



Shire of
Nannup
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Formal Response from the Shire of
Nannup into Submission to the Local
Government Advisory Group for a
Realignment of Local Government
Boundary Change by the Lower
Donnelly River Conservation
Association

July 2019

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Overview of Submission

This whole submission, in the eyes of the Shire of Nannup, has been brought about as a result of a long running dispute between the Hut Owners and the Shire of Nannup regarding their disagreement to having Rates and Charges imposed. This is evident both through actions and actual transcript from the Lower Donnelly River Conservation Association (LDRCA). The suggestion of animosity between the two parties is based purely on financial transactions and did not exist pre 2016 (when rating commenced).

To date the applicants of this enquiry have attempted through the State Administrative Tribunal (SAT) to quash the right of the Shire of Nannup to raise Rates and Charges against the huts. This process was lengthy and time consuming on both accounts. The SAT application was initially lodged on the 28 September 2017 with a decision reached in November 2018. This final SAT decision is included within this submission for the Review Panels reference and states without question that **Rates and Charges are payable on these parcels of land under Section 6.26 of the Local Government Act 1995 (The Act)**.

The applicants argued unsuccessfully that as a result of a Public Use Plan there should be an exemption applied as per Section 6.26(2)(i) of *The Act*. However, SAT ruled that while there is in place an agreement between the former Department of Parks and Wildlife, now the Department of Biosecurity Attractions and Conservation (DBCA), the reality is that all proceeds from letting out the individual huts goes to the hut owner and not to the State Government. This is similar as with any other commercial subletting agreement between two parties. To state that this would mean the definition of a Public Use Plan would not be true.

Prior to the rating process being implemented there was no disagreement between the two parties with the Hut Owners seemingly happy for the Shire of Nannup to complete building inspections and the like on their behalf. Included with this paper is a photograph, supplied by the applicants showing the former Shire President, Mrs Barbara Dunnet, on the banks of the Donnelly River along with representatives from the LDRCA, the former Shire President of Manjimup and other dignitaries. This photo is dated in 2009 and as per the information supplied by the LDRCA was taken to show the support of the two local governments to the progression of formal leases for the now Hut Owners.ⁱ Correspondence received from the LDRCA shows a direct quote from the then Chairman of the LDRCA in 2009, Mr Peter Wood, saying ***“Visits by myself and Tony Ryan to both the Shire of Manjimup and the Shire of Nannup have proven fruitful...Whilst the Minister is here we will have support from Shane Collie and Barbara Dunnet representing the Shire of Nannup”***. This would suggest that there was no animosity between the two parties and that the Shire of Nannup had instead helped to secure the formal leases that the Hut Owners were seeking.

The Shire of Nannup would question whether the proposed local government boundary modification is more as a move to Rates and Charges under *The Act* on leasehold properties that, because of their current tenure, now are a saleable tangible asset. This is evidenced by at least one property (that the Shire of Nannup is aware of) having being sold on the open market.ⁱⁱ These now leased properties, were in the first instance illegal squatting on behalf of the families/ancestors, subsequent campaigning by both the Hut Owners and the Shires of Nannup and Manjimup led to the State Government gifting the rights to the current Hut Owners for continued Rights. Given these circumstances, the Shire of Nannup questions why Rates and Charges should not be applied to these properties in the same way as any other landowner with the ability to sell a tangible asset or derive income from the property, held either in a leasehold contract or as an outright owner. This question has already, as indicated above, been the subject of a lengthy SAT Hearing battle with the outcome being that SAT ruled that these properties should be subject to Rates and Charges.

The current proposed outcome, if completed as per applicants' request, may set a tenacious precedence for other properties, anywhere within the State of Western Australia. The precedence set would be that if owners are unhappy with Rates and Charges applied to their properties, for whatever reason, including possibly similar to this instance where the Hut Owners choose not to utilise Council services, then other disgruntled ratepayers will also apply to have their properties realigned in order to achieve a lower financial output and will use any reasoning available to them to justify that position.

Within the applicants submission there is repeated reference to the point that *"The formal shire boundaries have been irrelevant"*ⁱⁱⁱ and *"there is no historical need to contemplate local government boundaries"*^{iv} If this were true, then why is this current submission being contemplated if the real issue is not about avoiding Rates and Charges?

The Shire of Nannup would counter as a more reasonable option, that if the community were wanting to be as a whole within the one local government then why would the 10 huts (23%) currently within the Shire of Manjimup not be moved into the Shire of Nannup where the majority of the huts (77%) are currently located? This appears more logical and creates less disruption overall to change the alignment so that the Shire of Nannup boundary included all 43 properties. It is noted that the current boundary alignment ends on the southern edge of the Donnelly River. i.e. directly in front of the 10 huts within the boundaries of the Shire of Manjimup.

It is acknowledged that, through this formal inquiry, there is the requirement to cover particular areas that are requested by the Local Government Advisory Board and key areas that need to be addressed in relation to the LDRCA submission, however the above statements, in the Shire of Nannup's view, remain the true issues at the centre of this request to realign the local government boundary.

