot and any trees on adjoining properties shall not be impacted by the excavation phases of the development.
12. No extraction activities should occur within 10 metres of any tree crown drip zone along the boundary of and within the proposed extraction area.
13. Prior to commencement of works in cells 7 to 9 (as shown on approved plan 'P1'), a temporary demarcation barrier shall be established between any areas of excavation and 20 metres from any adjacent watercourse to protect these areas from accidental damage to the satisfaction of the Shire.
14. Works shall be conducted at all times in accordance with the Dieback Management Plan version 1 dated June 2020.
15. Works shall be conducted at all times in accordance with the Water (Stormwater) Management Plan version 1 dated June 2020.
16. Works shall be conducted at all times in accordance with the Dust Management Plan version 2 dated February 2021.
17. Prior to commencement of extraction in cells 7 to 9 (as shown on approved plan 'P1'), an Acid Sulphate Soil assessment shall be conducted to the specifications of the Department of Water and Environmental Regulation (DWER) and to the satisfaction of the Shire.
18. If, as a result of the assessment required in abovementioned Condition 17, an acid sulphate soils report and management plan are required, these shall be prepared by a suitably qualified professional and at the full cost of the proponent and shall be submitted to the specifications of DWER and to the satisfaction of the Shire prior to the extraction commencing in cells 7 to 9. The measures contained in any approved acid sulphate soils management plan shall be implemented on Site at all times and to the specification of DWER and to the satisfaction of the Shire.

19. Prior to commencement of the Extractive Industry, the existing driveway/crossover onto Bussell Highway shall be upgraded, including bitumen sealing, to the specifications of Main Roads WA and to the satisfaction of the Shire (refer to advice notes 'c' to 'd').
20. The maximum number of trucks (including but not limited to category 1-3 Restricted Access Vehicles) permitted to attend the Site is any one day is restricted to 25 (50 in and out vehicle movements) excluding vehicles movements for onsite management purposes. A logbook shall be provided at the request of the Shire at any time to demonstrate compliance with this condition.
21. Dewatering of the extraction area is not permitted without further approval.
22. The excavation shall not intercept the water table. Excavation works are to cease immediately in the event the water table is encountered/exposed. The Shire shall be advised within 24 hours that the water table has been encountered and restorative action shall be taken within a timeframe agreed with the Shire and undertaken to the specifications of the Department of Water and Environmental Regulation.
23. There shall be no standing water occurring at the end of the extractive operation.
24. The proponent shall implement all measures necessary to prevent erosion, or airborne or waterborne transmission of soil and sediment from the development and tracking of soil by vehicle tyres onto the road during the extraction period.
25. Surface water runoff shall be contained onsite and appropriate measures shall be put in place, to the satisfaction of the Shire, to avoid sediment mobilisation to any open watercourse or drainage system. Prior to commencement of works in cells 7 to 9 (as shown on approved plan 'P1'), a Sediment Management Plan shall be prepared in accordance with the Shire's *Erosion and Sediment Control Local Law* to the satisfaction of the Shire and thereafter implemented at all times.
26. The Extractive Industry shall be conducted in accordance with the noise management measures detailed in the Environmental Noise Assessment (prepared by Lloyd George) as amended. The following additional noise management measures shall be implemented at all times:
  - a) If reversing alarms are deemed necessary, all plant should be fitted with broadband reversing alarms; and
  - b) The road required for loading of trucks should be designed such that the trucks are not required to reverse, this ensures truck reversing alarms are minimised.
27. Noise emissions resulting from development/use of premises for the approved use (including processing and transportation) shall not exceed the assigned levels in the *Environmental Protection (Noise) Regulations 1997*, and shall not unreasonably interfere with the health, welfare, convenience, comfort or amenity of an occupier of any other premises.
28. The development or use of the land shall not cause or permit to cause the escape of dust, smoke, fumes, offensive matter or foul odours in such quantity or of such nature as to unreasonably impact on the amenity of the locality.
29. No major repairs or maintenance of vehicles and machinery must take place on-site.
30. No hydrocarbons are to be stored on-site.
31. Prior to commencement of the Extractive Industry and all times thereafter, lockable gate(s) shall be installed at entrances to the Site to prevent unauthorised entry.
32. Blasting activities are not permitted.
33. No depositing of material on the Site is permitted unless subject to authorisation from the Shire for the purpose of rehabilitation.
34. This approval allows for excavation to a maximum depth of 1.5m below natural ground level.

35. Screening and crushing shall be kept to a minimum. Screening and crushing plant is permitted to be operated on the Site for up to a maximum of eight (8) weeks in any calendar year.
36. The topsoil stockpiles to a height of four metres (4m) shall be established at the commencement of each stage of excavation and maintained throughout excavation of that stage.

**ADVICE NOTES**

- a) You are advised of the following from the Department of Water and Environmental Regulations (DWER):
  - i. The proposal may be subject to the *Environmental Protection Regulations 1987* the proponent is to contact DWER ([info@dwer.wa.gov.au](mailto:info@dwer.wa.gov.au)) in relation to screening or crushing activities. Further information can be found at <http://www.der.wa.gov.au/our-work/licences-and-works-approvals>.
  - ii. The proposed take of water from the gully dam may be subject to licensing under the *Rights in Water and Irrigation Act 1914* (RIWI Act). The proponent is advised to contact the department's Busselton licensing branch on 9781 0188 to determine licensing and permit requirements or whether any exemptions apply under the RIWI Act.
- b) The location of the proposed access to service the Extraction Industry shall be confirmed by a site meeting between the Shire and the proponent prior to works on the second access commencing.
- c) Works are prohibited within the road reserve including any pruning or clearing of vegetation without prior written approval of the Shire.
- d) The proponent shall submit and implement a Traffic Management Plan prepared by a licenced Traffic Manager in accordance with MRWA Traffic Management Code of Practice and Australian Standards AS1742.3-2002 for any works on or within the road reserve (including road).

**ADVICE TO APPLICANT / PROPONENT**

Nil

**ATTACHMENTS**

1. Local Planning Policy – Extractive Industry Assessment
2. Proposed site and excavation plan
3. Location of surrounding dwellings
4. Schedule of Submissions

**11.2.2 LOCAL PLANNING POLICY UPDATE: LOCAL PLANNING POLICY 1 - OUTBUILDINGS, FARM BUILDINGS AND SWIMMING POOLS, LOCAL PLANNING POLICY 22 - MARGARET RIVER PERIMETER ROAD FUNDING AND IMPLEMENTATION AND LOCAL PLANNING POLICY 23 - RENEWABLE ENERGY SYSTEMS**

---

<b>LOCATION/ADDRESS</b>	Shire of Augusta Margaret River
<b>APPLICANT/LANDOWNER</b>	Shire of Augusta Margaret River
<b>FILE REFERENCE</b>	LND/52
<b>REPORT AUTHOR</b>	Matt Slocomb, Strategic Projects Officer
<b>AUTHORISING OFFICER</b>	Nick Logan, Director Sustainable Development and Infrastructure

---

**IN BRIEF**

- Local Planning Policy No.1 – Outbuildings, Farm Buildings and Swimming Pools (LPP1) was last reviewed in August 2016.
- A key objective of the Shire’s draft Local Planning Strategy is to redirect the Shire’s resources away from lower risk forms of development such as outbuildings, allowing greater emphasis to be put on landscape protection and environmental outcomes.
- Draft LPP1 will provide greater flexibility for floor area, wall height and side setbacks applicable to outbuildings (sheds) which are the main triggers for development applications at present.
- Local Planning Policy 22 – Perimeter Road Funding and Implementation is no longer applicable and it is proposed that it be rescinded.
- Recent updates to the Planning and Development (Local Planning Schemes) Regulations 2015 have exempted most roof mounted solar systems. Therefore, Local Planning Policy 23 – Renewable Energy Systems (LPP23) is proposed to be updated to align with these changes.

**RECOMMENDATION**

That Council:

1. Adopts for the purposes of advertising the amended LPP1 – Outbuildings, Farm Buildings and Swimming Pools.
  2. Rescinds LPP 22 – Perimeter Road Funding.
  3. Amends LPP23 - Renewable Energy Systems.
- 

**LOCATION PLAN**

Nil

**TABLED ITEMS**

Nil

**BACKGROUND**

**LPP1**

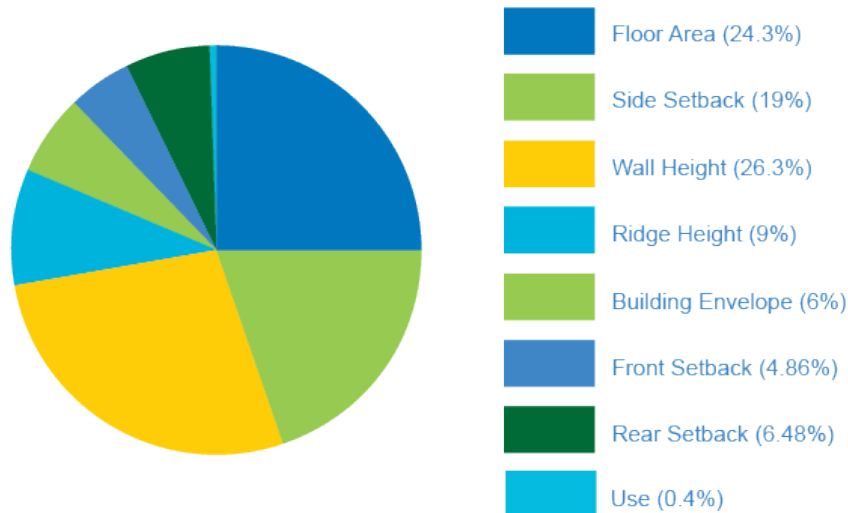
LPP1 was last reviewed in 2016, as part of a progressive review of all local planning policies in existence at that point in time.

Prior to the introduction of Planning Regulations (2015) which inserted universal rules into the planning system in WA (the Deemed Provision’s), compliant swimming pools and water tanks did not require development approval. The review primarily reintroduced exemptions for these forms of development where specific criteria were met.

Between 2018 and 2020 outbuildings accounted for approximately 11% of the total development applications received and determined by the Shire.

Analysis of the outbuilding applications received between 2018 and 2020 shows that the key triggers for development approval are wall height (26%) floor area (24%) and side setback (19%) variations. Together these contribute to about 70% of the outbuilding applications received and determined by the Shire.

A full breakdown of the triggers for planning applications for outbuildings is provided at Figure 1:



**Figure 1 – Triggers for Outbuilding Planning Approval**

It should be noted that in the case of side setback variations, half of those were due to the five-metre side setback requirement for R5 coded lots specified in the Local Planning Scheme 1 (LPS1). LPS1 includes a 5 metre side setback requirement for lots coded R5 and lower, a greater requirement than the R Codes at an R5 density which are determined on wall length and height (normally 1 – 1.5m for single storey development), but less than the 7.5m side setback requirement for R2.5 coded properties.

#### **LPP22**

In the initial planning for the Perimeter Road and John Archibald Drive, funding was to be sourced from the State Government and through developer contributions. A Scheme Amendment (Amendment 36) was initiated to provide the mechanism to require developer contributions, and LPP22 was adopted to guide the apportionment of costs. It was prepared in liaison with the Department of Planning Lands and Heritage and Main Roads.

The eventual completion of the Perimeter Road and John Archibald Drive was funded wholly by the State Government, with Scheme Amendment 36 refused on the basis costs no longer needed to be recouped for the construction.

#### **LPP23**

The Planning Regulations (2015) were amended in December 2020, with some changes taking effect February 2021. A key part of the amendment was changes to the Deemed Provision's that determines which types of development require planning approval. An exemption has been added for the installation of solar panels on the roof of a building where the panels are installed parallel to the angle of the roof and are not located in a heritage-protected place.

### **CONSULTATION AND ADVICE**

#### **LPP1**

As a pre consultation exercise, the draft policy was sent to four shed companies who regularly lodge outbuilding applications to the Shire. A summary of the feedback received through this process is provided below:

- Support larger floor areas proposed for lower residential densities,
- Support upper limit in the performance criteria to provide some certainty on likely outcome of an application;

- Very happy to see clarification on skillion wall height measurements, think that a median height of 3.6m is a reasonable approach.
- Supports median height of 3.6m to be used for skillion roofs;
- Suggested that permitted outbuilding size on Rural Residential Lots >2ha should be 200m<sup>2</sup>;
- Suggested no cap be provided to Priority and General Agriculture properties, but acknowledged that because there was no upper limit in these zones that applications could be considered for larger areas.

The above comments are considered further in the discussion section of the report.

Formal consultation is required by Part 2, Division 2 of the Deemed Provisions of LPS1 for a period no less than 21 days before any amended policy is considered by Council for final adoption.

#### **LPP22**

Where a policy is to be revoked, a notice of revocation is required to be published on the Shires website, in a local paper circulating the area and a copy made available for inspection at the local governments offices.

#### **LPP23**

The proposed amendment is considered to be minor in accordance with clause 5(2) of the Deemed Provisions of LPS1, therefore no consultation is required for the amendment of this policy.

### **DISCUSSION / OFFICER COMMENTS**

#### **LPP1**

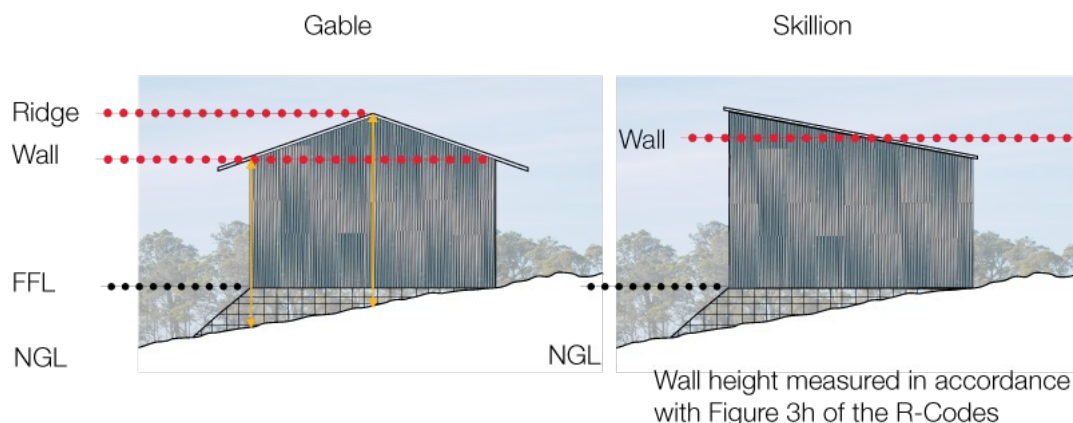
The primary objective of the policy review is reducing the number of development applications received for low risk development types, being outbuildings and water tanks. Applications that meet the 'Acceptable Development' standards of the policy do not require development approval.

If a proposal exceeds the 'Acceptable Development' standards, a development application is required and subsequently assessed against the 'Performance Criteria' of the policy. This may also involve referral to nearby/adjoining property owners.

The key changes to LPP1 are shown in red at Attachment 1, and are discussed in turn as follows:

#### **Wall Height**

The current policy does not distinguish between different roof and wall configurations, which has proven problematic in the case of skillion roofed outbuildings. The nature of a skillion design often results in a wall height variation being proposed to the higher elevation, even where the proposal complies with the overall height limit. A 3.6m median height has been included in the 'Acceptable Development' standards to address this, along with a diagram (Figure 1 below) to clarify how wall height is measured.



The wall height limit has been removed for the Rural Residential zone, meaning there will just be an overall height limit as is the case in the General and Priority Agriculture zones.



### Floor Area

As outlined previously, the current policy has a single floor size limit across the Residential zone and Rural Residential zone, irrespective of the lot size. In this way, the policy does not acknowledge that the amenity impacts that can be caused by outbuildings can be managed more easily on larger lots, given the space available to reduce bulk impacts through separation distances, setbacks and landscaping. Larger lots also have greater maintenance obligations, particularly in respect to the Shires Bushfire Order, thus requiring greater storage of machinery. Under the current policy both a 600m<sup>2</sup> and 2000m<sup>2</sup> lots are limited to an outbuilding of the same size, which does not reflect the difference in the character, amenity and impact of built form.

A summary of the floor area changes is provided below:

Zoning and Density	Current Standard	Proposed Standard*
Residential R10 (1000m <sup>2</sup> +) )	60m <sup>2</sup>	75m <sup>2</sup>
Residential 5 and lower (2000m <sup>2</sup> +) )	60m <sup>2</sup>	80m <sup>2</sup>
Rural Residential ≤ 2ha	80m <sup>2</sup>	120m <sup>2</sup>
Rural Residential >2ha	80m <sup>2</sup>	150m <sup>2</sup>
Bushland Protection	Nil	150m <sup>2</sup>
Priority/General Agriculture	120m <sup>2</sup> Outbuilding	150m <sup>2</sup>
	300m <sup>2</sup> Farm Building	450m <sup>2</sup>

\* The proposed standards are cumulative, so can be made up of multiple outbuildings.

Where an Outbuilding exceeds the proposed standards, it will require development approval.

Development applications are required to demonstrate how an Outbuilding will meet the 'Performance Criteria' of the policy, and whether or not a proposal meets the 'Performance Criteria' informs if it will be supported or not. On the issue of floor area, an upper limit has been set as a part of the 'Performance Criteria' to provide a guidance on floor areas that are considered excessive. An outbuilding that exceeds this upper floor area limit is unlikely to be supported. A summary of the upper limits is provided below:

Zone and Density	Area
Residential R10	100m <sup>2</sup>
Residential R5 and lower	120m <sup>2</sup>
Rural Residential ≤2ha	150m <sup>2</sup>
Rural Residential >2ha	180m <sup>2</sup>
Bushland Protection	

The Priority and General Agriculture zones do not have upper limits proposed in the performance criteria as Farm Building requirements vary greatly depending on the type of agricultural enterprise, and it is not considered appropriate to restrict these in a generalised way. Instead, more specific consideration would be given to landscape/visual management impacts.

In response to the suggestion received through pre-consultation that the permitted outbuilding size on Rural Residential Lots >2ha should be 200m<sup>2</sup>, there have been limited instances of applications to warrant changing the acceptable development criteria for this size, along with a greater risk of landscape and visual impacts that come with larger outbuildings. Over the last two years applications received on Rural Residential properties over 2ha in area were at 120m<sup>2</sup> on average. Of these, 25% exceeded 150m<sup>2</sup>, with only 6% of applications exceeding 200m<sup>2</sup>, so this change would have limited impact on the number of applications received.

In the case of the General and Priority Agriculture zones, the average outbuilding/farm building size was 345m<sup>2</sup>. Of the applications reviewed, only one exceeded the 600m<sup>2</sup> limit permitted in the zone. Therefore, no changes are proposed in these zones.

### Side Setback

As outlined previously, clause 4.21.2(d) of LPS1 requires a 5 metre side setback for Residential properties coded R5 and lower.

The side setback requirement is considered to be important in maintaining a sense of open space when viewed from the street, however outbuildings and water tanks located towards the rear of the property often have negligible impacts. The setbacks also restrict the usability of the backyard, and applications are regularly received to vary this requirement. Accordingly, the following 'Acceptable Development' standard has been proposed to reduce instances of planning approval as follows:

*On properties coded R5 and lower, the 5m side setback does not apply to Outbuildings (including water tanks) and swimming pools where located wholly behind the rear elevation of the associated dwelling and where compliant with tables 2a and 2b and clause 5.4.1 of the R-Codes.*

This standard was previously proposed to be removed altogether as part of an omnibus amendment to the Scheme in 2015. This change was not supported through consultation, and as a result was removed from the amendment.

The policy change is considered to strike a balance between maintaining existing streetscapes, whilst reducing the number of outbuilding and water tank applications received by the Shire.

### **Other Changes**

The following additional changes have been made to the local planning policy to improve its application:

- Clarification that sheds 10m<sup>2</sup> and lower still need to observe relevant setback standards.
- Refinement on the policy restriction in the Future Development, Residential and Rural Residential zones which outline that an outbuilding is only permitted where a dwelling exists or a building permit for a dwelling has been issued concurrently with the permit for an outbuilding.
- Refinement to the Performance Criteria to emphasise the importance of streetscape impacts, impacts on adjoining properties and the relative scale between a dwelling and outbuilding.
- Inclusion of the Bushland Protection zone where no exemptions currently apply.

### **LPP22**

A copy of the existing policy can be found at Attachment 2. As outlined above, the completion of the Perimeter Road and John Archibald Drive being funded wholly by the State Government, along with the refusal of Scheme Amendment 36. This has rendered LPP22 obsolete as it deals with the administration and apportionment of the contributions for this the Perimeter Road and John Archibald Drive. For this reason, the proposal is recommended to be rescinded.

### **LPP23**

The amendment extends the degree to which solar panels are exempt from the requirement for development approval reflective of the recent changes to the deemed provisions. Because the deemed provisions apply even where they are inconsistent with a policy, the change to the policy is for consistency only. As such they can be considered minor in nature and do not require consultation in accordance with clause 5(2) of the Deemed Provisions of LPS1. The proposed changes can be found in red at Attachment 3. The balance of the policy deals with exemption for other forms of renewable energy and remains unchanged.

### **STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS**

Nil

### **STRATEGIC PLAN / POLICY IMPLICATIONS**

**Community Strategic Plan 2036 (CSP)**

**Corporate Business Plan 2020-2024**

Key Result Area 3: Ensuring Sustainable Development

Community Outcome: Clearly defined areas for growth, renewal and protection

Strategic Response: Implement Local Planning Scheme.

Service level strategy/plan: Provide Planning Services.

### **PLANNING FRAMEWORK**

**Draft Local Planning Strategy 2036**

Of relevance to LPP1 are the following actions contained in the Shire's Draft Local Planning Strategy 2036:

AF5

- i. Modify Local Planning Policy 1 to remove approval requirement for low risk Farm Building/Outbuilding development and increase the size of shed allowable without need for a development approval.

CT15

- iv. Amend 'LPP1 Outbuilding, Farm Buildings and Swimming Pools', to provide an increase in the allowable outbuilding size depending on lot size.

The Strategy does not have any specific actions relevant to the proposed changes to LPP22 and LPP23.

### **Local Planning Scheme No.1**

Division 2 of the Deemed Provisions of Local Planning Scheme No.1 (LPS1) allows Council to prepare Local Planning Policy in response to any matter related to the Planning and Development of the Scheme area and sets out the process for amendments.

Clause 5(2) allows the local government may make an amendment to a local planning policy without advertising the amendment if, in the opinion of the local government, the amendment is minor nature.

Clause 6 allows for a Council to revoke a Local Planning Policy, provided a notice of revocation is published in accordance with the Scheme.

Clause 61 of the Deemed provisions determines the types of development that are exempt from the need for planning approval, and allows for additional exemptions to be applied through a local planning policy.

Other than a wall height limit for farm buildings, LPS1 has limited bearing on the development of Outbuildings.

Clause 4.21.2(d) of LPS1 mandates a 5m side setback for Residential lots coded R5 and lower.

### **FINANCIAL IMPLICATIONS**

#### **Implications**

Nil

#### **Long Term Financial Plan**

Nil

#### **Whole of Lifecycle considerations**

Nil

### **SUSTAINABILITY IMPLICATIONS**

#### **Environmental**

There are no direct impacts on the natural environment arising from the policy changes.

#### **Social**

Nil

#### **Economic**

The policy will reduce the number of applications received and determined by the Shire, reducing delays for proponents and providing greater efficiency in the Shires development assessment processes.

### **ADVOCACY**

Nil

### **IMPLICATIONS OF ALTERNATIVE RESOLUTION**

Council has the option of not progressing with the proposed changes to the existing policy environment.

### **VOTING REQUIREMENTS**

Simple Majority

**RECOMMENDATION**

That Council:

1. Grants approval pursuant to clause 5 of the Deemed Provisions of Local Planning Scheme No.1 to adopt amended *Local Planning Policy 1 - Outbuildings, Farm Buildings and Swimming Pools* for the purposes of advertising.
2. Pursuant to clause 6 of the Deemed Provisions of Local Planning Scheme No.1 rescinds Local Planning Policy 22 – Margaret River Perimeter Road Funding and Implementation, and publishes a notice of revocation in accordance clause 87 of the Deemed Provisions of Local Planning Scheme No.1.
3. Adopts the amended Local Planning Policy 23 – Renewable Energy Systems pursuant to clause 5 of the Deemed Provisions of Local Planning Scheme No.1, and publishes a notice in accordance with 4(4) of the Deemed Provisions of Local Planning Scheme No.1.

**ADVICE TO APPLICANT / PROPONENT**

Nil

**ATTACHMENTS**

1. Amended Local Planning Policy 1 – Outbuildings, Farm Buildings and Swimming Pools
2. Local Planning Policy 22 – Margaret River Perimeter Road Funding and Implementation
3. Amended Local Planning Policy 23 – Renewable Energy Systems

**11.2.3 STRUCTURE PLAN MODIFICATION - ECO VILLAGE STRUCTURE PLAN - PARENT LOTS  
2807 & 2812 BUSSELL HIGHWAY, WITCHCLIFFE**

<b>LOCATION/ADDRESS</b>	Parent Lots 2807 and 2812 Bussell Highway, Witchcliffe
<b>APPLICANT/LANDOWNER</b>	Sustainable Settlements Pty Ltd ,Perron Developments Pty Ltd
<b>FILE REFERENCE</b>	P220774
<b>REPORT AUTHOR</b>	Matt Slocomb, Strategic Projects Officer
<b>AUTHORISING OFFICER</b>	Nick Logan, Director Sustainable Development and Infrastructure

**IN BRIEF**

- An amendment is proposed to the Witchcliffe Eco Village Structure Plan which would result in four key changes, summarised as follows:
  - a) Changing the density code of residential land along Bussell Highway.
  - b) Changing specified lots identified as 'Residential' to 'Tourism'.
  - c) Increasing the size of the Residential R30 Aged and Dependent Housing site.
  - d) Shifting boundaries between land zoned Special Use: Ecovillage Common and Special Use: Ecovillage Agricultural Lots.
- The proposed changes were the subject of a consultation process. At the conclusion of the consultation process 23 submissions were received. Feedback was provided in response to the above changes individually.
- The structure plan amendment is recommended to the WAPC for approval, subject to modification.

**RECOMMENDATION**

In accordance with clause 20(2)(e) of the Deemed Provisions of LPS1, that the 'Witchcliffe Ecovillage Modified Structure Plan' be approved, subject to modification.

**LOCATION PLAN**

Lots 2807 and 2812 (the Site) is depicted at Figure 1. The Site is located to the eastern side of Bussell Highway and the Witchcliffe village centre. Specific locations for the four structure plan modifications are discussed further in 'the proposal' section of the report.



Figure 1 – Location Plan

## TABLED ITEMS

Nil

## BACKGROUND

The Witchcliffe Eco Village Structure Plan was approved on the 10 January 2018, which proposed the creation of approximately 267 residential lots, expansion of the Witchcliffe village centre, public open space, communal garden areas, and areas designated for agriculture, tourism and community use.

Subsequent to the approval of the structure plan, subdivision approval has been granted for several stages of the development, with subdivisional works currently underway.

The Site was previously included in the Future Development zone, where the Structure Plan sets the general framework for future subdivision. While not determinative of future land use the Structure Plan gives an indication of how the land is intended to be developed.



## THE PROPOSAL

The proposal involves four key changes to the 2018 structure plan, which are summarised in turn as follows:

### Modification 1 – Density Change

This involves changing the density code of residential land along Bussell Highway from R5-10 (lots around 1000-2000m<sup>2</sup>+) to R30-40 (220 – 300m<sup>2</sup>), which could lead to approximately 65 additional dwellings (from 7 – 41 lots to the north and 10 – 31 lots to the south). The change also involves the reconfiguration of the public open space located alongside Bussell Highway on the southern side of the Witchcliffe village centre.

A side-by-side comparison of the changes has been provided below (changes within red dotted line):

2018 Structure Plan	Structure Plan Modification
	

### Modification 2 – Tourism Zoning

Several residential zoned areas throughout the structure plan area are proposed to be designated Tourism, which would allow for dwellings to be used as a 'Holiday House'.



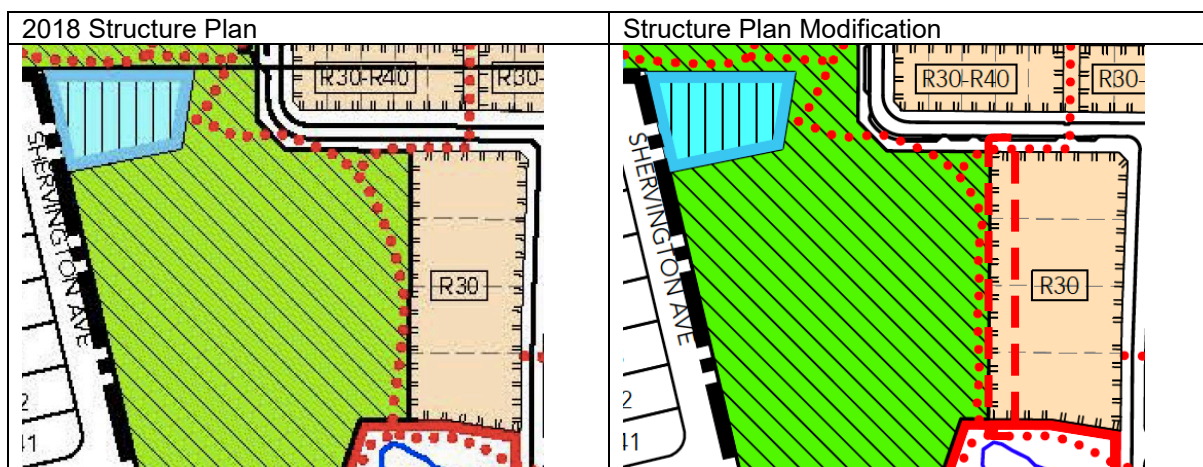
SHIRE OF AUGUSTA MARGARET RIVER  
ORDINARY COUNCIL MEETING 10 MARCH 2021

The lots in question were designated cottage/short stay in the initial concept plan, however changes to the Shires Local Planning Policy 7 – Short Stay Accommodation no longer permit Holiday Homes more than 50m from the village centre zone (which is the case in this instance). Holiday Homes can be considered in the Tourism zone. A map showing the locations of this change are provided below.



### Modification 3 – POS boundary change

This proposal involves reducing the POS area by 1093sqm and increasing the adjacent Residential R30 Aged and Dependent Housing site by the same amount.



The applicant has indicated that the additional area will allow for two of three mature trees to be retained on the site without reducing the number of units to be proposed. An indicative design showing the location of the trees is provided below:



#### Modification 4 – Agricultural/Ecovillage Common Lot Change

It is proposed to shift boundaries between land zoned Special Use: Ecovillage Common and Special Use: Ecovillage Agricultural Lots, with a net increase of 12,874m<sup>2</sup> going to Special Use: Ecovillage Common. A comparison of the change is provided below:

2018 Structure Plan	Structure Plan Modification

#### CONSULTATION AND ADVICE

The proposal was sent to nearby and adjoining property owners as well as being posted on the Shire's website and Your Say page. At the completion of the consultation process, 23 submissions had been received. Respondents were given the opportunity to provide feedback on each of the individual



changes being proposed, which are summarised below. A schedule of submissions has also been included as an attachment to this report.

Modification 1 – Density Change

A summary of the feedback provided on this issue is as follows:

Support	Object	Indifferent/No Comment
48%	48%	4%

Those in favour provided the following reasons:

- Increased opportunities for affordable housing and provision of housing diversity.
- Meet current demands for housing in region.

Those opposed provided the following reasons:

- Density too high, inconsistent with Ecovillage aesthetic and Witchcliffe character.
- Concerns about ability to supply water, no reticulated water, smaller roofs catch less rainwater.
- Increased population will lead to traffic issues.
- Insufficient POS to cater for additional residents.

Modification 2 – Tourism Zoning

A summary of the feedback provided on this issue is as follows:

Support	Object	Indifferent/No Comment
24%	48%	28%

Those in favour provided the following reasons:

- Tourism options not otherwise available in the area.
- Ability for visitors to learn about sustainability.

Those in objection provided the following reasons:

- Short stay use won't address housing shortage Shire is experiencing (will increase absentee ownership).
- Sufficient tourist accommodation already in Witchcliffe.
- Visitors may not share values of the Ecovillage.

Modification 3 – POS boundary change

A summary of the feedback provided on this issue is as follows:

Support	Object	Indifferent/No Comment
60%	24%	16%

Those in favour provided the following reasons:

- Housing of this type needed to allow families to remain in the region.
- Additional space and retention of trees a good design outcome.
- Consistent with demographic trends.

Those in objection provided the following reasons:

- Oppose reduction in POS as the current amount is considered to be insufficient.

Modification 4 – Agricultural/Ecovillage Common Lot Change

A summary of the feedback provided on this issue is as follows:

Support	Object	Indifferent/No Comment
36%	32%	32%

Some feedback was provided which indicated concern to reducing the agricultural areas given the vulnerability of supply chains to shocks such as a pandemic.

## DISCUSSION / OFFICER COMMENTS

### Modification 1 - Density Change

In terms of the traffic impacts associated with the increase in population, the applicant has provided an updated traffic impact assessment which was been forwarded to Main Roads for comment. The internal roads are of a standard that can cater for additional traffic as confirmed by Shire technical staff. No comments were received from Main Roads.

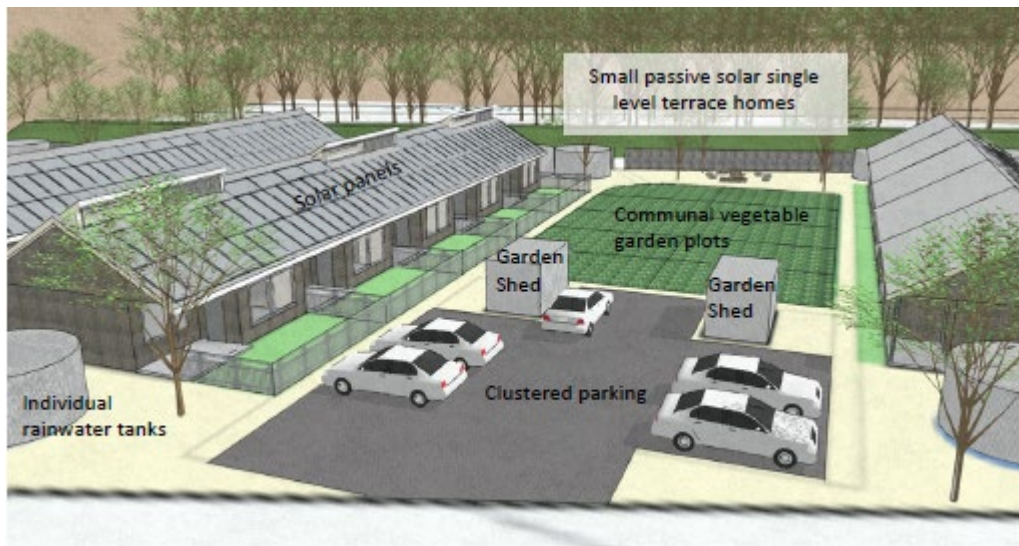
The proposal has demonstrated compliance with State Planning Policy 5.4 - Road and Rail Noise, through a combination of setbacks and landscaped bunds, which are already in place.

Visual impacts have been addressed through the following:

- Retention of two lower density lots on the northern approach to town, as well as a retaining multiple lower density lots on the southern approach from Bussell Highway;
- Use of 25m landscape buffers alongside these properties, which in addition to the roadside vegetation will be landscaped to reduce views of the dwellings;
- Extension of the landscape buffer on the southern side of town so that no lots have direct frontage to the highway;
- The use of communal garden areas to separate the clusters of development, reducing the massing of the development.

The proponent has advised that the density change will allow for the creation of 'micro-cluster' housing (see artist impression below) of approximately 60-70m<sup>2</sup> in size (each dwelling) and that this would create the potential for more affordable housing. The exact nature of any development on the site however would need to be the subject of a development application. The estimated population increase which would be created by the additional lots would not have a significant impact on the overall vision for Witchcliffe as a village of 2000 people. This is particularly so when noting Council's position of allowing for larger lots west of the Bussell Highway in order that developers can progress with subdivision in the absence of reticulated sewerage.

As all relevant issues can suitably be addressed, the change is supported.



### Modification 2 - Tourism Zoning

The premise of this change is to ensure that properties in the impacted areas can be used as Holiday Homes, notwithstanding the broad requirements of the Shire's short stay policy.

This land has long been identified for tourism use by a 'concept plan' which has no statutory weight. However, it is considered that changing the zoning to Tourism will have unintended consequences on the flexibility for the use of these lots. In the Tourism zone, Grouped Dwellings are an 'A' use, meaning development approval is required for the long-term use of these dwellings.

The Shires preference is that flexibility is maintained for the use of these lots so that they can be used both for permanent and short stay occupation. A recommendation will be made to the WAPC that these are retained as residential, with a notation included identifying the areas where variations to the Shire's Short Stay Policy will be supported.

#### Modification 3 - POS boundary change

A total of 8.85% of the subject land will be provided as public open space (POS) as per the 2018 structure plan (less than the 10% minimum requirement) and will be slightly increased by modification one (additional landscape buffer area added to the southern side of town). In addition the Ecovillage will have expansive undeveloped areas dedicated to agriculture and community gardens. Whilst this isn't strictly public open space it contributes to a considerably smaller development footprint across the site.

By adding additional land from POS to the adjoining residential lots the development potential of the land can be maintained without requiring the removal of the karri trees on the lot which can be retained. Accordingly, this proposal is supported, subject to a modification that will require the retention of all three trees. This will mean that should the applicant want to remove the trees in future, they will be subject of a planning application and subject to the outcomes of an arboricultural assessment.

#### Modification 4 -Agricultural/Ecovillage Common Lot Change

The reduction in land identified for future agricultural lots and increase in commonly managed land will have no negative consequences and substantial land for productive food growing is maintained throughout the site. This element of the proposal is supported.

### **STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS**

Nil

### **STRATEGIC PLAN / POLICY IMPLICATIONS**

***Community Strategic Plan 2036 (CSP)***

***Corporate Business Plan 2020-2024***

Goal 3: Ensuring Sustainable Development

Community Outcome: Clearly defined areas for growth, renewal and protection

Strategic Response: Implement Local Planning Scheme.