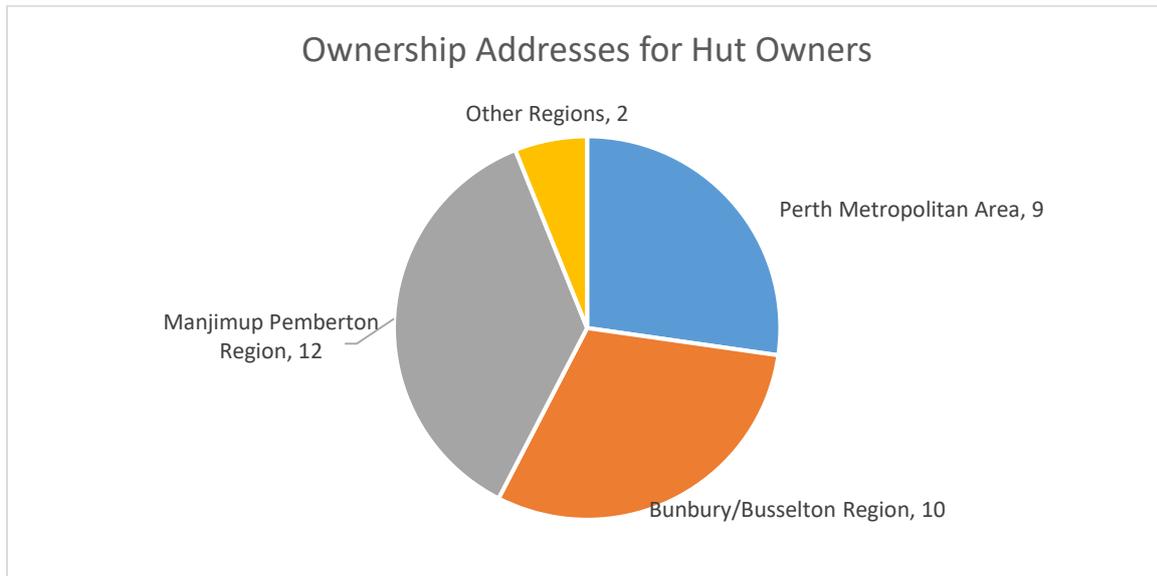
1. Community of Interest

The Community of Interest from the Shire of Nannup's perspective includes all stakeholders who are subject to Rates and Charges within the Shire of Nannup. If however, we were to address annual visitors to the area, which appears to be the logic used within the LDRCA original submission, where a figure of 896 people are stated as being within the community of the 43 huts, then the number of interested persons within the greater Nannup community would swell to well over 30,000 people. This number is based on the residents, both full time and part time owners, festival goers to all festivals held throughout the year and all other visitors who visit and enjoy the attractions within the Shire of Nannup.

Contact was made to the affected community to ascertain if the community had any concerns relating to the impact that withdrawing 33 ratepayers from a total rate base of 1150 would have. This information was circulated initially, as a result of the applicants posting on Facebook about their intentions. As a result of this post, the Shire of Nannup received numerous enquiries from concerned residents/ratepayers. It was decided to inform all ratepayers about what the impact would be, if the result is in favour of the applicants.

The Shire of Nannup would like to note that it believes the claims made from the applicants, the reason for requesting the boundary change is because the majority of the Hut Owners reside within the Shire of Manjimup is untrue. According to the latest data held at the Shire of Nannup, in relation to Hut Owners and their postal addresses 36% reside within the Manjimup or Pemberton regions and the remainder reside outside of the Shire of Manjimup boundaries. This negates the view shown and adds strength to the Shire of Nannup's case that the Hut Owners are pursuing this realignment purely on a

financial basis and not to address their sense of strong community ties to the Manjimup and Pemberton communities.



To achieve a greater sense of community within this precinct, it would make far greater sense to realign the remaining ten (10) leases that fall outside of the Shire of Nannup with the thirty-three (33) leases that already exist within the Shire of Nannup’s boundaries. This would then achieve a greater sense of community, would add weight to any improvements that may be undertaken within the area into the future and create a stronger community. The suggestion of transferring the remaining ten (10) leases to the Shire of Nannup would also align to the strong bond stated by the LDRCA, as the area would then consist of the 43 huts as a whole.

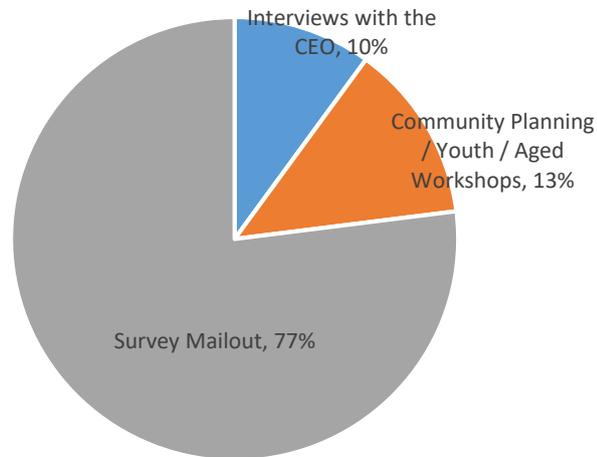
The boundary as it currently aligns is to the southern water mark of the Donnelly River. In put this in context, this is essentially at the front of the 10 Huts currently within the Shire of Manjimup’s boundaries. To realign the local government boundaries to include these 10 properties within the Shire of Nannup would represent a far smaller land / boundary change and would be a lesser impact on the greater community.

Community Strategic Plan 2017 - 2027

As part of the Shire of Nannup’s Integrated planning documents and in particular the Community Strategic Plan there are clear strategic directives given to Council from the community. These directives are considered annually within the budget making process to ensure that the communities expectations have been taken into consideration and wherever budgetary consideration allows these strategic goals/initiatives are being catered for.