Service level strategy/plan: Provide Planning Services.

### **PLANNING FRAMEWORK**

#### Local Planning Scheme No. 1

Part 27(1) of the Deemed Provisions of Local Planning Scheme No.1 state that a Shire should give due regard to, but not be bound by a structure plan adopted for a property.

Part 4 of the Deemed Provisions of Local Planning Scheme No.1 sets out the process to be followed in reviewing a structure plan.

#### Local Planning Strategy

The 2011 Local Planning Strategy does not identify the Ecovillage site for development, however this was addressed through the review of the Witchcliffe Village Strategy completed in 2012.

### **FINANCIAL IMPLICATIONS**

#### **Implications**

Nil

#### **Long Term Financial Plan**

Nil

#### **Whole of Lifecycle considerations**

Nil

### **SUSTAINABILITY IMPLICATIONS**

#### **Environmental**

Mechanisms are recommended to be included which would provide for the protection of trees on the site.

**Social**

It is considered that amenity impacts can be appropriately managed through conditions of the structure plan. The smaller dwellings proposed will add an alternative and potentially affordable housing option within Witchcliffe.

**Economic**

The proposal will accommodate more people to live within walking and riding distance of the Witchcliffe Village Centre, which will have positive impacts on the local businesses in the town.

**ADVOCACY**

Nil

**IMPLICATIONS OF ALTERNATIVE RESOLUTION**

Nil

**VOTING REQUIREMENTS**

Simple Majority

**RECOMMENDATION**

That Council recommends to the WAPC in accordance with clause 20(2)(e) of the Deemed Provisions of LPS1, that the 'Witchcliffe Ecovillage Modified Structure Plan' be approved, subject to the following modifications:

1. Replace the proposed Tourism zoning with an annotation and an associated reference in the key that states 'Acceptable Holiday Home Location';
2. Identify the location of the trees adjacent to and within the proposed aged care/dependant persons component of the development, with an associated reference in the key that states 'Trees to be retained'.

**ADVICE TO APPLICANT / PROPONENT**

Nil

**ATTACHMENTS**

1. Modified Structure Plan
2. Schedule of Submissions

# 11.3. Corporate and Community Services

### 11.3.1 FINANCIAL ACTIVITY STATEMENT REPORT - JANUARY 2021

---

LOCATION/ADDRESS	N/A
APPLICANT/LANDOWNER	Shire of Augusta Margaret River
FILE REFERENCE	FIN/14
REPORT AUTHOR	Andrew Ross, Manager Corporate Services
AUTHORISING OFFICER	James Shepherd, Director Corporate and Community Services

---

#### IN BRIEF

- The monthly financial activity statement report is a standard financial reporting item prepared in accordance with the provisions of the *Local Government Act 1995* and Regulation 34 of the *Local Government (Financial Management) Regulations 1996*.
- Council is to consider the financial results for the period ending 31 January 2021.

#### RECOMMENDATION

That Council receives the Monthly Financial Report – January 2021 in accordance with Section 6.4 of the *Local Government Act 1995* and Regulation 34 of the *Local Government (Financial Management) Regulations*.

---

#### LOCATION PLAN

Nil

#### TABLED ITEMS

Nil

#### BACKGROUND

In accordance with Financial Management Regulation 34 the Shire is to prepare a monthly Statement of Financial Activity reporting on the sources and applications of funds, as set out in the annual budget under Financial Management Regulation (1) (d), for that month with the following details:

- (a) annual budget estimates;
- (b) budget estimates to the end of the month to which the statement relates;
- (c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;
- (d) material variances between the comparable amounts referred to in (b) and (c); and
- (e) net current assets at the end of the month to which the statement relates.

Also under Financial Management Regulation 34(5) Council are to adopt a material variance threshold every year. At the Ordinary Meeting of Council on 22 July 2020 (**OM2020/126**) Council adopted a monthly variance for reporting of material variances, where financial activity is greater than 10% and \$10,000.

#### CONSULTATION AND ADVICE

##### External Consultation

Nil

##### Internal Consultation

Business unit managers were provided the draft monthly financial reports for their business units and have provided their comments on variances greater than 10% and \$10,000.

#### DISCUSSION / OFFICER COMMENTS

The commentary contained in the body of this report is in line with Financial Management Regulation 34(2)(b) that requires commentary on material variances to the Statement of Financial Activity at the nature/type, program or business unit level.

The Statement of Financial Activity shows a year to date actual closing position at 31 January of \$12.518 million surplus (last month \$14.345 million surplus) and was higher than the \$1.992 million surplus that was budgeted. The following details the main reasons for this favourable variation to Budget.

Operating revenue is \$0.928 million or 3.2% over budget (last month \$0.771 million or 2.8% over budget). The main contributor to this variation is fees and charges which are \$0.842 million or 14.9% above budget (last month \$0.748 million or 16.6% above budget). Town planning, waste, health services, building services, holiday parks and fitness centre income have exceeded expectations due to increased development or customer/visitor activity.

Operating expenditure is \$1.803 million or 7.4% under budget (last month \$5.459 million or 25.9% under budget). Employee expenses are \$0.367 million or 3.9% under budget (last month \$0.252 million or 3.1% under budget) and materials and contracts are \$2.198 million or 30.6% under budget (last month \$1.624 million or 26.4% under budget). The largest under budget variations for materials and contracts have been recorded for asset services, fire prevention, information technology, road maintenance, parks & gardens, plant operating costs, town planning, Turner Holiday Park, waste services, landcare, the HEART and communications & marketing. Depreciation is \$0.503 million or 9.1% over budget as a result of the calculation incorporating updated asset values, new assets and changes to asset lives.

The following table provides a breakdown of actual to budget performance for employee expenses. At this stage the main contributor to under budget employee expenses is salaries and wages which are 3.8% under budget (last month 3.1%). Most business units are recording under budget expenditure while some business units, such as the HEART and outside school hours care, are over budget due to the use of casual staff.

Category	Annual Budget	YTD Budget	YTD Actual	YTD Variance
Employee provisions	1,248,336	742,275	725,340	(16,935)
Salaries & Wages	12,641,873	7,327,682	7,050,169	(277,513)
Superannuation	1,600,454	924,297	940,912	16,615
Workers Compensation	215,512	124,477	99,931	(24,546)
Fringe Benefits Tax	85,420	53,673	37,223	(16,450)
Recruitment expenses	26,000	16,250	13,683	(2,567)
Training & Education	262,000	130,000	61,103	(68,897)
Uniforms & PPE	50,320	30,845	49,383	18,538
Memberships	0	0	5,253	5,253
<b>Total</b>	<b>16,165,915</b>	<b>9,349,499</b>	<b>8,982,997</b>	<b>(366,502)</b>

Grants for capital works are \$4.387 million or 111.6% above budget (last month \$5.124 million or 168.5% above budget). The main reason for this variation are the debtors invoices processed to obtain the \$3.080 million State Government grant for the main street project and the \$0.130 million contribution from the Water Corporation for the replacement of the water main in the main street as well as the journal processed to recognise the \$3.045 million balance of the initial grant for the main street. Developer contributions received are also exceeding budget projections due to increased development activity and these positive variations are offsetting the delayed recognition of special purpose bridge grants, the partial receipt of the Local Roads and Community Infrastructure Program grant and the budgeted grants for the Gloucester Park hockey training facility.

Capital expenditure of \$1.596 million during the month (\$3.275 million last month) was \$1.008 million lower than the budget for the month of \$2.604 million. On a year to date basis capital expenditure is \$2.911 million or 19.9% under budget (last month \$1.903 million or 15.8% under budget). The main variations are:

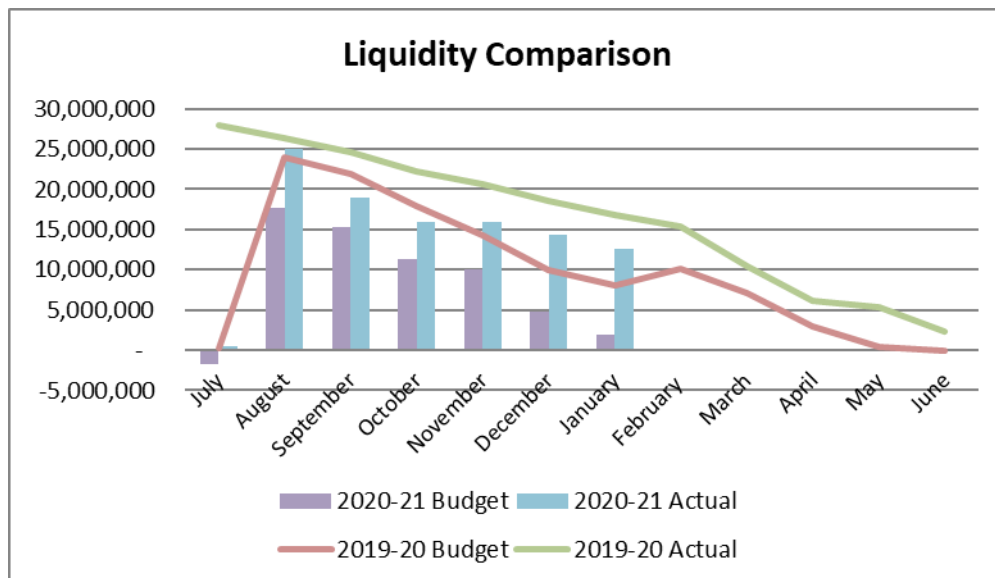
- construction of major infrastructure projects at the Davis Road landfill site are progressing but have not achieved budget timing projections and are \$0.699 million under budget;
- the delayed delivery of a new tracked loader for the landfill site has contributed to a further \$0.450 million under budget expenditure for the waste services area;

- building projects are \$0.574 million under budget due primarily to the timing of the HEART retractable seating project and the timing of the Aquatic Centre building renewal project and installation of solar panels for the Civic Administration Centre;
- purchase of furnishings and other works for the HEART are \$0.393 million under budget with some works to be deferred;
- the construction of the hockey training facility is expected to commence in 2021 and has contributed to Gloucester Park expenditure being \$0.520 million under budget;
- some parks & gardens projects have been delayed and are \$0.194 million under budget;
- infrastructure upgrade projects are \$2.652 million over budget due primarily to stage 3 of the Margaret River main street project having been brought forward as well as contract variations for this project;
- infrastructure renewal projects are \$2.216 million under budget with the main under budget variations occurring for bridge works with invoices from MRWA expected for these works, the timing of road preservation and rehabilitation projects, and the rescheduling or deferral of projects as well as resource availability has affected path, carpark, drainage, kerb, pedestrian structure and marine facilities works;
- purchases in accordance with the plant and vehicle replacement program are \$0.433 million under budget with the delivery of some items expected and the procurement process underway for other items; and
- infrastructure, building and equipment for holiday parks are \$0.095 million under budget with the chalets and amenity block renovation projects completed but invoices outstanding for some works.

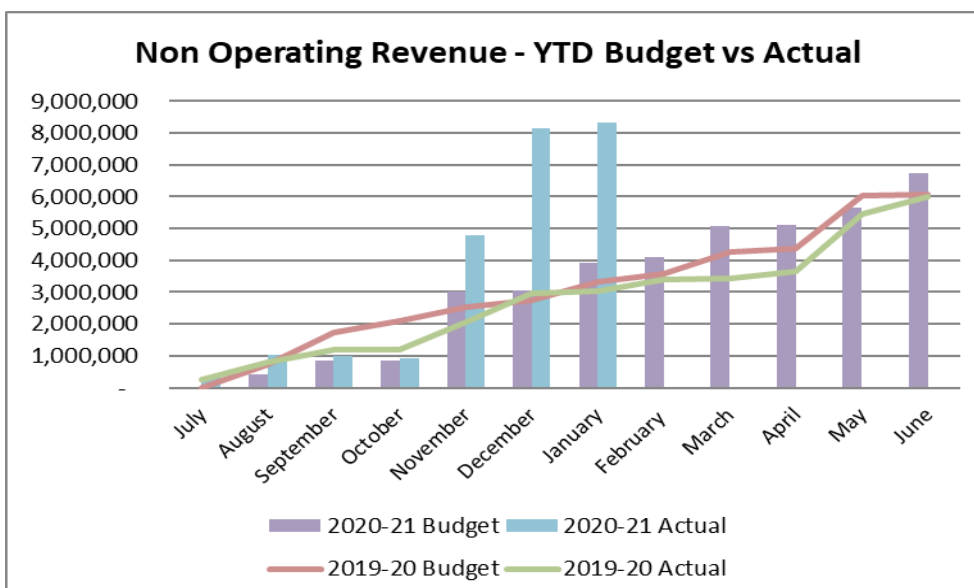
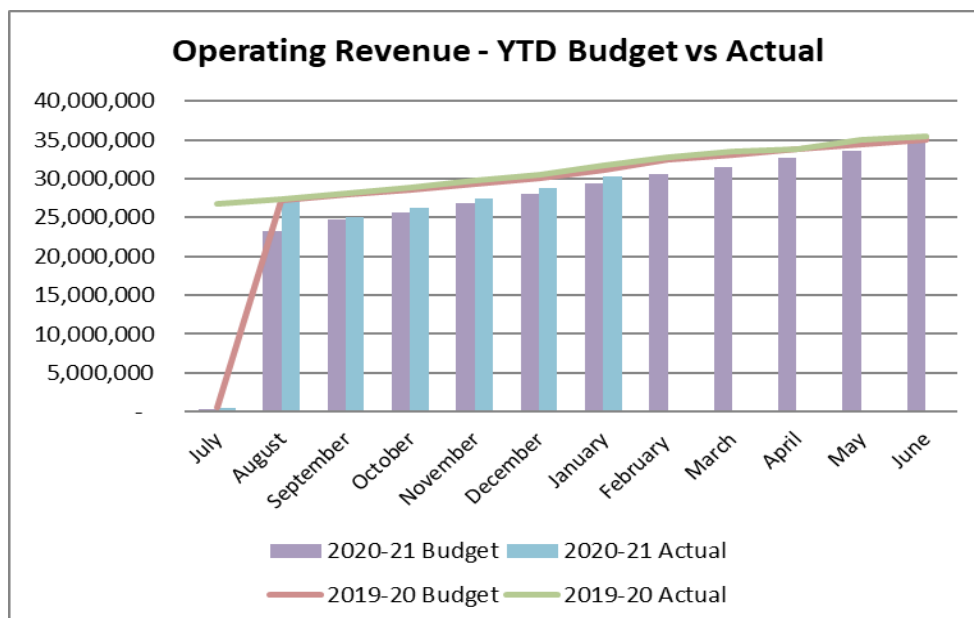
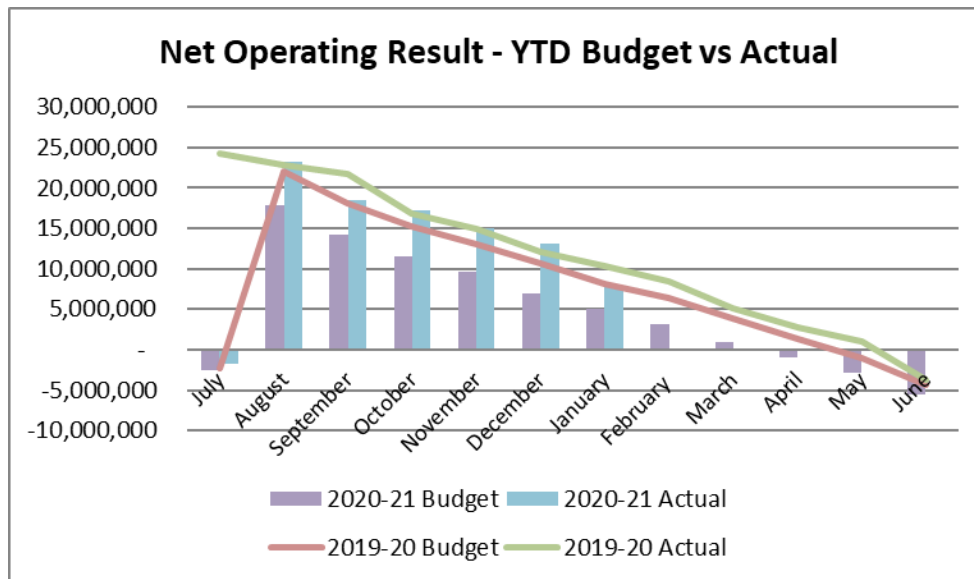
Capital expenditure for the month included:

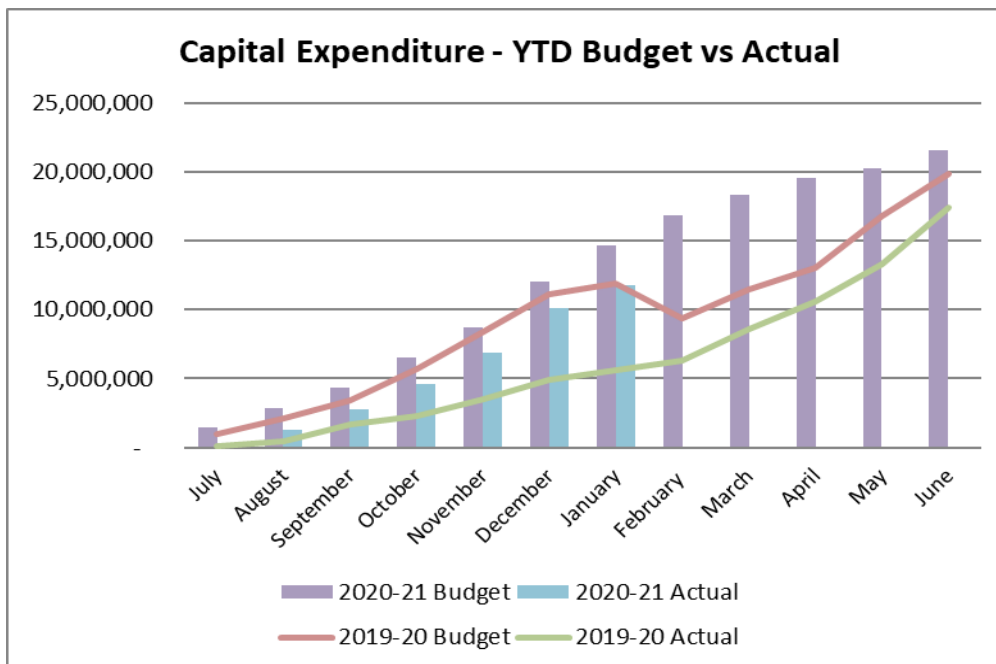
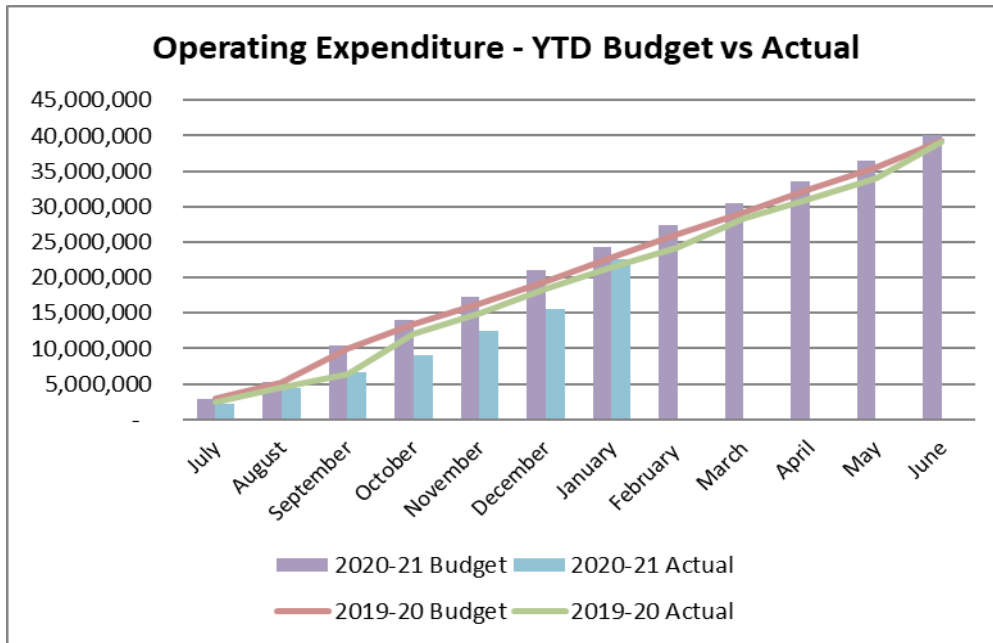
- \$1.552 million on road related projects included \$1.279 million on infrastructure upgrade projects, primarily the Margaret River main street upgrade, and \$0.273 million on infrastructure renewal projects, primarily road preservation and rehabilitation projects, gravel re-sheeting and path; and
- minor expenditure amounts for the HEART, Margaret River Recreation and Aquatic Centre, holiday parks and a fertiliser spreader as part of the plant replacement program.