Extensive community consultation is completed every four years to ensure that these goals remain constant within the greater community. As an example, in 2017, when the last consultation period was completed, all ratepayers received a mail out asking for their participation. This could be completed either in person, on line via Survey Monkey, by completing a hard copy of the questionnaire sent with the mail out or by attending the community focus nights. As members of the greater Shire of Nannup community the Donnelly River Hut Owners was included within this process.

Consultation Process followed for Community Engagement



The current Community Strategic Plan 2017 to 2027 is the result of this process. Within this plan there are 6 community statements:

1. Our Community
2. Our Economy
3. Our Built Environment
4. Our Natural Environment
5. Our Community Leadership
6. Our Council Leadership

From these six community statements, a further 16 themes were prioritised with the intent that these will be the focus for at least the next four years, until a further review will be completed. The current Community Strategic Plan has a shelf life of ten years up to the year 2027. While ten years may seem a long time to work towards these themes, the reality is that as a result of budgetary constraints there is a need for an extended time frame in order to achieve some of the larger priorities of the community.

For a full copy of this current plan please refer to the Shire of Nannup's website www.nannup.wa.gov.au . On the following pages are areas where these themes/priorities are demonstrated or are currently being worked towards in reference to the Lower Donnelly River area.

Focus Point	Strategies	Actions
<p style="text-align: center;">1.1 All of Us / Who we are:</p> <p>We will retain pride in being a small but friendly town that is a welcoming place to live and full of wonderful people</p>	<p>Promote a connected, safe and healthy town</p>	<p>The Shire of Nannup has continued to work towards achieving outcomes for the Donnelly River Hut Owners. In 2009, Council endorsed with the Shire of Manjimup and Hut Owners that this community should be granted permanency. There were also numerous Council Information Session Items dedicated to the support offered to the LDRCA in their bid to legitimize long term leases^v</p> <p>8225 PINKERTON/LORKIEWICZ</p> <p>That Council advise the Minister for the Environment and the Lower Donnelly River Conservation Association that it has no objection to the 43 huts located on crown land near the mouth of the Donnelly River being legitimized by way of a long term lease through the Department of Environment and Conservation (say 21 years) and recommends the following conditions as part of that lease:</p> <ol style="list-style-type: none"> 1. All huts should comply with the Health Act 1911. 2. All huts should meet the requirements of the Building Code 2006. 3. Consideration be given to the development of a public access facility including toilets and a shelter as well as making available one or two of the huts for community/public use, with suitable management arrangements being put in place between the Department of Environment and Conservation and the Lower Donnelly River Conservation Association. 4. That the Department of Environment and Conservation be responsible for the administration of points 1, 2 and 3 above. <p style="text-align: right;">CARRIED 7/0</p> <p style="text-align: right;">June 2009 Ordinary Meeting of Council</p>
	<p>Value our heritage</p>	

Focus Point	Strategies	Action
<p style="text-align: center;">2.1 The Big Picture: We will have a sustainable, innovative and equitable economy</p>	<p style="text-align: center;">Work collaboratively with State and Federal Government agencies to improve our economy</p>	<p>The Shire of Nannup has an approximate 87% of land currently vested with State or Federal Government. The impact of this on the community is such that the remaining 13% of land owners must meet the rate requirement each year.</p> <p>It is for this reason that once the leases were formalised, and the land use of the huts was no longer “public use” in an effort to remain equitable and fair to the entire land owners/lessees within the whole of Nannup the decision was made to rate these properties. To not follow the Local Government Act 1995 S6.26 would be inequitable in that the 2.17% of overall rates raised within this area would have had to be borne by the remainder of our community.</p> <p>The decision, to rate the properties, was not completed without full due process being followed. Consultation with DBCA, Dept. of Local Government and legal representation confirmed that these properties, as a saleable, tangible asset that in effect were obtained in the first instance as a result of illegal occupation of crown land should be treated in the same manner as all other saleable tangible assets within the Shire of Nannup boundaries. To not follow this process is an example of poor governance on behalf of the remaining ratepayers.</p>

Focus Point	Strategies	Action
<p style="text-align: center;">3.1 Our Shire and Streetscape: Keep the charm and fabric of our unique shire and upgrade the amenity</p>	<p>Well maintained quality infrastructure for our community and visitors and to promote activity</p>	<p>Maintain our beautiful town, streetscape, public buildings, roads, cemetery and parks.</p> <p>The maintenance of these facilities is for the whole of Nannup community. This includes the residents of the Donnelly River Huts. As shown within the graph earlier, there are a considerable number of Hut Owners who are travelling to their huts from the North. The Shire of Nannup would love for these occupants to stop and enjoy the facilities and charm of Nannup's streetscape, public buildings and the like.</p>
	<p>Capture and promote our unique charm and fabric</p>	<p>Maintain the importance of heritage within the local planning scheme. Council would like, in the future, with budgetary consideration to work with the community of the Donnelly River to look at how the wider community can learn about the charm and history of this community.</p>