Financial performance against budget is shown in the following charts.









Following is the Statement of Financial Activity for the year ending 31 January 2021.

SHIRE OF AUGUSTA MARGARET RIVER  
ORDINARY COUNCIL MEETING 10 MARCH 2021

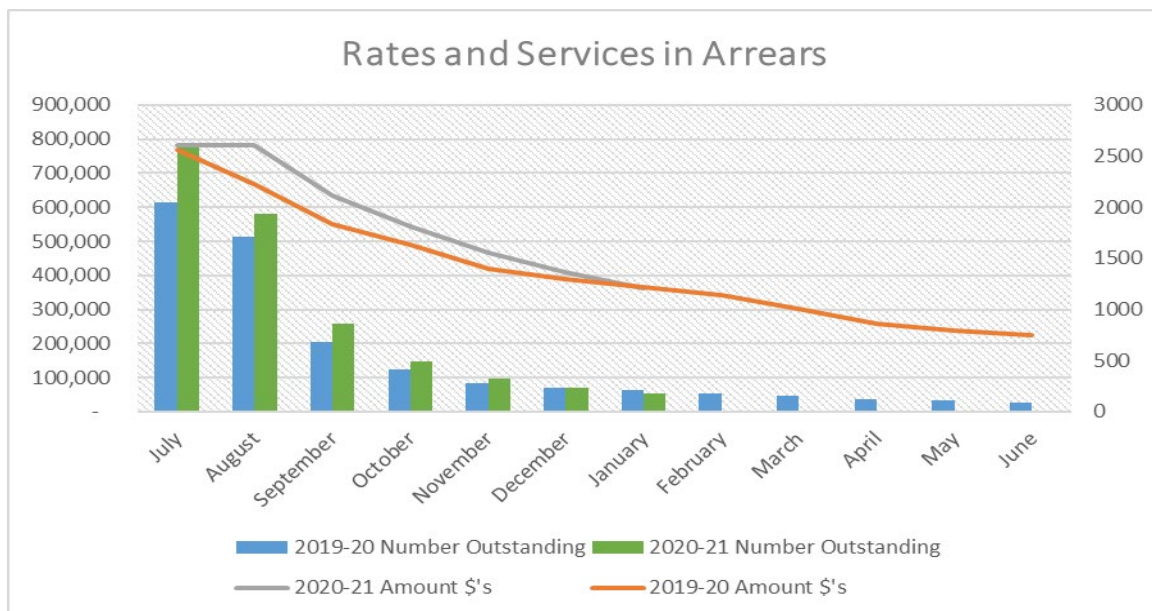
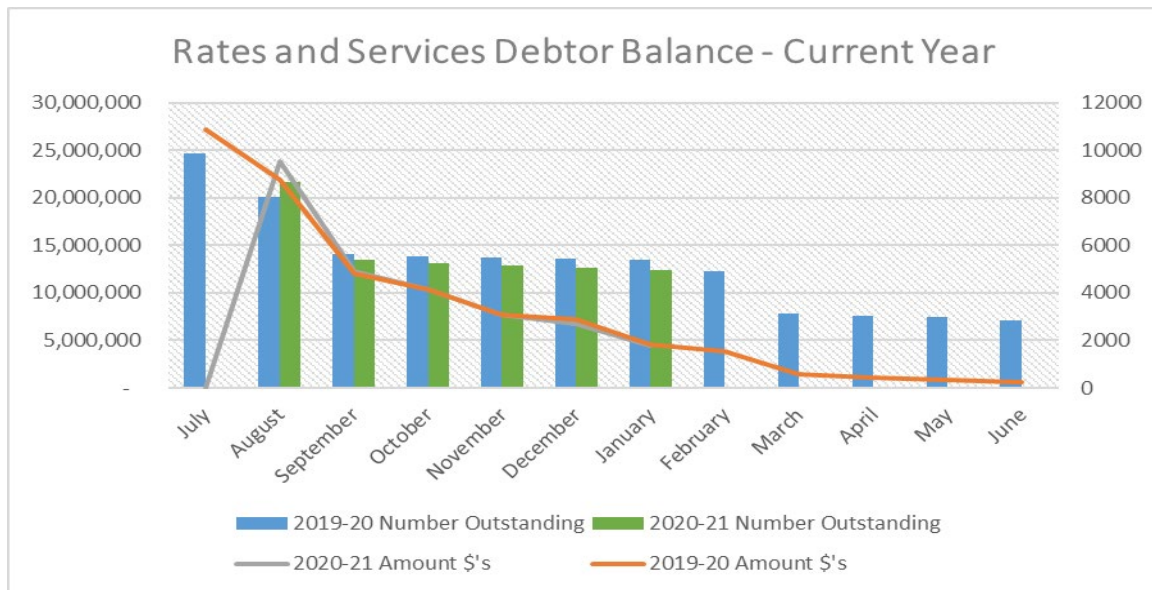
SHIRE OF AUGUSTA MARGARET RIVER STATEMENT OF FINANCIAL ACTIVITY FOR THE PERIOD ENDING 31 January 2021								
BUSINESS UNITS	2019-20 Last Year Actual \$	2020-21 Original Budget \$	2020-21 Amended Budget \$	2020-21 Month of Jan \$	2020-21 YTD Budget \$	2020-21 YTD Actual \$	YTD Variance >10% & >\$10,000	COMMENTS
Net Current Assets at 1 July surplus/(deficit)	3,570,109	2,247,875	2,247,875		2,247,875	2,405,479		
<b>Revenue from Operating Activities</b>								
Rates	22,686,101	22,714,952	22,714,952	50,510	22,554,452	22,632,233	0	
General Financing	2,142,610	1,128,361	1,128,361	32,847	584,886	568,589	0	
Chief Executive Officer	0	0	0	0	0	1,000	0	
Finance	19,686	21,469	21,469	0	8,100	11,446	0	
COVID-19 Response and Recovery	0	0	0	0	0	0	0	
Records	1,175	400	400	30	200	1,396	0	
Corporate Services	2,940	0	0	0	0	5,541	0	
Customer Services	154,874	184,000	184,000	1,496	107,100	99,254	0	
Information Comm. Technology	4,055	0	0	73	0	1,273	0	
Human Resources	0	0	0	0	0	16,782	16,782	Perm: LGIS member dividends offset expenditure
Community Planning & Development	44,886	24,971	24,971	1,694	14,621	14,525	0	
Legal & Governance	212,678	0	0	0	0	6,395	0	
Community Fire & Emergency Services	567,292	839,045	839,045	136,227	541,532	507,851	0	
Rangers	141,458	148,564	148,564	8,020	92,054	90,713	0	
Libraries	38,015	40,100	40,100	2,678	21,600	19,024	0	
Environmental Health	133,543	39,420	39,420	6,671	24,245	62,924	38,679	Timing/Perm: water sampling invoices
Outside School Hours Care	443,762	452,450	452,450	50,071	257,850	260,075	0	
Waste Services	5,020,146	4,952,645	4,952,645	479,772	2,917,569	3,123,387	0	
Planning & Development Services	313,130	260,000	260,000	64,286	151,500	254,778	103,278	Timing/Perm: planning applications
Community Buildings	40,690	0	0	274	0	10,617	10,617	Perm: insurance claim payout
Margaret River Recreation Centre	609,391	794,100	794,100	60,975	445,100	488,368	0	
Margaret River HEART	37,050	249,314	249,314	16,579	123,514	130,460	0	
Augusta Recreation Centre	27,369	34,000	34,000	4,189	18,500	16,409	0	
Gloucester Park	47,301	59,000	59,000	1,637	33,500	28,725	0	
Parks and Gardens	14,675	14,150	14,150	0	0	19,715	19,715	Perm: contributions for works
Asset Services	122,493	50,700	50,700	7,400	14,100	36,297	22,197	Perm: grants
Landcare & Environmental Services	3,000	87,500	87,500	500	20,000	2,500	(17,500)	Perm: unsuccessful grant for coastal projects
Maintenance	65,658	0	0	0	0	0	0	
Plant Program	91,576	50,470	50,470	0	38,095	18,652	(19,443)	Timing: disposal of plant & vehicles
Caravan Parks	1,935,026	2,140,000	2,140,000	539,443	1,237,390	1,615,238	377,848	Timing/Perm: occupancy and bookings
Building Services	203,902	220,000	220,000	36,122	128,100	195,159	67,059	Timing/Perm: building applications
Works Overheads	1,364	0	0	2,500	0	2,500	0	
Plant Operation Costs	8,520	0	0	0	0	0	0	
Other Property and Services	332,182	47,000	47,000	14,900	35,000	55,223	20,223	Timing: Lime pit road maintenance contribution
	35,466,852	34,552,611	34,552,611	1,518,895	29,369,008	30,297,049	928,042	
<b>Expenditure from Operating Activities</b>								
Revenue	(385,269)	(537,606)	(537,606)	(23,963)	(198,526)	(218,267)	0	
General Financing	(570,183)	(531,824)	(531,824)	(44,241)	(285,522)	(282,311)	0	
Members of Council	(314,492)	(268,992)	(268,992)	(19,194)	(151,037)	(133,967)	17,070	Timing: training, reimbursement of expenses
Chief Executive Officer	(532,967)	(494,824)	(494,824)	(32,057)	(297,751)	(251,169)	46,582	Timing: contribution to Regional Airport, training
Director Corporate & Community	(364,164)	(463,782)	(584,830)	(21,942)	(356,672)	(381,664)	0	
Director Sustainable Development & Infrastructure	(521,735)	(504,030)	(504,030)	(29,168)	(290,665)	(248,606)	42,059	Timing/Perm: employee expenses
Finance	(509,211)	(152,190)	(152,190)	(13,657)	(87,802)	(100,155)	(12,353)	Perm: main street activation & marketing works
COVID-19 Response and Recovery	(1,194,275)	(1,099,958)	(1,099,958)	(31,196)	(859,176)	(888,899)	0	
Records	(304,607)	0	0	(54,953)	0	(202,819)	(202,819)	Perm: funded from Emergency Disaster Relief
Corporate Services	(174,637)	(166,636)	(166,636)	(10,011)	(96,976)	(88,109)	0	
Customer Services	(211,132)	(201,260)	(201,260)	(17,547)	(126,260)	(112,537)	13,723	Perm: telephone usage & service charges
Information Comm. Technology	(491,933)	(471,966)	(471,966)	(31,650)	(273,028)	(243,638)	29,390	Perm: employee expenses
Human Resources	(984,695)	(1,024,042)	(1,024,042)	(64,117)	(804,313)	(696,261)	108,052	Timing: software licences & projects
Community Planning & Development	(701,952)	(678,022)	(678,022)	(61,873)	(411,109)	(419,185)	0	
Legal & Governance	(622,267)	(710,167)	(604,119)	(55,260)	(401,400)	(323,831)	77,569	Timing: youth, arts & culture, access projects
Communications & Marketing	(366,074)	(409,652)	(409,652)	(26,577)	(237,910)	(228,853)	0	
Community Fire & Emergency Services	(439,908)	(801,709)	(801,709)	(46,692)	(463,960)	(335,619)	0	
Rangers	(1,257,613)	(1,549,842)	(1,549,842)	(134,502)	(1,043,349)	(885,367)	157,982	Timing: MAF works and other works for BFBs
Beach Lifeguards	(671,089)	(668,564)	(668,564)	(48,181)	(397,297)	(375,920)	0	
Libraries	(146,227)	(142,800)	(142,800)	(39,691)	(69,700)	(41,252)	28,448	Timing: contract expenditure to be invoiced
Environmental Health	(954,056)	(990,113)	(990,113)	(94,530)	(566,884)	(562,386)	0	
Outside School Hours Care	(576,291)	(606,474)	(606,474)	(38,221)	(353,153)	(329,688)	0	
Waste Services	(480,213)	(416,517)	(416,517)	(43,368)	(242,527)	(296,672)	(54,145)	Perm: employee expenses
Planning & Development Services	(3,563,765)	(3,263,976)	(3,263,976)	(125,494)	(1,924,152)	(1,641,297)	282,855	Timing: waste collection invoices
Landcare & Environmental Services	(1,145,036)	(1,342,534)	(1,327,534)	(76,478)	(854,297)	(587,730)	266,567	Timing: employee expenses, projects
Community Buildings	(731,390)	(1,108,140)	(1,108,140)	(37,472)	(685,061)	(393,460)	291,601	Timing: payment of contributions, EMF projects
Margaret River Recreation Centre	(2,241,182)	(2,156,474)	(2,156,474)	(477,285)	(1,285,731)	(1,270,278)	0	
Margaret River HEART	(2,061,811)	(2,156,010)	(2,156,010)	(290,718)	(1,269,244)	(1,113,463)	155,781	Timing: building operations & maintenance
Augusta Recreation Centre	(1,043,239)	(1,406,566)	(1,406,566)	(195,155)	(877,502)	(734,901)	142,601	Timing: equipment purchases
Gloucester Park	(105,975)	(145,244)	(145,244)	(37,752)	(90,822)	(66,605)	24,217	Timing: projects & maintenance
Parks and Gardens	(246,010)	(204,200)	(204,200)	(88,009)	(122,100)	(131,926)	0	
Asset Services	(2,864,155)	(3,024,555)	(3,024,555)	(540,743)	(1,843,030)	(1,615,830)	227,200	Timing: reserves & road reserves maintenance
Maintenance	(1,319,332)	(1,237,518)	(1,237,518)	(93,055)	(717,363)	(587,705)	129,658	Timing/perm: projects
Plant Program	(10,587,550)	(9,210,724)	(9,210,724)	(3,642,652)	(5,337,002)	(5,242,724)	0	
Caravan Parks	(26,308)	(34,465)	(34,465)	(180)	(5,474)	(7,795)	0	
Building Services	(1,340,723)	(1,617,302)	(1,617,302)	(176,051)	(1,020,949)	(740,477)	280,472	Timing: projects delayed
Sustainable Economy	(164,133)	(163,312)	(163,312)	(13,065)	(94,106)	(95,323)	0	
Works Overheads	(109,696)	(144,735)	(144,735)	(9,332)	(95,294)	(72,200)	23,094	Timing: projects
Plant Operation Costs	(483,501)	(115,182)	(115,182)	(123,149)	(91,020)	(560,712)	(469,692)	Timing/perm: vehicle, unallocated staff expenses
Other Property and Services	169,675	140,722	140,722	(436)	34,452	104	(34,348)	Timing: fuel & repair costs
	(137,606)	(53,000)	(53,000)	(2,589)	(30,500)	(11,680)	18,820	Timing: land sale & purchase costs
	(40,776,726)	(40,134,185)	(40,134,185)	(6,912,207)	(24,324,212)	(22,521,178)	1,803,034	

SHIRE OF AUGUSTA MARGARET RIVER  
ORDINARY COUNCIL MEETING 10 MARCH 2021

SHIRE OF AUGUSTA - MARGARET RIVER STATEMENT OF FINANCIAL ACTIVITY FOR THE PERIOD ENDING 31 January 2021							
BUSINESS UNITS	2019-20	2020-21	2020-21	2020-21	2020-21	2020-21	YTD
	Last Year	Original	Amended	Month of	YTD	YTD	Variance
	Actual	Budget	Budget	Jan	Budget	Actual	>10% & >\$10,000
	\$	\$	\$	\$	\$	\$	
<b>Operating activities excluded from Budget</b>							
Depreciation on assets	9,643,934	9,516,948	9,516,948	5,046,978	5,549,740	6,054,524	343,588
(Profit)/Loss Asset Disposal	1,675,235	(16,005)	(16,005)	0	(32,621)	(18,652)	(18,652)
Loss on sale of land held for resale	9,091	0	0	0	0	0	0
Other financial adjustments	(2,325,234)	0	0	0	0	0	0
	9,003,026	9,500,943	9,500,943	5,046,978	5,517,119	6,035,873	324,936
<b>Amount attributable to operating activities</b>	<b>7,263,261</b>	<b>6,167,244</b>	<b>6,167,244</b>	<b>(346,334)</b>	<b>12,809,789</b>	<b>16,217,223</b>	
<b>INVESTING ACTIVITIES</b>							
<b>Non Operating Grants &amp; Contributions</b>							
Community Fire & Emergency Services	703,787	1,101,000	1,101,000	0	0	0	0
Waste Services	33,346	0	0	(43,107)	0	0	0
Planning & Development Services	233,525	200,000	200,000	5,689	120,000	139,618	19,618
Community Buildings	1,260,626	160,000	160,000	0	160,000	0	(160,000)
MR Recreation Centre	10,000	0	0	0	0	0	0
Gloucester Park	0	719,289	719,289	160,000	635,695	160,000	(475,695)
Parks and Gardens	(49,698)	0	0	0	0	0	0
Construction	13,919,501	4,571,338	4,572,338	32,000	3,015,838	8,018,884	5,003,046
	16,111,087	6,751,627	6,752,627	154,582	3,931,533	8,318,502	4,386,969
<b>INVESTING ACTIVITIES</b>							
Purchase Land Held for Resale	0	0	0	0	0	0	0
Purchase Land and Buildings	(2,625,059)	(2,577,905)	(2,666,243)	(964)	(1,906,000)	(1,023,050)	882,950
Purchase Infrastructure Assets - Other	(1,809,992)	(2,877,870)	(2,882,870)	(684)	(1,859,432)	(293,563)	1,565,869
Purchase Infrastructure Assets - Roads	(18,546,425)	(13,102,838)	(12,996,500)	(1,552,400)	(9,668,518)	(10,104,727)	0
Purchase Plant and Equipment	(2,092,805)	(2,811,500)	(2,811,500)	(17,644)	(1,075,000)	(209,523)	865,477
Purchase Furniture and Equipment	(94,850)	(231,700)	(231,700)	(24,259)	(141,500)	(108,923)	32,577
Proceeds from Disposal of Assets	554,661	286,500	286,500	0	187,000	48,169	(138,831)
Proceeds from Sale of Land Held for Resale	122,727	0	0	0	0	0	0
Advances to Community Groups	(19,525)	0	0	0	0	0	0
Proceeds from Self-Supporting & IF Loans	18,277	19,628	19,628	0	3,223	3,223	0
	(24,492,991)	(21,295,685)	(21,282,685)	(1,595,951)	(14,460,227)	(11,688,394)	3,208,042
<b>Amount attributable to investing activities</b>	<b>(8,381,904)</b>	<b>(14,544,058)</b>	<b>(14,530,058)</b>	<b>(1,441,369)</b>	<b>(10,528,694)</b>	<b>(3,369,892)</b>	
<b>FINANCING ACTIVITIES</b>							
Repayment of borrowings	(924,549)	(763,771)	(763,771)	(23,080)	(403,349)	(403,349)	0
Payments for principal portion of lease liabilities	(45,108)	0	0	(5,835)	0	(40,139)	(40,139)
Proceeds from borrowings		810,000	810,000	0	0	0	0
Unspent Loan 194		223,705	223,705				
Transfers to reserves (restricted assets)	(4,455,667)	(423,019)	(423,019)	(10,812)	(75,804)	(75,804)	0
Transfers from reserves (restricted assets)	8,949,451	8,529,899	8,529,899	0	190,000	190,000	0
<b>Amount attributable to financing activities</b>	<b>3,524,127</b>	<b>8,376,814</b>	<b>8,376,814</b>	<b>(39,727)</b>	<b>(289,153)</b>	<b>(329,292)</b>	<b>(40,139)</b>
<b>Net Current Assets Surplus (Deficit)</b>	<b>2,405,479</b>	<b>0</b>	<b>14,000</b>	<b>(1,827,430)</b>	<b>1,991,942</b>	<b>12,518,039</b>	

### Outstanding Debtors

The following charts compare the outstanding balance of rates and services and the outstanding balance of rates and services in arrears for the current and previous years. The expectation that both the number of assessments and the amounts outstanding would be higher than at the same time last year is not the case. At 31 January 2021 outstanding rates and services raised this year totalled \$4.504 million compared to \$4.594 million at the same time last year and is a year on year decrease of 2.0%. Rates and services in arrears totalled \$0.363 million compared to \$0.365 million at the same time last year and is a year on year decrease of 0.5%.