Focus Point	Strategies	Action
<p style="text-align: center;">3.2 Planning and Building: Providing a quality planning outcome for community benefit through appropriate consultation</p>	<p style="text-align: center;">Develop the south coast access and recreation opportunities</p>	<p>Work with State Government agencies to improve our coastal access and recreational opportunities.</p> <p>This work is currently in the conceptual phase with the development of the Quannup Pastoral Lease. The viability of pursuing an eco-tourism venture within this area has yet to be fully examined.</p> <p>As a result of the close proximity with the Donnelly River Hut Owners a representative from their group was invited to be a part of the working group established between all levels of government and other relevant persons. This was accepted by the LDRCA with the current chairman now sitting on this committee.</p>
<p style="text-align: center;">3.3 Communication: Increased coverage of communication systems</p>	<p style="text-align: center;">Improve all forms of communication within the shire</p>	<p>Work with relevant agencies to improve and secure appropriate local radio and television coverage, increased mobile phone and internet coverage.</p> <p>It is acknowledged that mobile coverage continues to be an area of concern for Hut Owners and day trippers to the Donnelly region. For this reason, The Shire of Nannup continues to advocate for increased mobile tower coverage in this area.</p>

Focus Point	Strategies	Action
<p style="text-align: center;">4.1 Our Sanctuary</p> <p>We will protect our amazing nature, magnificent forests, managed bush land, rivers, agriculture and our pristine coastline</p>	Protect our range of natural assets	Work with Government agencies to provide balance between natural and managed bush land, forests, rivers, agriculture and coast
	Improve awareness and increase public responsibility for our environment	To keep our community informed about our underground water supply levels, mining activity etc.
		Promote environmentally sustainable Government incentives
<p style="text-align: center;">4.2 Our Location</p> <p>Keep our beautiful combination of natural landscapes and built environments to retain our community and amenity</p>	Balance community, environment and economic development in our shire	Update the Planning Scheme and incorporate a strategy of balancing community, environment and economic development
<p style="text-align: center;">4.3 Our sustainable future</p> <p>To achieve a green clean future</p>	To support a sustainable, harmonious community and promote self sufficiency	Role model environmentally sustainable solutions such as recycling and energy efficiency

Focus Point	Strategies	Action
<p style="text-align: center;">5.1 Listen</p> <p>To listen and partner with our community leaders and all our diverse groups</p>	<p style="text-align: center;">Listen to the people</p>	<p>Conduct community engagement for significant projects and other activities.</p> <p>This is evidenced through community consultation completed as and when needed. Recent examples include the Community Strategic consultation completed in 2017 and the Declared Pest Rate consultation completed in 2018 as well as the small community consultations completed within review of current planning or other documents. The community of Donnelly River are always included with all of these consultations</p> <p>Provide open communications to residents with Shire staff and Councillor.</p> <p>This is evidenced, in relation to the Donnelly River Hut Owners, through the numerous meetings held within the past 3 years where the rate debate has been occurring. On no occasion has a request for a meeting been denied.</p>
<p style="text-align: center;">5.2 Working Together</p> <p>To have united community groups working together</p>	<p style="text-align: center;">Meeting of major community groups to share resources and goals</p>	<p>Advocate for meetings and sharing of resources.</p> <p>In 2016, a request was made from the LDRCA for resources to help purchase firefighting equipment. In this instant, due to the stipulations of the ESL funding model, this request could not be completed. However, the Community Emergency Services Manager, did extend the offer to provide firefighting training to the LRDCA community.</p>

Focus Point	Strategies	Action
6.1 Lead, Listen, Advocate, Represent And Provide: A listening leadership that provides and represents all	Be an example of sustainability	Balance our environmental, social and financial requirements.
	Provide a listening leadership that represents the people	Deliver ongoing community engagement to inform a representative community vision
	Be a role model for a cohesive and healthy community	Collaboration between Councillors and also with the community
	Provide a stable, consistent and honest government	Council and committee meetings that are open and transparent
6.2 We are one To do what is right and fair for the people	To do what is right for the people - for betterment of majority of community	Conduct community forums for project specific matters
	Maintain good working relationship with neighbouring shires	Active participation in the Warren Blackwood Alliance of Councils
The community of the LDRCA are afforded the same opportunities and actions as with the greater Nannup community.		

Response to comments relating to Heritage Listing Status

In regards to LDRCA comments relating to Heritage Listing status, the letter from the Heritage Council of WA^{vi} stated that the area had “some” cultural heritage significance but it was unlikely that the significance would meet the thresholds.

A search for properties currently listed under the Heritage of Western Australia Act 1990 within the Shire of Nannup boundaries shows that heritage listings in the Donnelly region is held by only one listing. This is for the Donnelly River Mill and Townsite Precinct which is in a completely separate region approximately 50 kilometres north of the LDRCA region.

It is worth noting that Heritage Listing is not something that effects the rating principles within the LG Act S6.26 and heritage listed properties are rated, under The Act as any other non-heritage listed property. The Shire of Nannup is struggling to understand why the issue of heritage listing is raised within this submission where the focus is around bringing the community as a whole as opposed to being split between two local government areas. There are currently 74 Municipal Heritage Listed properties vested with the Shire of Nannup. There is also the Donnelly Mill Precinct that is State

Heritage Listed. All of these properties and precincts appear to be able to forge a sense of community with the greater community of Nannup.

State Government's Upper House Enquiry

During the State Government's Upper House Inquiry, the Chairman raised the concern of the inequity to the greater community in that the Hut Owners did not have to pay any monetary compensation to the State for the rights to occupy the land on which the huts are situated. This has had the effect of creating a scenario where only a select few of the state's general population have this benefit.

Also noted, within the standing committee inquiry, was the response from Hut Owners which stated that public access to these dwellings was intended for friends of family and other descendants only.^{vii} *For the greater general community, the Hut Owners wanted a camping facility developed away from their actual dwellings.* This demonstrates that the Hut Owners' intention was to only have these properties available for private use and not available to the general public which they now allude to.

As part of the lease requirements drawn up since this State Government's Upper House Inquiry, the lease stipulates that lessees must make certain huts available to the public. It is important, however, that this current review panel are aware that a fee and charge is payable by visitors to the respective Hut Owners when huts are used by the greater community and not merely friends and family members. This fee is not paid to the State Government but instead is part of the individual Hut Owners' assessable income for tax purposes for the year in question. The reason for raising this point is that, at the current rate of \$250 per night, which is the agreed price, if the Hut Owners sublet these properties for fourteen days per annum, then they would recoup the annual costs of maintaining these premises. This then negates their argument regarding financial hardship as a result of the Shire of Nannup's Rates and Charges applied.

State Administrative Tribunal

The overall decision from SAT concluded that *there was no question that the land the subject of the applicants' lease falls within the district of the Shire for rating purposes.*^{viii} A copy of this determination is included within this submission. In summary, it was noted, that the Shire has gone to many lengths to work with the LDRCA in an effort to reach a mutual agreement while also maintaining a legislative obligation of raising rates under *The Act*, including going against the recommendation of the SAT determination and changing the land classification valuation from Unimproved Valuation to Gross Rental Valuation at the request of the Hut Owners. This proposed change in valuation was purely to work with the Hut Owners and lower their Rates and Charges. This then further shows that the Shire of Nannup have continued to try and work towards meeting the requests of the LDRCA.

Impact on the Shire of Nannup from the Community of Donnelly River Hut Owners

Section 3.1.3 of the applicants' submission references that *"the community of Donnelly River straddles both Manjimup and Nannup boundaries"*. It also states that *"formal shire boundaries were irrelevant because of the sense of community in place"*.^{ix} The question is why then is there a need to change the boundary? Continuing in the same theme, if there is a need to change the boundary why would not propose the more logical approach in the 10 remaining huts joining the Shire of Nannup to make a whole community unless the premises of the argument was purely around the application of Rates and Charges.

Included within the submission put forward from the LDRCA was reference to huts having to be brought up to a standard of safety and hygiene compliant with the Shire of Manjimup.^x This is an incorrect statement as the requirements are legislative requirements that all local governments must

adhere to. As shown both within the Council Resolution of Item 10.6 in the June 2009 Ordinary Council Meeting^{xi} and within the submission to the SAT hearing, The Shire of Nannup endorsed advocating for

“the 43 huts located on crown land near the mouth of the Donnelly River being legitimised by way of a long term lease through the Department of Environment and Conservation (say 21 years) and recommends the following conditions as part of that lease:

1. *All huts should comply with the Health Act 1911.*
2. *All huts should meet the requirements of the Building Code 2006.*

Consequently, there was in place an agreement between the Shires of Manjimup and Nannup for the three-year period in which the huts were required to be brought up to a standard for inspections to be completed by a representative of the Shire of Manjimup. This was a negotiated agreement between the two Councils and has no bearing on this argument. All health services and housing matters are still the responsibility of the Shire of Nannup and are provided by same. The choice to delegate and negotiate an agreement between another local government to ensure that services are provided is afforded to all local governments and does not negate this responsibility or any costs associated with this provision. Similar Resource Sharing agreements are reached with other neighbouring shires/cities including ranger services and IT.

Noted within the submission from the LDRCA within Section 3.1.3 the whole premise is attempting to get out of any financial obligation to pay Rates and Charges over these properties. This then feeds into the Shire of Nannup’s belief that this submission is based purely on financial outcomes and not as intimated on community outcomes.

Also within this section of the submission is reference to” *a lack of interest by the Shire of Nannup to nurturing a strong Donnelly community*”. Again this is believed to be untrue. To date the Shire of Nannup has attempted to work towards a solution between the two parties including inviting representatives of the group to address Council on three separate occasions, meeting with representatives at Council offices on numerous occasions, participating in mediation with representatives, agreeing to change rating valuations applied to the leased properties and agreeing to withhold rates applied for the financial year until rating methods were changed. This changing of valuations was noted within the SAT decision as not being required. It is being pursued purely from the Hut Owners desire to achieve a lower rate applied per annum.

It is the Shire of Nannup’s belief that all of this shows, that contrary to the view raised by the applicants, that Council has tried to work with the community wherever possible. The reality is that within all of this process, the Donnelly River Hut Owners have remained of the attitude that it is up to Council to submit to their requests and that the Hut Owners themselves have no need to meet half way or adhere to legislation.

Response to Quannup Pastoral Lease comments by applicant

It is unclear why the reference to the Quannup Pastoral Lease is shown to have a lack of empathy for the Hut Owners. While this pastoral lease is a neighbouring property to the Hut Owners, it is a project that currently is only in inception phase. In an effort to ensure that the Donnelly River Hut Owners were included within any actions planned for this area, an invitation was extended to the group to have a member join the advisory committee. This invitation was accepted and Mr Brad Russell now is the LDRCA’s group representative on the Quannup Working Group.