### Investments

At 31 January 2021 the Shire's cash on hand, deposits and investments totalled \$29,508,466 (an increase of \$3,567,934 to last month's total of \$25,940,532). Total investment interest earned for the year was \$112,950 and did not achieve the budget of \$125,350.

### Term Deposits – Cash Management

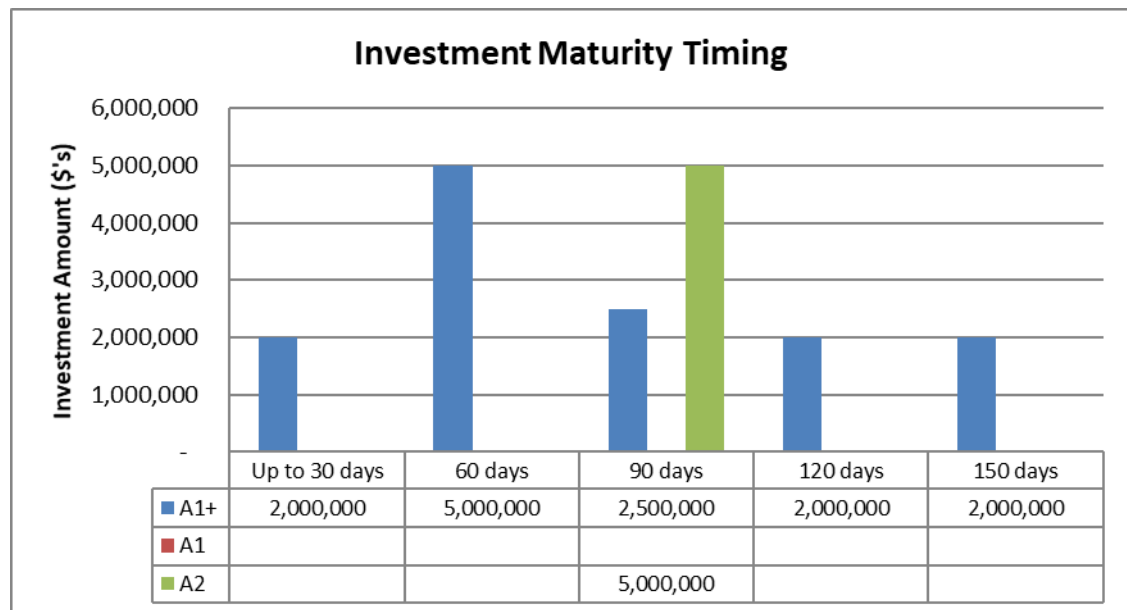
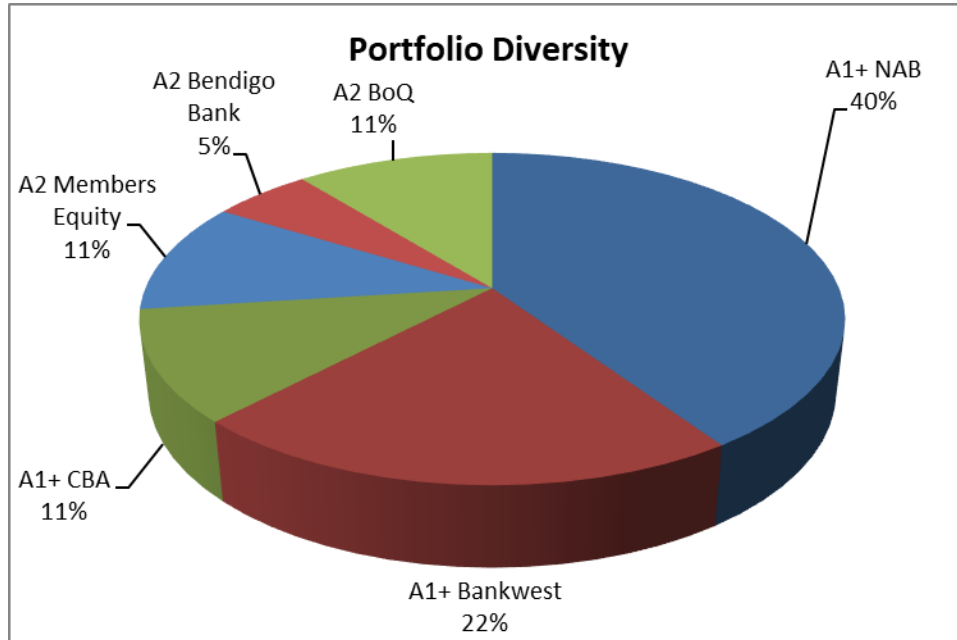
At the end of January, the Shire had the following short-term facilities (term deposits).

Maturity	Term Days	Institution (ADI)	Principal \$	Interest Rate	Interest \$
12/2/21	184	Bankwest	2,000,000	0.80%	8,066
8/3/21	182	NAB	5,000,000	0.70%	17,452
2/4/21	365	Bendigo Bank	1,000,000	1.35%	13,500
6/4/21	271	NAB	2,500,000	0.88%	16,334
13/4/21	182	Members Equity Bank	2,000,000	0.55%	5,485
13/4/21	182	Bank of Queensland	2,000,000	0.55%	5,485
10/5/21	182	CBA	2,000,000	0.38%	3,790
4/6/21	182	Bankwest	2,000,000	0.50%	5,012
			18,500,000		75,124

During the month the following changes were made to term deposits:

- a term deposit of \$1.5 million with Bankwest was redeemed to meet cash flow needs.

The average rate of interest to be paid on all term deposits is 0.71% (last month 0.73%).



#### In-Kind Support

At 31 January 2021 a total of \$3,818 of fee waivers had been approved. No donations, financial assistance sponsorships or fee waivers were approved during December.

#### Reserves

Movement to reserves represent interest earned on reserve funds and transfers to and from reserves. Apart from interest earned no reserve transfers were processed.

#### Budget Amendments

No budget amendments are proposed.

## **STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS**

Financial Management Regulation 34 requires a local government to prepare each month a Statement of Financial Activity reporting on the sources and applications of funds, as set out in the annual budget under Financial Management Regulation 22(1) (d).

## **STRATEGIC PLAN / POLICY IMPLICATIONS**

### ***Community Strategic Plan 2036 (CSP)***

### ***Corporate Business Plan 2020-2024***

Key Result Area 5: Effective leadership and governance

Outcome 6: Measure and report on success and sustainability

Strategy 1: effectively measure our success and progress to a sustainable future

Service level strategy/plan: Continue to monitor monthly, year to date and annual financial performance including preparation of the annual financial report.

## **PLANNING FRAMEWORK**

Nil

## **FINANCIAL IMPLICATIONS**

### **Implications**

At 31 January 2021 the Shire's financial performance is exceeding budget projections for liquidity and the net operating result. This is attributable to under budget capital and operating expenditure and over budget operating revenue and capital grants.

### **Long Term Financial Plan**

Monthly financial performance will influence the Long-Term Financial Plan by providing actual revenue and expenditure parameters to compare against forecast results.

### **Whole of Lifecycle considerations**

Nil

## **SUSTAINABILITY IMPLICATIONS**

### **Environmental**

As included in the report in business units such as Landcare & Environmental Services, Parks & Gardens, Waste Services, Environmental Health.

### **Social**

As included in the report in business units such as Community Planning & Development, Town Planning, Recreation Centres, Parks & Gardens.

### **Economic**

As included in the report in business units such as Sustainable Economy, Caravan Parks, Building Services, Town Planning, General Financing.

## **ADVOCACY**

Nil

## **IMPLICATIONS OF ALTERNATIVE RESOLUTION**

Nil

## **VOTING REQUIREMENTS**

Simple Majority

## **RECOMMENDATION**

That Council receives the Monthly Financial Report – January 2021 in accordance with Section 6.4 of the *Local Government Act 1995* and Regulation 34 of the *Local Government (Financial Management) Regulations*.

## **ADVICE TO APPLICANT / PROPONENT**

Nil

**ATTACHMENTS**

1. Monthly Financial Report consisting of:
  - a. Notes to and forming part of the Statement of Financial Activity
  - b. Financial Reports by Business Units



### 11.3.2 HOMELESSNESS AND HOUSING WORKING GROUP

---

<b>LOCATION/ADDRESS</b>	Shire of Augusta Margaret River
<b>APPLICANT/LANDOWNER</b>	Shire of Augusta Margaret River
<b>FILE REFERENCE</b>	CSV/104, RES/37737 & RES/20761
<b>REPORT AUTHOR</b>	James Shepherd, Director Corporate and Community Services
<b>AUTHORISING OFFICER</b>	Stephanie Addison-Brown, Chief Executive Officer

---

#### IN BRIEF

- The Shire provides funding to Just Home to support their Collective Plan 2020-2023; this agenda report is aligned specifically to 'Goal 4 - To develop strategic partnerships to facilitate the development of increased social housing in Augusta-Margaret River through the Homelessness and Affordable Housing Working Group.'
- In 2015 and 2016 the Shire adopted an Affordable Housing Strategy a Homelessness Policy which established how the Shire would respond to these issues.
- The Homelessness and Affordable Housing Working Group (HAWHG) was established in 2017 to look at ways the Shire could support and advocate for these services to be based locally where possible.
- In 2019 Just Home partnered with multinational consulting firm ARUP to undertake a review and assessment of housing needs within the Shire, particularly in relation to affordable, low cost, social housing and housing stress.
- The Shire collaborated on the project with the report being completed in February 2020.
- The report identified potential opportunities at various sites in Margaret River and Augusta with a stepped approach outlined to identify and define pathways to support these opportunities.
- Council direction is sought to establish how staff should proceed with the recommendations outlined within the report.

#### RECOMMENDATION

That Council:

1. Notes the ARUP Report;
  2. Authorises the CEO to initiate an Expression of Interest process for development opportunities at Hillview Road, Augusta and defer any potential development decisions at Terry Road, Margaret River pending any future change in land tenure or land use of the site; and
  3. Continues with the CEO to advocate to State in regard to development of social housing stock in and around the Henning Avenue precinct in Margaret River, supported aged care facilities and overall provision of social housing and associated services in the region.
- 

#### LOCATION PLAN

##### Site and Surrounds

The Homelessness and Affordable Housing Working Group (HAWHG) which consists of members of Just Home, Council and Shire staff has been meeting over the last four (4) years. A key focus of discussions and investigations has been the identification of land which could be made available for the purposes of creating additional affordable housing in the Shire. Land identified as being most suitable over this time, and subsequently considered by way of the ARUP is outlined below:

##### 3ha portion of Reserve 37737 Terry Road, Margaret River – see figure 1

- Previously used by Water Corporation as a sewerage treatment plant, and in more recent times, a storage yard.
- Not currently vested in the Shire, however process is underway to achieve vesting.
- One of very few Reserves within the Shire which has a cleared area.
- Subject to a high level of bushfire threat due to surrounding vegetation.
- Has reasonable proximity to town centre however is not contiguous with other urban areas.

- Not identified for future development by LPS1 or Local Planning Strategy and would need to be rezoned if urban development was to be supported.

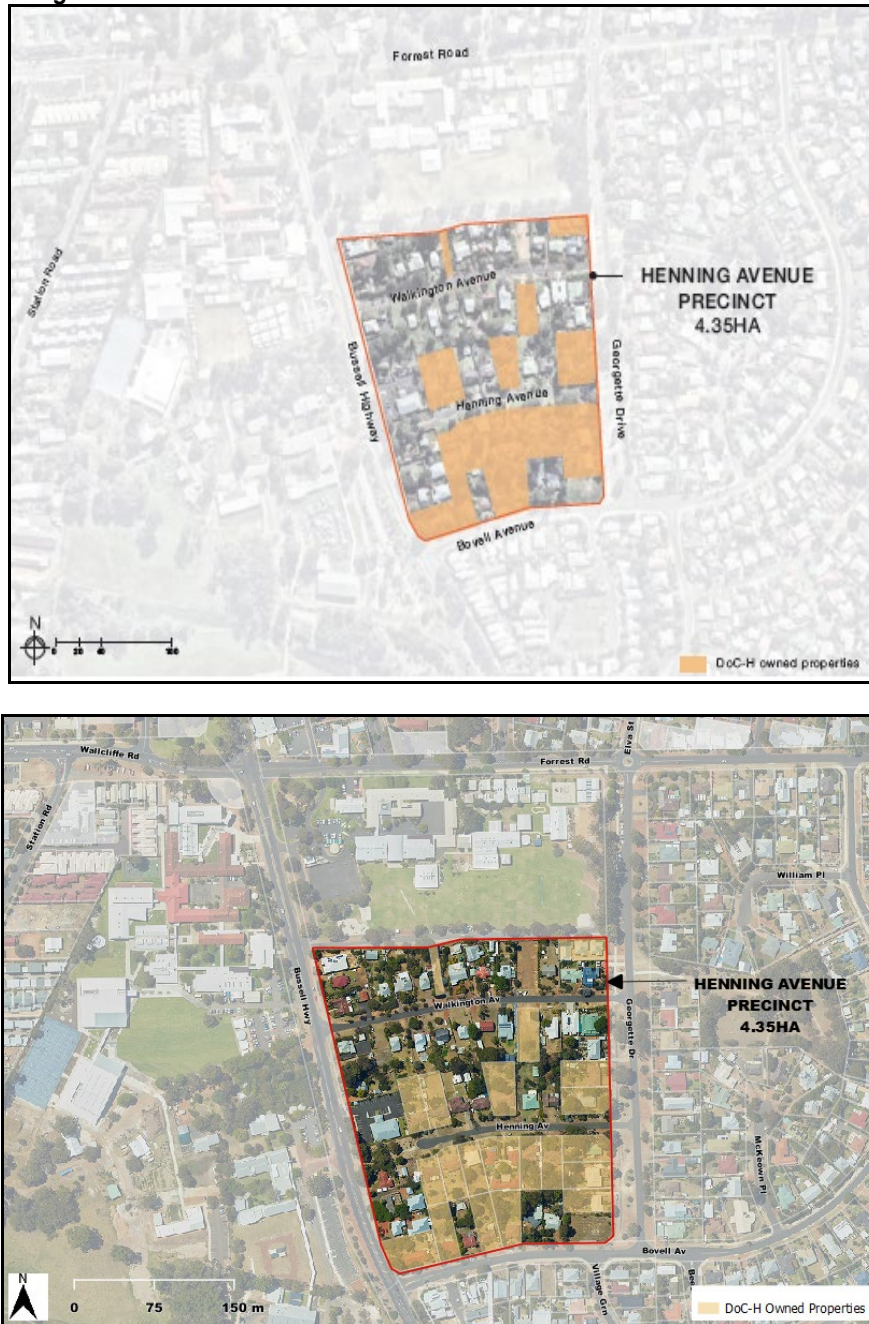
**Figure 1**



Land owned by the Department of Communities in a precinct including Henning and Walkington Avenues, Margaret River – see figure 2

- 23 properties owned by state government and mostly developed with single dwellings plus one vacant site.
- Large lots of around 1000m<sup>2</sup>
- Zoned to allow medium density development
- Existing development is in need of significant upgrades.

**Figure 2**

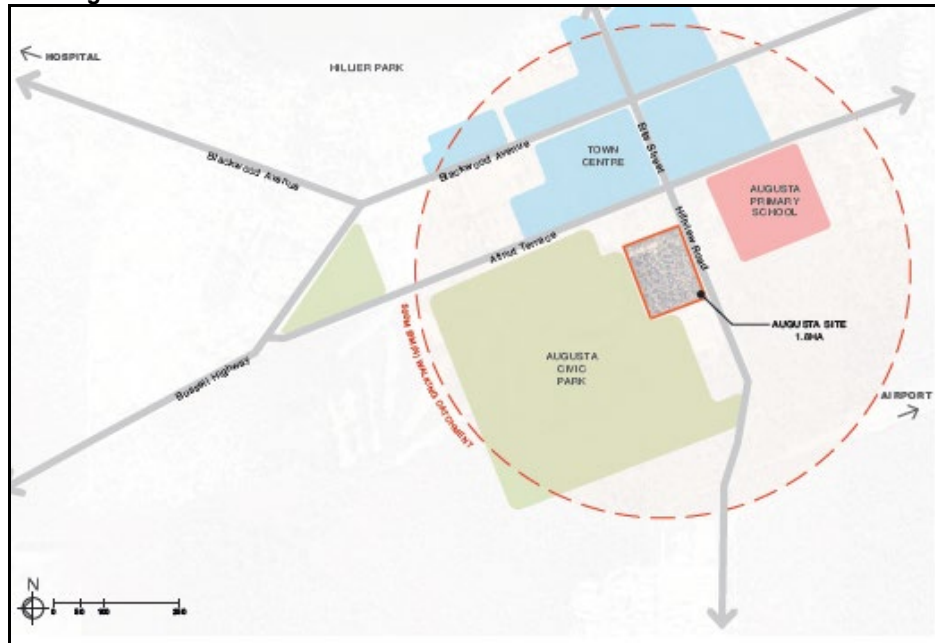


A 2.4ha portion of Reserve 20761, Hillview Road Augusta – see figure 3

- Department of Planning Lands and Heritage support issuing a conditional title for this site for the specific purposes of aged dependant persons housing.
- Shire has called for Expressions of Interest in developing the site however no interest was received.
- Requires significant sewer extension to service development.
- The site is significantly vegetated, any development would require approval to clear large portions of the lot.
- Draft Local Planning Scheme zones land in a way that enables it to be developed.