Further, it is queried why the proposal of an Eco-Tourism venture within the Quannup Pastoral Lease would be objected to the Hut Owners? How can a venture which would afford other people the same

luxury of being able to holiday within this region in a manner that is proposed to be sustainable and sympathetic to the natural environment show a lack of community values especially to the LDRCA community? Provision for the greater community to experience this region was a key focus point and point of difference that the Hut Owners used in their defence as a reason to be allowed to keep the huts in the first instance within the State Government's Upper House Inquiry. However, the inclusion of this comment within this submission, by the applicants, debates if this was a true reflection of feeling held by the Hut Owners.

Sense of Community

As shown below in the Demographic Trend table, The Shire of Nannup has been recognised as a community with a large volunteer basis. 33.9% of people currently living within the Shire regularly volunteer and work in an unpaid capacity. This is 15% higher than both the state and national averages. When reviewed alongside the sense of community shown by the LDRCA group it would appear that both communities have similar community ethics.

This is in direct opposition of the opinions expressed by the Hut Owners. The Shire of Nannup would encourage the Hut Owners to look at ways in which they could build relationships with other community members as the strong sense of community is a common denominator within all communities in Nannup as a whole.

2. Physical and topographical feature

Local Government boundaries often follow logical geographical features such as river banks, major roads and so on. Therefore, it remains logical to have the Local Government boundaries to remain on the edge of the river bank rather than an illogical shape that goes off the riverbanks to encompass the huts. All other interceptions of the boundary exist on the shores of the Donnelly both North and South of the area in question.

As mentioned within other sections of this submission, if there is a need to realign the local government boundaries, then this should be completed by changing the boundary to include the ten properties currently not included with the Shire of Nannup boundaries.

While there is no formal road formation to allow access to the huts via road there is a track from Woodaburrup Road, which is within the Shire of Nannup, that would allow road access to the properties. It is noted that at present this allows access for 4WD vehicles on to the beach that adjoins these properties. This is shown within the map submitted by the applicants and shown at Appendix 1 of their document.

3. Demographic trends

	Shire of Nannup %	Shire of Manjimup %	State Average %	National Average %
Median Age	53	40	36	49
Highest level of education achieved				
<i>Bachelor Degree level</i>	12.9	7.9%	20.5%	22%
<i>Advanced Diploma / Diploma Level</i>	9.2	5.3%	8.9	8.9
<i>Certificate Level IV</i>	2.9	3.0%	3.1	2.9
<i>Certificate Level III</i>	14.2	16.5%	14	12.8
<i>Year 12</i>	14.3	13.6%	16	15.7
<i>Year 10</i>	17.1	18.6%	11.8	10.8
Employment				
<i>Work Full Time</i>	24.4	55.3%	12	13
<i>Work Part time</i>	36.9	31.1%	30	30.4
<i>Unemployed</i>	6.6	5.8%	7.8	6.9
Median Weekly Incomes				
<i>Personal</i>	\$515	\$602	\$724	\$662
<i>Family</i>	\$1,189	\$1,376	\$1,910	\$1,734
<i>Household</i>	\$955	\$1,118	\$1,595	\$1,438
Unpaid Work				
<i>Unpaid domestic work</i>	74.5	70.3%	69.4	69
<i>Cared for Children</i>	22.1	26.6%	28.5	27.6
<i>Provided unpaid work for a person with a disability</i>	10.8	11.5%	9.8	11.3
<i>Voluntary work through an organisation or group</i>	33.9	25.5%	19	19

Within the 2016 Australian Bureau of Statistics, the following demographic snapshot is shown for the Shire of Nannup.

1. Total population is 1328 with a median age of 53.
2. The average weekly income per household is \$955.
3. House tenure is shown to be 45% owned outright, 29% owned with a mortgage and 22% within a rent agreement.

This information, when assessed against the State and Australian averages shows that the Shire of Nannup is in a lower demographic trend. The impact of reducing the rate basis to this community would therefore increase the financial burden to the remaining community.

As the statistics show, Nannup has an aging community. Within this age group there will be a larger number of people on fixed income pensions and the like. Therefore, the impact to the greater Nannup

community, if the applications submission is granted, will be felt far greater than to the Donnelly River Hut Owners as the financial burden would be passed to the larger community of ratepayers. As shown within the State's Upper House Inquiry section above, at the current rate of \$250 per night, which is the agreed nightly rate, if the Hut Owners sublet these properties for fourteen nights per annum, then they would recoup the annual costs of maintaining these premises. For the majority of individual fixed income ratepayers, without complying with planning regulations and the like associated with short term rentals, this is not an option available to them to cover the increased cost of rating should the 33 properties be removed from the Shire of Nannup boundaries.

In comparison, if the same was applied to the Manjimup community, as a result of their much larger rate base and stronger financial viability than the Nannup community, the inclusion or exclusion of ratepayers is diluted. This results in the overall impact on the larger community being far smaller.

Also for consideration, for the permanent Shire of Nannup ratepayers, excluding the Hut Owners, for the most part these residences held are the occupiers' permanent homes as opposed to discretionary assets used for holiday purposes. This then makes the opportunity to sublet and achieve an income to offset costs associated with home ownership a lot harder to achieve.

4. Economic factors and Matters Affecting the Viability of a Local Government

Economic factors associated with removing the 33 huts from the Shire of Nannup have already been alluded to within the context of this submission. However, in order to fully illustrate these factors, the following detail is supplied.

As shown within the demographic snapshot above, the median income, per household, within the Shire of Nannup is \$955. This is \$640 behind that of the Western Australian average and \$483 behind the national average. The median income for a Shire of Manjimup household is \$1,118. \$163 higher than a Nannup Household. What this shows is that, prior to addressing the increased number of households shouldering the rate requirement for the Shire of Manjimup, there already is increased pressure per household within the Shire of Nannup, as a result of median income being 14.6% lower per capita than that of the Manjimup household as per the ABS Census 2016 data.

For the benefit of the reader, the overall rate requirement each year per local government is not adjusted by the number of properties contained within that local government. Local Governments, annually produce a budget for the upcoming period. This is a combination of costs associated with 'business as usual, i.e. wages, utilities, insurances and the like; these are then combined with capital projects for the upcoming period and one-off spends. These expenses are then offset by the known income options for the upcoming period including fees and charges, federal and state government funding, interest, rental income and any other known miscellaneous income. The difference between these Income and the expense combined figures forms the shortfall that will be raised through rate income. Therefore, if you reduce the number of ratepayers within a local government you increase the overall rate requirement per ratepayer.

For this reason, to reduce the number of ratepayers by 33, as would be the case if the LDRCA properties were removed from the Shire of Nannup, the effect to the remaining ratepayers would be an increase on their rates overall irrespective of annual rate increases. For a community with a median household income of \$955 per week this is significant.

To suggest that the removal of these properties would have no effect on the viability of the Shire of Nannup is short sighted, shows a lack of understanding by the author on the financial mechanisms of local governments and shows a total lack of concern for the whole of community.

The Shire of Manjimup Shire President, Mr Paul Omodei is quoted within an ABC Southwest Interview on the 21st of June 2019 stating *“the move won’t necessarily mean they will avoid paying rates....”* *“Should they pay rates? I think yes they should,”*^{xii}

According to the Annual Report for the Shire of Manjimup published on their website, the number of rateable assessments for the 2018/19 period was 5,624. As shown above the number of rateable properties for the Shire of Nannup is 1150. Therefore, while the impact of removing 33 properties from The Shire of Nannup is a 2.87% loss to the rating base (number of rateable properties), for The Shire of Manjimup, the addition would represent a 0.59% increase in rate base. The economic effect of the inclusion/exclusion of these properties within each local government is vastly different.

5. Effective delivery of Local Government Services

Within the original submission by the applicants there are claims that there have been and still are ongoing liaisons with the Shire of Manjimup personnel. While the Shire of Nannup would not deny this from the perspective of the 10 properties currently within the boundaries of this local government, the same ongoing liaisons are also true and occurring between Hut Owners and the Shire of Nannup for properties within the boundaries of this local government.

Building permits continue to be assessed and authorised by Shire of Nannup personnel not by the Shire of Manjimup personnel as incorrectly reported within the submission by applicants. Should the Board wish to examine building permits held at the Shire of Nannup this can be arranged to further clarify this mistruth.

To suggest that building personnel at the Shire of Nannup do not have experience to carry out inspections and authorisation of coastal buildings is another example of stretching the truth. Firstly, there is a large coastal region within the Shire of Nannup which also has building approval requirements attached to it and secondly, the current building inspector for the Shire of Nannup is an employee of extensive 30+ years’ experience in both Health and Building Regulation.

Within the State Government’s Upper House transcript^{xiii}, the Honourable Kate Doust asked Mr Tony Ryan, the former president of the LDRCA about the relationship between the Donnelly River association, shack site holders and the local governments of the area. The following was the response given:

Hon KATE DOUST: *It has been very interesting to talk to the various groups involved with shack sites about their relationship with local governments. Maybe at this point you might like to explain to us the relationship between the Donnelly River association, shack site holders, and the local governments in the area.*

Mr Ryan: *That has been part of my job—to canvass the shires. We have a very good relationship with the shire president and the CEO of the Shire of Manjimup. We have the full support of all councils; we have done the same with Barbara Dunnet, the shire president of Nannup, and they are very supportive of us. We have written submissions in.*

Hon KATE DOUST: *Would they support a continuation of the shacks at these locations?*

Mr Ryan: Yes, their opinion is that they would like us to go for some sort of management plan, whether it be DEC controlled or shire controlled. What people seem to have in mind is something similar to what has happened at Windy Harbour; that is what people are thinking of, foremost, but we do not know, and we are only hoping that whatever management plan we get into, we will have some input into it. That, to me, is pretty important. But the relationship there is excellent. When we Environment and Public Affairs Friday, 28 January 2011 — Session One Page 6 had the last minister, Donna Faragher, down to the Donnelly—not the June just gone, but the June before—she came down with Barbara Dunnet, the Nannup shire president, the CEO of Nannup, and the shire president and the CEO of Manjimup shire. We have a photo of them all here at the site where we were intending to build a gazebo-type shelter for daytrippers. We just do not seem to be getting any answers; we want to fund it and build it, because the daytrippers and campers are a pretty important part. We want to fund it out of our own funds, but we cannot seem to get anywhere.

The CHAIRMAN: But you are saying that you have a good relationship with those councils.

Mr Ryan: A very good relationship, and the Nannup council was unanimous.

The CHAIRMAN: Are you in agreement with their requirements? We understand that they have talked of long-term lease if all huts meet health requirements and building requirements and that management arrangements exist for promotion of access to short-term rental.