**Figure 3**



**TABLED ITEMS**

Nil

**BACKGROUND**

The supply of affordable housing has been an issue throughout Australia for a number of years; with this issue recently exacerbated by the effects of the COVID-19 pandemic. In WA in December 2020 REIWA reported that residential vacancy rates have equalled their lowest levels in forty (40) years and not matched since 2007 with rates falling below 1%. In recent months a number of businesses have reported a lack of available rental accommodation for potential staff as a major block to business growth out of the pandemic. This situation is being experienced in other regional areas of the State including Bunbury, Dunsborough, Geraldton and Exmouth as well as other parts of the North West whilst in the metropolitan area of Perth the situation is broadly similar.

Whilst the State moratorium on residential tenancy evictions until March 2021 has provided security for existing tenants it has resulted in a reduction in movement within the rental market making it harder for

individuals looking for new rental properties. With the moratorium due to end on 31 March 2021 there is considerable uncertainty amongst existing tenants who anticipate a rental price rise. The last five (5) years have seen little investor activity in the rental property market and this, combined with more people returning to Australia from overseas as a result of the pandemic, has put significant pressure on the rental market across all of WA. REIWA has indicated that the end of the moratorium and the recent increase in investment in the rental property market will start to address these issues but will require at least twelve (12) months before the situation begins to improve. REIWA reported 2020 sales increasing to 181 for the year, up from 62 in 2019.

These factors do not detract from the issues that many communities across the State are facing, however it demonstrates that this is not only a local problem requiring a local solution but a State wide problem that requires a State wide solution driven by the State Government who, through the Department of Communities are the responsible agency for provide social and affordable housing.

Locally a lack of affordable, low cost, social housing and associated housing stress has been identified by stakeholders as an inhibitor to enable local households to connect to a home that meets their needs.

The Shire has increased its activity in advocating for more support from the State within the Margaret River region with approaches made to the Ministers for Housing and Child Protection, Women's Interests, Prevention of Family and Domestic Violence and Community Services raising these issues for the region.

The Department of Communities have confirmed that 5 Walkington Avenue, Margaret River will be developed to provide four (4), two bedroom aged/dependant dwellings with an estimated commencement date for construction of May 2021. Under the State's Social Housing Economic Recovery Package (SHERP) five (5) public housing properties in Margaret River are being identified for refurbishment with a planned commencement date of mid-2021. The Shire has requested and is awaiting further details.

The Shire originally adopted its Affordable Housing Strategy in July 2015 (OM2015/155/156), this was subsequently slightly modified in December 2015 (OM2015/262/263/264). At the Ordinary Council Meeting held 12 October 2016 the Shire adopted CCSP20 Homelessness Policy (OM2016/221) which established how the Shire would respond to issues around homelessness and affordable housing. The Policy identifies the Shire's role as a local government focussed on advocacy, facilitation through planning, community capacity building and the development of partnerships with State and Federal agencies as well as social housing providers. Since the adoption of both the Strategy and Policy Shire staff have worked in accordance with these key principles and strategic objectives. The Homelessness Policy is due for review, any changes to this policy will need to take into account the outcomes of this report and other relevant and current factors affecting homelessness.

As indicated this issue is not unique to the region but is experienced throughout the State within both the metropolitan and many regional areas. In 2020, one in five (200,000) households are estimated to need some form of housing assistance from the WA Government; this need is forecasted to increase by an additional 45,000 households by 2030 (*WA Housing Strategy, 2020-2030*).

The Department of Communities' WA Housing Strategy, 2020-2030 identifies the importance of 'home' as a key to a thriving life that supports good health, wellbeing, education and employment and further establishes the need for homes to be safe, stable and sustainable. The report goes on to identify the benefits that accrue from investing in housing in relation to ongoing costs of providing other government services including health, justice and aged care. The Strategy outlines the following key principles to support an agile housing system that underpins individual, family and community wellbeing:

- A housing system that provides choice for all.
- A system that supports equity and accessibility for all.
- A system that facilitates the maintenance and growth of the social housing safety net.
- A system that is person centred, place-based and community focussed.

The State's Strategy clearly identifies that many of the outcomes are the responsibility of the State Government, these are primarily focussed on the redevelopment and refurbishment of existing housing stock, the optimisation of land use and connecting people to housing information. Building capacity,

capability and collaboration supports the involvement of Local Government in the process whilst Local Governments also have a role to play in optimising land use where appropriate; this principle is reflected in the Shire's Homelessness Policy and Affordable Housing Strategy.

The ARUP Report, commissioned by Just Home on a pro bono basis and aligned to the objectives of the Affordable Housing Strategy and Homelessness Policy, provided insight into the following region specific factors affecting the provision of low cost, accessible housing highlighting the following:

1. The price of rental accommodation is largely unaffordable for those on lower incomes.
2. The local housing market does not provide sufficient supply to meet demand.
3. Instances of persistent disadvantage over multiple generations exist.
4. There is a lack of employment and underemployment within the region, impacted further by the seasonality of tourism and associated employment opportunities.
5. The Shire has a high proportion of unoccupied dwellings which limit long term rental stock and access to housing.
6. Tourist demand means caravan parks are unaffordable and largely unavailable.
7. There is a lack of crisis accommodation.
8. The Shire's geographical distance from services in Busselton and Bunbury negatively affects lower income residents significantly.

The Report, completed in February 2020, identified a number of processes to determine the potential for, and feasibility of, future opportunities. These processes were applied to the sites considered within the report and identified the steps outlined below.

#### **Terry Road, Margaret River**

A number of considerations need to be resolved to determine how the site may be developed; fundamentally these revolve around the need to:

- Determine potential housing models and approvals pathways for development on State owned land.
- Where approval pathways may be demanding or problematic, identify development partnership opportunities with relevant State agencies.

For the Shire to make any progress there is a requirement for the vesting of the land be transferred from the State to the Shire and a supporting resolution from Council.

Recently the Department of Planning, Lands and Heritage provided informal advice that given the size of the site and its development potential for a range of different uses, it would not be progressing with transferring the vesting of the land, and would prefer instead to consider what options may emerge for the land over time. This suggests that, at this time, Terry Road is not an option for consideration.

#### **Henning Avenue, Margaret River**

Prior to any development potential being realised the following steps need to be undertaken:

- Initiate discussions with the Department of Communities to determine any willingness and interest in partnering to redevelop the site.
- Investigate potential partnership opportunities with the not for profit affordable housing sector.

The Department of Communities, through the WA Recovery Plan have identified works within the Shire as detailed within this report. Henning Avenue has not yet been identified within this plan as a site for the development although the State have confirmed that 5 Walkington Avenue will be developed to provide four (4), two bedroom aged/dependent dwellings with work scheduled to commence in May 2021.

#### **Hillview Road, Augusta**

The lot on Hillview Road is a reserve vested with the Shire with the town centre and amenities within five (5) minutes' walk. It is zoned for public purposes (community purposes) under the current planning scheme, interfaces with existing residential and community facilities and is close to the Augusta Hospital on Blackwood Avenue. Whilst not listed as a priority in the ARUP Report this site provides the Shire with the best opportunity to determine its development potential for affordable/social housing through an Expression of Interest process.

**Eatt Place, Augusta**

The site at Eatt Place, Augusta was deemed unsuitable at this time due to its size, location and suitability for the required purpose.

Since February 2020 Shire staff have worked with the Homelessness and Housing Working Group to seek to establish the way forward on the basis of the ARUP Report, the Department of Communities' WA Housing Strategy 2020-2030 and opportunities arising from the WA Recovery Plan to support the State's economic rebound from the COVID-19 pandemic.

Furthermore external specialists have been consulted with to establish the best way forward to enable the Shire to optimise its opportunities; these include Greg Cash, Elysian Consulting (ex-Department of Housing Director General) and Susie Jackson (Jackson Consulting) who have both provided pro bono advice to the Working Group.

When considering need there is no question that this is a real issue for those experiencing housing stress, whilst in absolute terms the number of residents falling into this category has increased as a result of COVID-19 the total number still remains relatively small.

Just Home, the Shire supported local not-for-profit housing advocacy support organisation, stated as part of their reporting for the first three (3) year of operation (2017–2020) that they had engaged with 75 clients in their first two years of operation with one part time employee. During 2020 which included the COVID-19 pandemic affected period of April to December 2020 there has been a reported increase in those requiring support with statistics showing this number increasing to 114 at the end of December 2020. This included 25 adults with 20 dependents during the April to December period. Just Home also received 163 new enquiries during the April to December 2020 period that did not progress to intake. This suggest that the COVID-19 pandemic has resulted in an increase in housing stress within the community. At the time of reporting Just Home are not currently resourced to extend their intake numbers, as a result only those most in need are able to be serviced; a current wait list of 13 exists as of 31 December 2020.

State Housing waiting lists locally are approximately 5-6 years which means that local housing solutions are not a viable option for many; we do not have information on exactly how many people currently living locally would be eligible to access the State housing options if they were to become available.

The provision of support and access to local housing options and services is the responsibility of Department of Communities. However, this role has not been fulfilled locally and this has led to Just Home taking on this area of work. With no Department of Communities staff provided locally it has fallen to a local solution to be made available via other funding sources of which the Shire has provided the only source of ongoing stable funding to the organisation with other funding sources being accessed as they are available including significant local support. This situation does not diminish the Shire's advocacy role with the State Government to seek to see these functions delivered by the Department of Communities as should be the case.

Along with the recognition that the provision of housing to those in need is a State Government responsibility these relatively low numbers support a Shire focus on advocating local need to the Department of Communities and relevant Ministers of State and seeking collaborative partnerships with interested parties in the not for profit housing sector looking to expand their services into the region, an example of the latter include organisations such as Alliance Housing.

During 2020 the Shire have advocated with the State Government in relation to the provision of affordable housing in the region through contact with the regional office and representations to the Minister for child Protection, Women's Interests, Prevention of Family and Domestic Violence and Community Services, the Hon. Michelle McGurk MLA as well as the Minister for Housing, Fisheries, Veterans Issues and Asian Engagement, the Hon. Peter Tinley MLA.

In June 2020 the State Government announced an additional five (5) potential social housing dwellings for the Margaret River region as part of their commitment to deliver 23 new social housing dwellings under the Housing and Homelessness Investment Package and Social Housing Economic Recovery Package (SHERP); these are planned to commence in 2020-21. The Shire is continuing to work with

the Department of Communities, Housing and Homelessness Division in relation to this positive step towards an increase in the provision of affordable housing within the region.

## **CONSULTATION AND ADVICE**

### **External Consultation**

- Housing and Homelessness Working Group
- Department of Communities (South West)
- Elysian Consulting
- Jackson Business Consulting

### **Internal Consultation**

- Manager Planning and Development Services
- Co-ordinator Community Planning and Development

## **DISCUSSION / OFFICER COMMENTS**

The ARUP project emerged via existing relationships between Just Home members and ARUP staff. This led to ARUP offering its services on a pro bono basis and this arrangement was formalised via a memorandum of understanding to which the Shire was a signatory. As outlined in the MOU, the intent of the agreement was to:

*“Collaborate to support local efforts to address the demand for and current lack of affordable, low cost social housing to address homelessness and housing stress in the Shire of Augusta Margaret River. This includes building a case for land acquisition and to gain traction with key stakeholders as well as with local providers, developers, organisations as potential future project partners.”*

Three staff members from ARUP undertook two days of work within the Shire including site visits and a workshop based session including Shire staff, community members, staff from support agencies including Department of Communities and Just Home.

Through a collaborative process the preferred sites for a future housing project were narrowed from those previously being explored by the HAHWG. These sites were either owned by the State Government or the Shire with recommended next steps developed based around land tenure, location and potential.

In conclusion the report identifies next steps at general and site-specific levels. Generally, the requirement to develop a business case for each site is recognised alongside the identification of risks and constraints, potential housing development models and potential approval pathways.

In relation to the specific sites, recommendations range from working with the State Government to determine willingness to redevelop sites, overcoming constraints and identifying potential partnership opportunities.

## **STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS**

Nil

## **STRATEGIC PLAN / POLICY IMPLICATIONS**

***Community Strategic Plan 2036 (CSP)***

***Corporate Business Plan 2020-2024***

Key Result Area 2: Welcoming, inclusive and healthy communities

Community Outcome 2.6: Community health, safety and social justice in the face of changing climate

## **PLANNING FRAMEWORK**

The Shire prepared an Affordable Housing Strategy (AHS) which was endorsed by Council in 2015. In adopting the recommendations contained within the Strategy, Council made a deliberate decision not to become a housing provider/manager but to focus on facilitation and advocacy.

With respect to the Henning Avenue precinct, Council adopted position, which is expressed in the AHS is:



*“Continue the partnership established with the Department of Housing as a result of the preparation of this Strategy to grow the amount of social housing available in the Shire. This would logically include the redevelopment of the ‘Henning Avenue Precinct’, where the Shire has increased the residential density code to facilitate increased dwelling yields. Redevelopment would have the intention of:*

- Developing vacant sites held by Department of Housing (DoH)*
- Achieving a mix of affordable owner occupier and rental accommodation which is consistent with DoH policy; and*
- Reinvesting any capital achieved through the sale of dwellings in additional social housing in other areas of the Shire.”*

With respect to the Hillview Road site, Council’s established position as contained in the AHS is:

*“Require that the Augusta retirement village project and any other future housing projects whereby the Shire is a project partner include an affordable housing component of at least 10% of the dwelling units.”*

## **FINANCIAL IMPLICATIONS**

### **Implications**

Nil

### **Long Term Financial Plan**

Shire funding toward Homelessness and associated services currently includes:

- \$30,000 PA to Just Home on a 3-year agreement for administrative support.
- \$8,933 to Just Home during 2020-21 for their life skills program as part of the Shire’s Community Resilience Grant scheme.
- \$113,000 during 2020-21 to Margaret River Chamber of Commerce and Industry and Just Home to support those at risk during the COVID-19 crisis.
- \$6,720 to Margaret River Community Pantry in planning fees and development works.

Shire In kind support toward Homelessness and associated services currently include:

- In-kind support to Margaret River Community Pantry in lease arrangement of land adjacent to Margaret River Lions Shed.
- In-kind officer.
- In-kind support to Department of Communities to host support worker for 3-year trial period.

### **Whole of Lifecycle considerations**

Nil

## **SUSTAINABILITY IMPLICATIONS**

### **Environmental**

Development of the Hillview Road, Augusta site would require the removal of vegetation. The extent of cleared area at Terry Road, Margaret River which could be developed would be reduced if required asset protection zones were accounted for within existing cleared areas.

### **Social**

Access to affordable, safe and secure accommodation is a basic human right. The Shire is currently seeing additional pressures on housing security for local people with COVID-19 creating further housing stress due to returning house owners taking up residence, long term rental houses being sold or used as tourism accommodation due to high demand and returns. The upcoming end to the moratorium on rental evictions is also placing added stress locally, primarily as it is unknown whether the current March deadline will remain or be extended.

### **Economic**

Access to affordable, safe and secure accommodation provides a foundation from which individuals can participate in the workforce and contribute to economic development. The lack of suitable and affordable accommodation for long term residents and the shortage of short-term accommodation for seasonal workers has created an environment where local businesses struggle to secure workers. Housing stress is also recognised as a factor negatively affecting individuals’ physical and mental health and increasing the burden on healthcare providers within the Shire.

**ADVOCACY**

The Shire has and continues to advocate directly to State Government on a range of issues affecting the supply of local affordable and social housing including current housing stocks, future planned development, options for new housing development and the need for social housing services within the region.

**IMPLICATIONS OF ALTERNATIVE RESOLUTION**

Nil

**VOTING REQUIREMENTS**

Simple Majority

**RECOMMENDATION**

That Council:

1. Notes the ARUP Report.
2. Authorises the CEO to initiate an Expression of Interest process for development opportunities at Hillview Road, Augusta and defer any potential development decisions at Terry Road, Margaret River pending any future change in land tenure or land use of the site.
3. Continues with the CEO to advocate to State in regard to development of social housing stock in and around the Henning Avenue precinct in Margaret River, supported aged care facilities and overall provision of social housing and associated services in the region.

**ADVICE TO APPLICANT / PROPONENT**

Nil

**ATTACHMENTS**

1. Addressing the Margaret River Housing Crisis Report, ARUP, February 2020

**11.3.3 CORPORATE BUSINESS PLAN 2020-24 - YEAR ONE, QUARTER TWO PROGRESS UPDATE AND MID YEAR UPDATE**

---

<b>LOCATION/ADDRESS</b>	Shire of Augusta Margaret River
<b>APPLICANT/LANDOWNER</b>	Shire of Augusta Margaret River
<b>FILE REFERENCE</b>	COR/130
<b>REPORT AUTHOR</b>	Stacey Hutt, Strategic Community and Corporate Business Planner
<b>AUTHORISING OFFICER</b>	James Shepherd, Director Corporate and Community Services

---

**IN BRIEF**

- Council adopted the Corporate Business Plan 2020-24 on Wednesday 26 August 2020 (OM2020/164) which outlines the Shire services, projects, resources and infrastructure in reference to the priorities set by Council and the annual budget.
- This is integrated with the Shire's Informing Strategy, which is comprised of the Long Term Financial Plan, Workforce Plan and Asset Management Plan, and addresses the objectives and strategies outlined in the Community Strategic Plan 2036.
- The Corporate Business Plan allocates responsibility to business units, details services, priority areas and performance measures in the short term and is aligned to the budget including the capital works program.
- It is best practice for the Shire to report quarterly progress against the Corporate Business Plan to Council.
- This report relates to the period between October and December 2020, delivering a quarter two report and a once off mid-year progress report on the Corporate Business Plan
- Of the 133 projects reported against 53% are on track and 16 % have been completed. 14% are not yet started, with 8% 'monitor' and 9% 'hold/defer'.

**RECOMMENDATION**

That Council receives the Corporate Business Plan 2020-24, Year One, Quarter Two Progress Report (attachment 2) and Corporate Business Plan 2020-24 Mid-Year Progress Report (attachment 2).

---

**LOCATION PLAN**

Nil

**TABLED ITEMS**

Nil

**BACKGROUND**

Under the *Local Government (Administration) Regulations 1996*, all local governments in Western Australia are required to have adopted two key documents: a Strategic Community Plan (SCP) and a Corporate Business Plan (CBP). These documents are supported by an Informing Strategy. Together these documents drive the development of each local government's annual budget.

The Shire's SCP underwent a major review over 2016-17, with the final plan for 2036 endorsed by Council on 27 September 2017. The SCP 2036 is currently being implemented through the Corporate Business Plan 2020-24 and Informing Strategy. The SCP outlines five key result areas to be achieved through a series of strategies, with actions detailed in the Corporate Business Plan. These documents integrate the Shire's Informing Strategy, which is comprised of the Shire's Long Term Financial Plan, Workforce Plan and Asset Management Plan.

The Corporate Business Plan sets out the projects and services the Shire will deliver over the next four years to work towards the long term outcomes identified in the SCP. The four year Corporate Business Plan is achieved through the annual budget, which includes information on projects and services

programmed to be completed throughout the year (year 1 of the Corporate Business Plan) and includes the key projects as adopted by Council.

The Integrated Planning and Reporting Framework and Guidelines (2016) issued by the Department of Local Government, Sport and Cultural Industries (DLGSC) provides guidance in the reporting requirements of local government in relation to the integrated plans. These guidelines recommend monitoring of the Corporate Business Plan should be reported to Council quarterly. This is the second quarter report for 2020-21 to be received by Council.

## CONSULTATION AND ADVICE

### External Consultation

No external consultation is required as part of the Quarterly Report review.

### Internal Consultation

- Executive Leadership Team
- Business Unit Managers and Coordinators

## DISCUSSION / OFFICER COMMENTS

In accordance with the guidelines issued by DLGSC, Council is to receive quarterly updates on the Corporate Business Plan to be aware of the resourcing required by the Shire to implement Council's vision and priority projects.

Reporting is delivered using basic project reporting terminology (as shown below), reporting by exception in this report to focus on items that yellow or red. Comments are provided in some areas for items that are green.

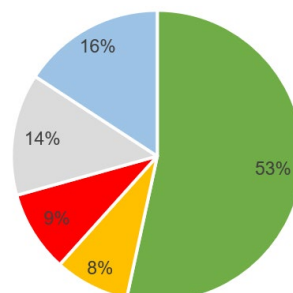
Project status	Definition
On track	On track to be delivered on time and on budget.
Monitor	The project is at risk.
Hold/Defer	Action has been taken to hold or defer this project.
Not started	The project has not started.
Completed	The project has been completed.

There are a wide variety of impacts that can see projects being red (hold/defer), including the finalisation of informing strategies and plans, the requirement for additional community consultation and the reallocation of funds so complimentary projects can be completed at the same time. For this quarter, red items (held or deferred) will continue to be monitored and addressed through budget review and reporting.

### Quarter report

This report (attachment 1) relates to quarter two, which is the period between 01 October and 31 December 2020. Items are reported against across the key projects and the capital works program as detailed in the CBP. Of the 133 reported against, 71 are green (on track and to be delivered on time and on budget), 11 actions are yellow (at risk of being deferred) and 12 actions are red (action has been taken to hold or defer the item).

Project status	Definition	Key projects	Capital works projects	Total	%
On track	On track to be delivered on time and on budget.	15	56	71	53%
Monitor	The project is at risk.	2	9	11	8%
Hold/Defer	Action has been taken to hold or defer this project.	2	10	12	9%
Not started	The project has not started.	1	17	18	14%
Completed	The project has been completed.	1	20	21	16%
Total		21	112	133	100%



SHIRE OF AUGUSTA MARGARET RIVER  
ORDINARY COUNCIL MEETING 10 MARCH 2021

The report also offers a snapshot of service delivery over the quarter to demonstrate the demands and seasonal variance across the Shire's 26 business units and 71 service areas. This snapshot features service statistics for the quarter as a means of communicating the Shire's diverse activities throughout the year.

Some of the projects completed over quarter two include the following. Note: the Margaret River Main Street Project reached practical completion and the road re-opened during quarter two. Minor works will be completed over quarter three which will result in the project being fully completed.

Job	Title	Category	Status	Status comment
KP18	KP18. Review the 10 year Forward Capital Works Program to align with the Asset Management Plan and inform the Long Term Financial Plan	Key project	Completed	High level forecasting has been completed to inform the review of the Shire's long term financials.
WAS43	Davis Road Site Water	Renewal	Completed	Rainwater tank installed.
WAS49	Davis Road Security Camera/Lights	New	Completed	Security cameras installed.
CBS161	Witchcliffe Hall Upgrade Works as per developer contribution plan	Renewal	Completed	Completed
CBS165	Alexandra Bridge Hall Building Renewal (External Cladding)	Renewal	Completed	Completed
IRC009	Playground shade sails at the Recreation Centre	Upgrade	Completed	Officers have meet with consultant for design and quoting . Anticipated for install late November prior to summer . New design to be incorporated into existing colours and provide maximum shade over the Funky monkey bars at front of recreation centre .
ACC15	Upgrade plant room power boards in Margaret River	Upgrade	Completed	New boards installed in December all with BMS and VSD for the running of plant room, including variable speed drive on feature pump.
TCP63	Second stage of chalets at Turner Holiday Park	New	Completed	Chalets completed.
TCP77	Circle amenity block renovation	Renewal	Completed	Renovation completed.
FP042	Karridale 3.4 Tanker Fire Appliance (DFES)	New	Completed	Appliance delivered
WAS24	Fencing Landfill Site	New	Completed	Fencing around new landfill Cell 3 complete.
WAS38	Hooklift Bin renewal	Renewal	Completed	Hooklift mounted water cart fabricated and delivered.

There is 1 (of 21) key projects flagged as red for quarter two:

Project	Project Owner	Status	Status comment
KP01. Support delivery of a Climate Action Summit focused on adaptation	Planning Development Services and	Hold/Defer	Initial background work has been completed however community project partners are reconsidering the need for

SHIRE OF AUGUSTA MARGARET RIVER  
ORDINARY COUNCIL MEETING 10 MARCH 2021

			a summit to achieve the intended outcomes.
--	--	--	--

There are 10 (of 112) capital works projects flagged as red for quarter two:

Job	Project	Budget	Category	Status	Status comment
IRC007	Playground area upgrade	\$15,000	Upgrade	Hold/Defer	Budget has been deferred and reallocated to the heat pump replacement, due to cost and priority
ACC18	Replacement of plant valving	\$10,000	Renewal	Hold/Defer	This has been deferred to occur during the centre closure in 2021-22, when the roof will be replaced.
ACC19	Replace doors for changeroom cubicles	\$12,000	Renewal	Hold/Defer	Money reallocated to replacement heat pumps, due to cost and priority.
CCC09	Venue related building items at the HEART	\$24,200	New	Hold/Defer	Lift acoustic panels in main theatre - This has been revised. Of total \$18K anticipated spend. Funding of \$4,934 towards scissor lift and \$5K to reposition 12 seats at rear of theatre and structure reposition. Tech Control to rear of Theatre, \$8K remaining.
GPP038	Hockey training facility - half size ground with synthetic pitch	\$1,002,870	New	Hold/Defer	Urbanise Design investigating alternative location and costs reduction to meet budget.
REM09	Road Expansion - Percy Street link with Sunset Drive	\$114,000	Upgrade	Hold/Defer	Works pending community engagement following environmental concerns from residents.
PXN013	Path Expansion - Flinders Bay to Cape Leeuwin Lighthouse	\$200,000	New	Hold/Defer	On hold pending finalisation of the Healthy Country Plan.
CPN26	Carpark Expansion - Wallcliffe Road/Station Road eastern carpark	\$105,000	Upgrade	Hold/Defer	On hold pending traffic modelling.

PAP12	Path Preservation - Gnarabup foreshore path realignment	\$300,000	Renewal	Hold/Defer	Boat ramp and stabilisation works complete. Further investigation required for the path design so remaining funds will be carried forward to 2021-22.
CPP01	Carpark preservation - Fearn Avenue carpark overlay	\$40,000	Renewal	Hold/Defer	Delayed for inclusion of concurrent funding for drainage renewal.

### Mid-year report

This mid-year report (attachment 2) contains status updates across all projects detailed within the CBP. The status and comment relate to activity as of the end of quarter two (30 December 2020). This provides a snapshot of activity occurring in addition to day-to-day Shire services and operations.

The report provides detail across 28 Shire teams and 132 projects detailed within the respective business plan. In total, 20% of projects are off-track. This is comprised of 11 monitor (8%) and 16 hold/defer (12%).

There are 16 (of 132 projects) flagged as red the mid-year report:

CSP link	Project/Activity	Who	Quarters	Status	Status comment
5.4	Develop a regular community e-newsletter to feature updates across all Shire service areas	Communications, Marketing and Events	Q1, Q2	Hold/Defer	Deferred to begin quarter three.
5.4	Implementing an organisational Integrated Communications Plan	Communications, Marketing and Events	All	Hold/Defer	Deferred to begin quarter three.
2.1, 4.3	Scope options for public art at the HEART including the courtyard	HEART	All	Hold/Defer	Deferred to 2022-23 for further analysis and engagement of the required scope.
4.2, 4.3	Implement asset improvements at the HEART including re-design of the raked seating and courtyard vergola	HEART	Q2, Q3	Hold/Defer	Items have revised and rescheduled to occur at the same time as the Recreation Centre roof works in 2022-23.
5.7	Finalise and implement the ICT Strategic Framework	ICT	All	Hold/Defer	Project deferred to 2021-22. The transition of staff in ICT has delayed the review of the framework, with the priority being the hardware maintenance program and risk mitigation.
4.2	Develop and implement a masterplan for Flinders Bay Holiday Park	Holiday Parks and Camping Ground	Q1, Q2	Hold/Defer	Rescheduled to quarters three and four to avoid peak season.

SHIRE OF AUGUSTA MARGARET RIVER  
ORDINARY COUNCIL MEETING 10 MARCH 2021

4.2	Develop environmental protection, rehabilitation and fire mitigation plans for Holiday Parks	Holiday Parks and Camping Ground	Q1, Q2	Hold/Defer	Rescheduled to quarters three and four to avoid peak season.
4.2	Develop a marketing plan to engage all users of Holiday Parks	Holiday Parks and Camping Ground	Q2, Q3, Q4	Hold/Defer	Rescheduled to quarters three and four to avoid peak season.
2.3	Seek funding for a changing places station in Margaret River	Community Planning and Development	All	Hold/Defer	Changing Places State Government funding no longer available and Shire funds have not been allocated in 2020-21 budget as priority.
1.5	KP01. Support delivery of a Climate Action Summit focused on adaptation	Planning and Development	Q2, Q3	Hold/Defer	Initial background work has been completed however community project partners are reconsidering the need for a summit to achieve the intended outcomes.
5.2	Review improvement program including detailed Asset Management Plan's for major asset categories	Asset Services	All	Hold/Defer	Project has been deferred to 2021-22, as development of an Asset Management Framework has been prioritised.
5.2	Conduct building revaluations for Shire assets	Asset Services	All	Hold/Defer	Project deferred in order for the Shire to review asset management processes prior to developing revaluation plans.
2.4	Conduct asbestos removal at the Augusta Museum	Building Assets and Maintenance	Q3	Hold/Defer	Budget allocation redirected to Main Street, with further project scoping and definition required before rescheduling this project.
2.5	Deliver a water services upgrade to Gloucester Park	Building Assets and Maintenance	Q2, Q3	Hold/Defer	Not included in this year's budget. Water and sewerage investigation works have proceeded this year for works to be scheduled in the future.



2.5	Implement upgrades including Fire Detection System at the Margaret River Recreation Centre	Building Assets and Maintenance	Q3	Hold/Defer	LGIS have agreed to defer works until major upgrade of Margaret River Recreation Centre in 2022.
2.3	Deliver a half-court basketball court at the Margaret River Youth Precinct	Works	Q2	Hold/Defer	The project is on hold while investigations are underway to determine if the allocation can be better spent on other projects which require additional funding such as the new synthetic hockey field.

#### STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS

Section 5.56 (1) *Local Government Act 1995* requires local governments to have in place a plan for the future.

#### STRATEGIC PLAN / POLICY IMPLICATIONS

**Community Strategic Plan 2036 (CSP)**

**Corporate Business Plan 2020-2024**

Key Result Area 5: Effective leadership and governance

Outcome 5.5. A culture of innovation, quality and continuous improvement

Strategic Response 5.6.2. Report on our success and sustainability to the community and stakeholders

#### PLANNING FRAMEWORK

Nil

#### FINANCIAL IMPLICATIONS

##### Implications

The actions and projects which are detailed in the Corporate Business Plan 2020-24 and this quarterly report are aligned with the Shire's Annual Budget and Long Term Financial Plan. Items flagged in this report as red (held or deferred) or yellow (monitor) will continue to be monitored and addressed through budget review and reporting.

##### Long Term Financial Plan

Nil

##### Whole of Lifecycle considerations

Nil

#### SUSTAINABILITY IMPLICATIONS

The Community Strategic Plan fosters an identification and integration of environmental protection, social advancement and economic prosperity which is enacted through the Corporate Business Plan.

#### ADVOCACY

Nil

#### IMPLICATIONS OF ALTERNATIVE RESOLUTION

Nil

#### VOTING REQUIREMENTS

Simple Majority

**RECOMMENDATION**

That Council receives the Corporate Business Plan 2020-24, Year One, Quarter Two Progress Report (Attachment 1) and Corporate Business Plan 2020-24 Mid-Year Progress Report (Attachment 2).

**ADVICE TO APPLICANT / PROPONENT**

Nil

**ATTACHMENTS**

1. Corporate Business Plan 2020-24 Year One, Quarter Two Progress Update
2. Corporate Business Plan 2020-24 Mid-Year Progress Report

#### 11.3.4 2020-21 BUDGET REVIEW

---

LOCATION/ADDRESS	N/A
APPLICANT/LANDOWNER	Shire of Augusta Margaret River
FILE REFERENCE	FIN/14
REPORT AUTHOR	Andrew Ross, Manager Corporate Services
AUTHORISING OFFICER	James Shepherd, Director Corporate and Community Services

---

#### IN BRIEF

- Legislation requires that between 1 January and 31 March each year a local government is to carry out a review of its annual budget for the year.
- The 2020-21 Budget review has resulted in the Shire's net result increasing from a surplus of \$1.170 million to a surplus of \$3.703 million. The increase is primarily attributable to the forecast increase in grants for capital projects and specifically for the main street project.
- The review identified increases to operating revenue of \$0.765 million, increases to operating expenditure of \$1.483 million and increases to capital grants of \$3.251 million.
- Capital expenditure is expected to be \$3.066 million higher than expected with the main increase being bringing forward the construction of stage 3 of the main street project.
- Transfers to reserves have increased by \$0.246 million with the main budget amendment being the recognition of the additional developer contributions received.
- Transfers from reserves have increased by \$0.567 million due to the recognition of reserve funding for COVID-19 response and recovery projects, the refund of a developer contribution, a workers compensation performance based adjustment and transfers for waste services projects.
- In summary the completed review has resulted in a forecast balanced budget position at 30 June 2021.
- To comply with legislation a copy of this review and Council's determination is to be provided to the Department of Local Government, Sport and Cultural Industries.

#### RECOMMENDATION

That Council:

1. Receives the 2020-21 Budget review in accordance with regulation 33A of the *Local Government (Financial Management) Regulations 1996*; and
  2. Adopts the results of the review and the budget amendments contained in the Attachment including the amended transfers to and from reserves.
- 

#### LOCATION PLAN

Nil

#### TABLED ITEMS

Nil

#### BACKGROUND

In accordance with Regulation 33A of the *Local Government (Financial Management) Regulations 1996* local governments are required to carry out a review of their annual budget after six months and Council is required to consider the results of this review.

To undertake the review business units were provided statements of their financial results at 31 December 2020 and requested to review these results and record any budget adjustments they believed to be materially significant. To ensure budget adjustments were of a material nature, only budget adjustments greater than \$5,000 were requested. A conservative approach to reviews was followed and the reason for the proposed budget adjustments recorded. Business units were also encouraged to find savings to offset any over expenditures.

In order to determine the expected financial position at 30 June 2021, the budget review financial statements contain all actual expenditure and revenue to 31 December 2020, the proposed adjustments to accounts or jobs and the amended budget or forecast end of financial year balance.

Although Council has adopted a material variance threshold for reporting purposes of greater than 10% and \$10,000 (minute reference OM2020/126, 22/7/2020) and policy CCSP4 (Finance General Policy) allows the CEO to approve budget variations up to \$10,000, Council is requested to review and approve variations greater than \$5,000.

## **CONSULTATION AND ADVICE**

### **External Consultation**

Nil

### **Internal Consultation**

Business Units reviewed the financial results and Budget, provided amendments and reasons for the amendments.

## **DISCUSSION / OFFICER COMMENTS**

The attached Business Unit Financial Report includes the Statement of Financial Activity which shows a summary by business unit, the balances of each reserve account and revenue and expenditure details by business unit.

In summary, the Statement of Financial Activity shows the following proposed amendments:

	Approved Budget \$	Budget Amendment \$	Amended Budget \$
Operating Revenue	34,552,611	764,628	35,317,239
Operating Expenditure	(40,134,185)	(1,482,901)	(41,617,086)
Net Operating Surplus/(Deficit)	(5,581,574)	(718,273)	(6,299,847)
Capital Grants & Contributions	6,751,627	3,251,000	10,002,627
Net Result	1,170,053	2,532,727	3,702,780
Depreciation & Profit/(Loss) on Asset Disposals	9,500,943	125,000	9,625,943
Capital Expenditure	(21,601,813)	(3,066,484)	24,668,297
Transfers to Reserves	(423,019)	(245,749)	(668,768)
Transfers from Reserves	8,529,899	566,902	9,096,801
New Loan Borrowings	810,000	0	810,000
Proceeds from Disposal of Assets	286,500	0	286,500
Net Current Assets (Closing Position)	0	0	0

Additionally, an improved closing position at 30 June 2020, which became the opening position at 1 July 2020, was recorded compared to that included in the 2020-21 Budget. The budget forecast an opening position of \$2,247,875 when the actual audited result was \$2,405,479 and resulted in an improvement of \$157,604. This improved opening position allows a balanced budget position to be forecast at 30 June 2021.

The overall net impact of budget amendments for most business units is relatively minor as the intent was to balance proposed changes to operating and capital expenditures and revenues.

The main reasons for the increase in operating revenue of \$0.765 million are:

- more ratepayers using the instalment option and an increased number of property sale transactions has resulted in more property search fees and charges;
- the recognition of part of the Lotterywest grant received to improve community health and wellbeing initiatives;
- grants received for Community Development programs;

- higher number of building and planning applications that are largely attributable to the government building stimulus packages have resulted in higher fees and charges for the environmental health, planning and building areas;
- a Better Bins grant and increased fees and charges collected for waste services;
- operating grants received for the HEART;
- the anticipated receipt of disaster recovery funds for storm events in late 2019-20;
- trading results to date indicate fees and charges for the caravan parks may exceed budget expectations; and
- increased lime sand royalties have contributed to increased revenue for the Other Property and Services area.

The main reasons for the overall increase in operating expenditure of \$1.483 million are:

- the recognition of grant funded expenditure for the Corporate and Community Services Directorate;
- increased insurance and workers compensation costs;
- increased parental leave;
- expenditure for COVID-19 response and recovery projects;
- grant funded waste education costs and increased waste disposal and processing costs;
- grant funded expenditure for community development projects and the HEART;
- storm damage expenditure to be claimed as disaster relief funding;
- increased depreciation resulting from increased asset values; and
- increased vehicle operating expenses for the works area.

The main changes proposed to the capital works program are:

- expenditure on Land and Buildings has been reduced by \$0.699 million with the main variations being to defer three loan funded projects totalling \$0.650 million;
- budgeted expenditure on road works is expected to increase by \$3.827 million primarily as a result of the Margaret River main street project budget being changed to include stage 3 works; and
- savings in the actual cost to replace various plant items is the main reason plant and equipment expenditure is expected to decrease by \$0.073 million.