Mr Ryan: If that is what we have to comply with, we will have to comply with it. We have no options, have we?

The CHAIRMAN: No, I was wondering whether you were all in agreement with that.

Mr Ryan: Yes, we are.

This transcript would suggest that the LDRCA and Hut Owners, prior to the implementation of rates, considered the relationship between the LDRCA, Hut Owners and the Shire of Nannup to be a very good relationship. This would further suggest that this overall submission is possibly not as a result of a sense of community but more as a submission that is made as a way of ensuring that the fair and equitable process of being included within the rate base of the local government district that their holiday homes are located within does not occur.

Any Fire and Emergency Service requirements, in the case of an emergency would be fulfilled by the Shire of Nannup as per legislations. While the Shire of Nannup is aware that there are Hut Owners who have ties to the emergency services within the Shire of Manjimup, the chain of command, should an emergency arise at the Donnelly River would see the lead agency be either DFES, DBCA or the Shire of Nannup. This would be dependent on the level of the emergency and the actual instigating site of the emergency.

The remaining comment from the applicants in regards to the residential addresses of the Hut Owners being for the most part residents of the Shire of Manjimup is in the view of the Shire of Nannup incorrect as previously stated.

6. History of the Area

The history of this site dates back to the late 1800's. Links can be shown to families from the Manjimup, Nannup and Vasse regions. These included pastoral grazing leases by pioneering families from Manjimup, Nannup (The Scott family in 1861) and Vasse (The Bussell Family) areas.

Later, the river became popular with campers who at some point in time started to illegally build huts on the banks of the Donnelly River within State Government vested land. This illegal squatting forms the basis for the descendants of the original squatters to place demands on the State Government for the Rights to occupy this land.

The community within this precinct is undoubtedly a tight-knit community, who have created a quasi code by which the Hut Owners as a collective have supported. This is further enhanced through the LDRCA incorporated committee who oversee all the intricate working requirements of this community.

Through the support of the Shires of Nannup and Manjimup, this group of Hut Owners were successfully able to gain formalised lease agreements. This is something that was not afforded to all Hut Owners within Western Australia. While in no way wishing to take away from the commitment of the incorporated body in this success, it is undeniable that without the support of the Shire of Nannup, the 33 huts within the Shire of Nannup boundaries may not have had such an outcome. At the time of the inquiry, the LDRCA were more than willing to acknowledge that the Shire of Nannup were firm supporters of this cause, it now appears, that when this group do not get everything that they ask for, that they are willing to turn and deny any good relationship exists.

7. Transport and Communication

Transport to the huts is completed both by road up until the Donnelly River and then by boat from the boat ramp to the huts. Roads used to arrive at the boat ramp are dependent on where Hut Owners permanently reside. As shown in the section above this is varied. Some Hut Owners reside in the metropolitan areas, some within the Bunbury/Busselton areas and others within the Manjimup region. Therefore, the roads used will be either state or local government responsibility. For the Hut Owners travelling from Busselton and Margaret River, the roads used are very likely to have a combination of State and Shire of Nannup funding applied to them.

In regards to communication, mobile phone reception continues to be an issue. To this end the Shire of Nannup continues to lobby for better phone coverage for the entire shire

as a whole. Given the remoteness of this community it is a worrying factor that there is a real possibility that in the case of an emergency, communication between the Hut Owners and the rest of the world is compromised. This then forms an objective within the Shire of Nannup's Corporate Strategic Plan -

<p>3.3 Communication: Increased coverage of communication systems</p>	<p>Improve all forms of communication within the shire</p>	<p>Work with relevant agencies to improve and secure appropriate local radio and television coverage, increased mobile phone and internet coverage.</p>
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8. Conclusion

The Shire of Nannup would like to thank the Local Government Advisory Board for taking the time to consider this submission. It is hoped that at the conclusion of reading all of this submission and the attachments thoroughly, it will become evident that the Shire of Nannup continues to work with the LRDCa to achieve the sense of community desired. It is also hoped that the reader can acknowledge that the true reasoning behind the request to realign the boundaries is more in an attempt to avoid paying Rates and Charges to the community in which the holiday homes are situated.

ⁱ Photograph taken on the banks of the Donnelly River with visiting CEO's, Shire Presidents and dignitaries, information supporting this photograph included within Upper House Inquiry into Shack Sites page 6.

ⁱⁱ Screenshot from Real Estate agency – Landmark Harcourt's

ⁱⁱⁱ Applicants submission Point 3.1.3, - Attachment 3

^{iv} Applicants Submission 3.2 – Attachment 4

^v Council Items endorsed by Council to show support for the LDRCA in their bid to legitimise long term leases – Attachment 5

^{vi} Letter from Heritage Council of Western Australia – Attachment 6

^{vii} Page 13 and 14 of the State Government's Upper House Transcript – Attachment 7

^{viii} Final determination CC2239 of 2017 - Russell & Anor v Shire of Nannup – Attachment 8

^{ix} Applicants submission Point 3.1.3, - Attachment 3

^x Applicants submission Point 3.1.3, - Attachment 3

^{xi} Item 10.6 of the June 2009 Ordinary Meeting of Council – Attachment 5

^{xii} ABC South West Transcript printed 12/07/2019 – Attachment 9

^{xiii} Full transcript of evidence 28 January 2011 – Inquiry into Shack Sites – Attachment 10