The overall change in capital works is an increase of \$3.066 million with this increase matched by an increase in grants and contributions received for the Margaret River main street project.

Capital grants increased by \$3.251 million and include:

- changing the Regional Road Group grants as previously approved by Council; and
- recognising the \$3.080 million grant received for stage 3 of the main street project, \$0.040 million for additional lighting works and the \$0.130 million contribution from Water Corporation for the replacement of the water main.

Transfers to reserves increased by \$0.246 million due primarily to:

- additional developer contributions received being transferred to the Developer Contributions reserve; and
- additional revenue from caravan park operations and waste management fees and charges being transferred to the Caravan Parks Upgrade reserve and Waste Management reserve.

Transfers from reserves increased by \$0.567 million and include:

- the refund of a developer contribution received for the Witchcliffe Wastewater System;
- transfers from the Emergency Disaster Relief reserve to offset COVID-19 Response and Recovery expenditure;
- transfers from the Waste Management reserve for project expenditure and to fund an equipment purchase;
- rehabilitation of resource pits; and
- the workers compensation adjustment being transferred from the Self Insurance reserve.

Unspent proceeds of Loan 194 for asbestos removal and reinstatement works totalling \$0.224 million are included in the Community Buildings area and are expected to be spent this year.

The new loan borrowing of \$810,000 included in the budget is proposed to be drawn down as planned. The purpose of this loan is “building projects” and it is proposed that in accordance with Council decision OM2020/250 (9/12/20) \$650,000 of this loan will be used for the main street project. Components of this project, such as the structures in the Fearn Avenue festival precinct, fit broadly within the purpose of this loan.

As a result of the proposed amendments, the closing budget position at 30 June 2021 is forecast to be a balanced position in line with the approved budget although it is likely a carried forward position will be recorded due to the expectation some projects will be deferred or won't be completed during the remainder of this financial year and under budget employee expenses are likely to be recorded for some business units.

However, some areas of risk have been identified which may impact upon the Shire's ability to record this result and these include whether:

- operating and capital grants are received in accordance with expectations;
- capital projects do not exceed budget projections;
- fees and charges for areas such as the Margaret River Recreation Centre, Environmental Health, Town Planning, Building Services and Caravan Parks can be achieved;
- labour costs continue to be controlled; and
- other operating expenditure items continue to be managed in accordance with budget projections.

The following are the major adjustments disclosed by business unit.

#### Rates

Total income has increased by \$50,000 despite the expectation that interim rates may not achieve budget projections. An increase in the number of ratepayers electing to pay by instalments has resulted in the instalment interest charges budget increasing. Back rates raised from valuation changes and interim rates from new lots and developed properties have also increased and increased property sales have resulted in higher property search fee income. Total expenditure is not expected to change as an expected saving in salaries due to some customer services officers providing relief in other business units has offset an expected increase in debt recovery costs and rates debts written off. The Gross Rental Value (GRV) property revaluation due to take effect from 1/7/2021 has been deferred 12 months and this budget allocation will be carried forward to 2021-22.

#### General Purpose Funding

Income is expected to decrease by \$62,004 primarily due to interest earned on investments being amended to reflect the reduced rate of interest being earned on term deposits. The WA Local Government Grants Commission grant has been reduced to match the actual grant amount to be received and resulted in an adjustment of \$14,004. Expenditure has been increased by \$35,000 to reflect the calculation of interest on eligible leases in accordance with the Accounting Standards as well as the increase in bank fees from EFTPOS and online transactions. Lease principal repayments totalling \$70,000 have been included as well as \$17,418 to recognise a leased asset.

#### Members of Council

A budget for the CEO Performance Review of \$5,000 has been included and is balanced by a reduction in expenditure in the CEO's budget. Donations have been increased by \$5,000 to allow for the donation to the 2021 Lord Mayor's appeal for the Perth hills bush fires.

#### CEO

Training has been reduced by \$5,000 and a contribution of \$5,000 to the Designated Area Migration Agreement with the other 11 South West local governments has been included.

#### Director Corporate and Community Services

Part of the Lotterywest grant received to improve health and wellbeing initiatives has been recognised as income on the assumption it will be matched against expenditure. Previous approved budget amendments have been included to recognise a staff restructure and expenditure for Strategic Community Plan review.

Director Sustainable Development and Infrastructure

No changes made.

Infrastructure Services

Expenditure increased to include \$7,000 for main street marketing communications and engagement expenditure that has been incurred.

Finance

Based on actual claims history a Workers Compensation performance-based adjustment of \$57,679 has been received and increases insurance costs. This expenditure is funded from the Self Insurance reserve which was built up from more favourable claims history in previous years. Increased property values also resulted in higher insurance premiums and a further adjustment to insurance costs was required.

COVID-19

This area records expenditure incurred on response and recovery measures associated with the pandemic and the estimated \$203,000 of expenditure will be funded by a transfer from the Emergency Disaster Relief reserve.

Records

No changes made.

Corporate Services

Low year to date telephone costs have resulted in this budget being reduced by \$18,000 but have been partly offset by expected higher water consumption charges.

Customer Relations

No changes made although it is possible employee costs may end up under budget due to some staff providing relief services for other business units.

Information and Communications Technology

Salaries budget has been reduced to reflect time taken to recruit staff which resulted in only one officer being available for an extended time. Other savings recognised for vehicle operating expenses as area no longer has a dedicated vehicle allocated for their use and for special projects. Savings offset by increased expenditure forecasts for telephone due to new internet services to be connected, lease of computer hardware, additional software licences and minor equipment (purchase of firewalls).

Human Resources

Paid parental leave entitlements increased and COVID-19 personal protective equipment expenditure included but will be offset by member dividends received from Local Government Insurance Services (LGIS).

Community Planning and Development

Grant income has been increased by \$55,000 to reflect actual and expected grants to be received and is matched by expenditure. Previously approved transfer of employee expenses budget to Corporate and Community Services Directorate included. The transfer within the business unit of \$18,900 from contract services to employee expenses in order to facilitate indigenous engagement was also included.

Legal & Governance

Budget for external legal expenses increased due to the expectation further expenses will be incurred in the second half of the year. Risk management budget increased by \$5,000 to support the development of an operational and strategic risk register and is offset by an expected contribution from LGIS.

Communications & Marketing

Employee expenses allocation reduced by the equivalent of 0.4 FTE with the temporary reallocation of this budget to the HEART to support marketing and promotional activities. Transfer within the business unit of advertising expenses which had been budgeted in Public Relations. Events expenditure revised in accordance with the revised policy.

#### Emergency Management

Operating income has been reduced as the actual Emergency Services Levy (ESL) operating grant approved for 2020-21 is \$67,511 less than was applied for. Consequently, expenditure for protective clothing and non-capital equipment have been reduced. The reduced grant was offset by an increased bushfire mitigation activity fund grant of \$40,206 which is matched by related expenditure. Depreciation of plant and equipment has been increased and the internal transfer of funds within the business unit provides a budget for maintenance of emergency water supplies.

#### Rangers

Vehicle operating expenses have been increased by \$20,000 due to unexpected major repairs being incurred.

#### Beach Lifeguards

The contract cost for Surf Lifesaving WA has been increased by \$18,000 to reflect the actual contract and the cost of mobilisation for the first year.

#### Libraries

Employee expenses have been increased to allow for the understatement of relief levels and shift allowances in the original budget.

#### Environmental Health

Fees and charges have been increased by \$45,100 to reflect the increase in the number of food registration businesses and the number of building applications.

#### Outside School Hours Care

Salaries have not been increased despite being over budget as they may be partly offset by over budget fees and charges. The cost of contracting an outside school hours facility at St Thomas More Catholic Primary School has been removed as it is understood a private operator will offer this service.

#### Waste Services

Total operating income budgets have been increased by \$123,607 due to:

- recognition of the Department of Water and Environmental Regulation (DWER) Better Bins grant;
- kerbside collection charges and the waste facility maintenance rate being increased to reflect actual income;
- waste disposal charges at Davis Road being increased to reflect the increased demand for these services; and
- commercial disposal charges being reduced as a result of seasonal, economic and COVID-19 conditions reducing volumes and revenue for this revenue stream.

Operating expenditure budgets are expected to increase by \$257,600 and include:

- grant funded expenditure for waste education; and
- increase waste disposal facilities expenditure at Davis Road's putrescible, inert and recycled waste areas including increased processing and recovery costs for green waste and other recyclable items.

Capital works projects have been increased by \$16,730 to reflect the actual cost of purchasing the tracked loader and funds have been transferred from sealing roads to fencing around the baling shed. An increased transfer to the Waste Management reserve will result in this reserve having a forecast balance of almost \$6 million at the end of the year.

#### Town Planning

Fees and charges are forecast to increase by a conservative \$45,000 due to the increased number of applications received. This more than offsets the expected increase in expenditure of \$25,000. Mobile phone costs have increased by \$5,000 and special projects have increased by \$11,000 due to funds being required for the Local Planning Scheme review, first year commitment to fund a PHD student to progress the climate action plan and funding to update the Bushfire Emergency Evacuation Plan (BEEP) template. Funds have been transferred internally within the business unit to support the Holiday House Compliance Officer.



It appears likely that employee expenses may be under budget this year although no amendment has been made at this time.

#### Landcare

The budgeted Department of Transport Coastal Adaptation and Planning grant of \$87,500 was unsuccessful and has resulted in the matching expenditure being removed. The Shire's contribution to this project of \$17,500 has been reallocated to the removal of the climbing bolts at Wallcliffe cliffs and the additional \$22,500 required for this project is funded by transfers from various Asset Services budgets.

#### Community Buildings

Operating expenditure has been increased by transferring \$57,942 to forward planning from an underspent capital project budget. The overall capital works program has been reduced by \$320,031 due to:

- transferring \$57,942 from the completed Witchcliffe Hall upgrade works project;
- deferring the \$250,000 loan funded allocation for the removal of the asbestos at the Augusta Museum;
- deferring the \$100,000 fire detection system works for the Margaret River Recreation Centre to the work planned for this building in 2022;
- increasing the asbestos removal works for the Community Resource Centre and Druids Hall; and
- including \$73,338 to replace the Margaret River Bowling Club roof.

Additionally, the budget of \$350,000 allocated for the design development and documentation of the Aquatic Centre building renovation is to be carried forward to 2021-22 as these works are unlikely to commence this year.

#### Indoor Sports

Kiosk sales and expenditure have been increased to reflect usage.

#### Aquatic Centre

No changes have been made to income or expenditure although it is possible fees and charges may exceed budget. Previously approved budget amendments have been included to reflect the cost of replacing the heat pump.

#### Fitness Centre

Higher membership and usage have resulted in fees and charges being increased by \$30,000. Expenditure has been increased by \$15,949 to include the lease of new gym equipment as well as some events and other projects.

#### Augusta Recreation

A capital budget of \$5,705 has been included for a remotely controlled pump control system for the Augusta Hydrotherapy Pool.

#### Gloucester Park

The finalisation of sewer plans for all areas of Gloucester Park requires the allocation of an additional \$8,000.

#### HEART

The overall net operating budget for this facility has not changed with operating income increasing by \$70,036 and operating expenditure increasing by \$67,536. Three new operating grants are matched by expenditure and kiosk and bar sales have been increased by \$20,000 to reflect actual performance. Other income areas have not been changed despite some being under budget as they are either minor or related to an expenditure item which is also under budget.

Employee expenses have been increased by \$70,000 to include the part FTE reallocated from Communications and Marketing on a short-term basis and to also reflect the over budget expenditure which is primarily attributable to casual staff. This is offset by expected savings in building operations, utilities and marketing expenses. It is likely further savings will occur during the remainder of this

financial year and should offset any continued increase in employee expenses that is not funded by increased income from events and activities.

Despite the capital budget being underspent the only changes are to defer the two loan funded projects.

#### Parks and Gardens

Income has been increased to recognise the transfer of a bond received for works undertaken by the Shire. Multiple changes have been made to amend operating expenditure however, the net effect is nil as budget increases have been offset by decreases. Reserve maintenance has been increased by \$30,000 with greater maintenance requirements being recognised for areas including Karridale, Margaret River, Prevelly/Gnarabup, Riverslea and Surfers Point but are offset by expected reduced maintenance for Brookfield, Rapids Landing, Gloucester Park, Cowaramup and Augusta although the individual amounts are not significant. Maintenance of road verges, etc. for townsites was also reduced by \$30,000.

Capital expenditure has been increased by \$5,000 with \$20,000 allocated to Augusta main street landscaping and the budget for the installation of the Cowaramup bus shelter reduced by \$15,000.

#### Asset Services

A \$5,000 WA Bicycle Network grant has been received for the Wadandi Track culvert feasibility study and matching expenditure has been included. Operating expenditure has been reduced by \$22,500 with funds being reallocated to the Wallcliffe cliffs climbing pins removal project in the Landcare area and the main street wayfinding and parking signage project. This project is a new project included in the capital expenditure budget and has a \$20,000 allocation. Reductions in capital budgets also fund this project and the Wallcliffe cliffs project.

#### Construction

Capital grants increased by \$3,251,000 due to the following:

- a reduction of \$35,000 for various road project grants provided through Regional Roads Group and previously approved by Council in November 2020;
- \$36,000 Department of Transport grant for the Bussell Highway/Margaret River Education Campus path;
- \$3,080,000 grant for stage 3 of the main street project;
- \$40,000 from South West Development Commission for additional lighting for the main street; and
- \$130,000 contribution from the Water Corporation to replace the water main in the main street.

A number of changes have been made to capital projects and in total these increase the capital works budget by \$3,826,662 and include:

- increasing expansion of paths for Bussell Highway/Margaret River Education Campus and the ramp to the Fearn Avenue public toilets path by \$164,000 primarily funded by the Regional and Local Community Infrastructure Program (RLCIP) and Department of Transport grants;
- reducing carpark expansion projects by \$332,838 by reallocating RLCIP funding to other projects as the carpark projects require further investigation and planning;
- allocating \$3,920,000 to the main street project funded by grants and contributions of \$3,250,000 and \$670,000 of Shire funding which is primarily the reallocation of part of the building projects loan;
- reducing road rehabilitation projects by \$62,500 in accordance with the revised Regional Road Group grant allocation;
- increasing path preservation works by \$110,000 by allocating LRCIP grants to paths in Walkington Avenue, Reuther Park and Georgette Drive;
- reducing carpark preservation works by reallocating \$40,000 from the proposed Fearn Avenue carpark overlay to the construction of a ramp to the Fearn Avenue public toilets path;
- the reassessment of project costs has resulted in reducing the budget allocated to the preservation of pedestrian structures by \$55,000; and
- increasing foreshore facilities preservation projects by \$123,000 with the main project being the Gracetown boat ramp repairs funded by the LRCIP grant.

#### Maintenance

Operating expenditure budgets have increased by a total of \$335,479 with the majority being storm damage rectification works relating to two eligible natural disaster events that occurred in May 2020 that are to be claimed through Disaster Recovery Funding WA arrangements. These works are matched with the grant claim included in operating income. The other major change is to include \$40,000 for rehabilitation of gravel pits with the funds being transferred from the gravel pits reserve.

#### Plant Program

A budget for purchases of non-capital equipment has been created by transferring \$20,000 from capital asset purchases over \$5,000. The overall capital expenditure budget is expected to decrease by \$90,000 as the actual purchase price of plant items has been lower than budgeted. Should all budgeted transfers to and from reserve occur the balance of the Plant reserve is forecast to be \$745,855 at the end of the year.

#### Caravan Parks

Income has been increased by \$50,000 to reflect increased visitation at the parks. No changes to operating expenditure budgets although some areas are currently under budget. No changes to capital expenditure. Transfers to reserve have been increased by the \$50,000 additional income and after all budgeted transfers to and from reserve the balance of the Caravan Park Upgrade is forecast to be \$396,964 at the end of the year.

#### Building Services

Fees and charges have been increased by \$20,000 as the number of building applications have increased as a result of the government's stimulus packages. Expenditure has increased by \$25,000 for contract staff to provide leave cover for the Coordinator.

#### Sustainable Economy

Operating expenditure has been reduced by \$7,000 as a result of the local stimulus initiative budget being reviewed.

#### Public Works Overheads

Most expenditure items are on budget although an adjustment has been made to increase the budget for vehicle operating expenses. The grounds maintenance budget has been increased to meet the cost of fencing maintenance works and is funded by expected savings in other budget areas. The business unit records a higher nett loss than was included in the approved budget.

#### Plant Operating Costs

Expenses for depreciation or amortisation of leased items of plant have been included.

#### Other Property and Services

Income has been increased by \$11,000 due to royalties for the limesand pit being higher than budgeted. If not spent during the year the royalties will be transferred to the Infrastructure Assets Contributions reserve.

### **STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS**

Regulation 33A of the *Local Government (Financial Management) Regulations 1996* specifies the following for the Review of the Budget.

- (1) Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year.
- (2A) The review of an annual budget for a financial year must —
  - (a) consider the local government's financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and
  - (b) consider the local government's financial position as at the date of the review; and
  - (c) review the outcomes for the end of that financial year that are forecast in the budget.
- (2) Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.
- (3) A council is to consider a review submitted to it and is to determine\* whether or not to adopt the review, any parts of the review or any recommendations made in the review.
- (4) Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.

\*Absolute majority required.

## **STRATEGIC PLAN / POLICY IMPLICATIONS**

### ***Community Strategic Plan 2036 (CSP)***

### ***Corporate Business Plan 2020-2024***

Key Result Area 5: Effective leadership and governance

Outcome 6: Measure and report on success and sustainability

Strategy 1: effectively measure our success and progress to a sustainable future

Service level strategy/plan: Continue to monitor monthly, year to date and annual financial performance including preparation of the annual financial report.

## **PLANNING FRAMEWORK**

Nil

## **FINANCIAL IMPLICATIONS**

### **Implications**

The review provides an indication of the possible end of financial year position based on an assessment of actual expenditure to the end of December 2020 and expectations of revenue and expenditure for the next six months compared to the 2020-21 adopted Budget.

### **Long Term Financial Plan**

The revised budget will influence the Long-Term Financial Plan by providing actual revenue and expenditure parameters to compare against forecast results.

### **Whole of Lifecycle considerations**

Nil

## **SUSTAINABILITY IMPLICATIONS**

### **Environmental**

Nil

### **Social**

Nil

### **Economic**

As outlined in the report.

## **ADVOCACY**

Nil

## **IMPLICATIONS OF ALTERNATIVE RESOLUTION**

Nil

## **VOTING REQUIREMENTS**

Absolute Majority

## **RECOMMENDATION**

That Council:

1. Receives the 2020-21 Budget review in accordance with regulation 33A of the *Local Government (Financial Management) Regulations 1996*; and
2. Adopts the results of the review and the budget amendments contained in the Attachment including the amended transfers to and from reserves.

## **ADVICE TO APPLICANT / PROPONENT**

Nil

## **ATTACHMENTS**

1. 2020-21 Budget Review using results to 31 December 2020

- 12. MOTIONS FROM MEMBERS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**
  
- 13. MOTIONS FOR CONSIDERATION AT NEXT MEETING**
  
- 14. NEW BUSINESS OF AN URGENT NATURE**
  - 14.1. Members**
  
  - 14.2. CEO**
  
- 15. CONFIDENTIAL BUSINESS**
  
- 16. CLOSURE OF MEETING**