



Shire of
Nannup
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Minutes

Council Meeting held
27 June 2013

CONFIRMATION OF MINUTES

These minutes comprising pages 1 – 79 were confirmed by
Council on 23 May 2013 as a true and accurate record.

.....
Tony Dean
SHIRE PRESIDENT

Minutes

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15. CLOSURE OF MEETING 79

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Chairperson declared the meeting open at 16:15 hrs.

ATTENDANCE:

Councillors; Dean, Camarri, Dunnet, Gilbert, Mellema, Longmore, Lorkiewicz and Steer

Robert Jennings - Chief Executive Officer

Vic Smith - Manager Corporate Services

Chris Wade – Manager Infrastructure

Steve Thompson – Planning Consultant

VISITORS: 5

APOLOGIES: None.

2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE
(previously approved)

None.

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Ms C Brown

Q9. Is there a statutory requirement to provide public copies of the agenda?

A9. The Local Government Administration Regulations 1996 provide that:

A local government is to ensure that notice papers and agenda relating to any council or committee meeting and reports and other documents which —

- (a) are to be tabled at the meeting; or
- (b) have been produced by the local government or a committee for presentation at the meeting,

and which have been made available to members of the council or committee for the meeting are available for inspection by members of the public from the time the notice papers, agenda or

documents were made available to the members of the council or committee.

This does not require the papers to be published. It means that interested members of the public can inspect the papers at a location designated by the council.

4. PUBLIC QUESTION TIME

Ms R Stallard

Thank you for reinstalling the clock.

Q1. Why is the golf course being progressively cleared of trees?

Shire President responded

A1. Some trees that are dangerous have to be removed for safety reasons.

Q2. What is being done about the spread of kikuyu around the golf course? Some native vegetation can be planted to help prevent the grass from getting into the neighbouring bush.

A2 Native vegetation is unlikely to survive beneath existing trees but the issue of the spread of kikuyu will be brought up at the next Golf committee meeting.

Q3. Is the Shire doing anything about securing a grant to clean up the block by Gussies Old Mill on Brockman Highway near Cockatoo Valley?

This question was taken on notice.

Ms P Fraser

Q4. Can we have blue metal placed around the recycling area of the waste management facility?

Manager Infrastructure responded

A4. This will be followed up.

Ms L Northrop

Q5. Photos were taken on 8th June which shows the Mead dogs are still getting out. They are over the road from my house and next to the Day Care Centre. Although I concede the dogs have been less troublesome and some efforts for fencing have been made, they are still able to get out. I am in no doubt that, if the opportunity presented, the dogs would attack a small animal again, (or maybe a child). The 2 attacks noted in the weekend papers demonstrated the real possibility and potential harm this could cause. My question is "What will the Shire do to follow up on the Mead dog issue since the dead line of the 31st May has passed and the dogs are still getting out?"

Manager Corporate Services responded

A5. Following the expiry of the deadline, I wrote to the dog owners reminding them that under the terms of the consent order any extension to the deadline for completing the agreed works would need to be sanctioned by the Shire. Substantial elements of the agreed works have been completed. The Shire is aware that completing the works by the deadline would be challenging given that the owners work takes them out of town for periods of two weeks at a time.

The Shire has advised the dog owners that if the agreed works are not completed by 12 July 2013 that the dogs will be deregistered and will be required to be removed from the Shire within 14 days.

Q6. In relation to the dogs getting out, what evidence is required?

Manager Corporate Services responded

A6. The act state that the minimum required evidence is the date, time, place, description of the dogs and the activities being undertaken by the dog/s. Statutory Declarations and photos are not necessary but certainly helpful.

Mr S Adorian

Q7. Is a time stamp for evidence sufficient?

Manager Corporate Services responded

A7. Yes, if this information is available we can take it into account.

Q8. Can we get a temporary Ranger to deal with dogs, parking, etc?

Chief Executive Officer responded

A8. There are a number of issues to be dealt with in such a proposal including financial consideration.

Mr L Gilcrest

Q9. Do the Councillors realise that when a property is rezoned it must be compatible with surrounding properties and in the case of the Balingup Road Hospital why did they make such an obvious mistake?

This question was taken on notice.

Q10. Why is that not one Councillor bothered to talk with the neighbours that were most affected by this rezoning?

This question was taken on notice.

Q11. Do the Councillors realise that there in not one benefit to Nannup with the building of this complex other than bringing people with major problems to the community of Nannup?

This question was taken on notice.

Q11. Why do Councillors keep denying that this is a D class mental clinic for seriously depress people firm alcohol abuse, drug abuse and sex addiction? This question was taken on notice.

Q12. I would also ask Mr Norm Steer why he represents the RSL but cannot support a soldier who fought for his country and prefers to now march on Anzac day in Bunbury because of the lack of support given to him by his own Council?

Note. This question is not relevant to Council business or activities and will not be responded to.

5. APPLICATIONS FOR LEAVE OF ABSENCE

8973 STEER/LORKIEWICZ

Cr Dunnet application received for the period;
8th July 2013 - 12th August 2013.

Cr Mellema application received for the period;
7th July 2013 - 28th July 2013.

Cr Dean application received for the period;
22nd July 2013 – 22nd August 2013.

CARRIED 5/0

6. PETITIONS/DEPUTATIONS/PRESENTATIONS

None.

7. DECLARATIONS OF INTEREST

There was 1 declaration of Interest presented.

1. Cr S Camarri as member of the Danjangerup Cottages Committee,
Item 11.11 Lease – Danjangerup Cottages

8. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

8974 LONGMORE/LORKIEWICZ

That the Minutes of the Ordinary Council Meeting of the Shire of Nannup held in Council Chambers on 23 May 2013 be confirmed as a true and correct record.

CARRIED 8/0

9. ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

None.

10. REPORTS BY MEMBERS ATTENDING COMMITTEES

Warren Blackwood Alliance of Councils
SWALGA South West Zone meeting
Recovery workshop
Wellbeing reception at Manjimup
South West Local Government Emergency Management Alliance meeting

11. REPORTS OF OFFICERS

| | |
|-------------------------|--|
| AGENDA NUMBER: | 11.1 |
| SUBJECT: | Final adoption of Amendment No.13 to the Shire of Nannup Local Planning Scheme No. 3: extending the range of permitted development |
| LOCATION/ADDRESS: | Whole of Shire |
| NAME OF APPLICANT: | Shire of Nannup |
| FILE REFERENCE: | TPL1/13 |
| AUTHOR: | Steve Thompson, Consultant Planner |
| REPORTING OFFICER: | Robert Jennings – Chief Executive Officer |
| DISCLOSURE OF INTEREST: | Edge Planning & Property receive payment for planning advice to the Shire and declare a Financial Interest (section 5.70 of the Local Government Act 1995) |
| DATE OF REPORT | 17 June 2013 |

Attachments: 1. Submissions
 2. Schedule of Submissions

BACKGROUND:

The purpose of Amendment No. 13, to the *Shire of Nannup Local Planning Scheme No. 3* (LPS3), is to generally extend the range of permitted development (increase the range of development which does not require planning approval).

At the Council Meeting of 24 January 2013, Council passed the following motion, at minute No 8896:

“That Council:

1. *Agree to adopt (initiate) an amendment to the Shire of Nannup Local Planning Scheme No. 3, pursuant to Part 5 of the Planning and Development Act 2005, through modifying, deleting and inserting text in Clause 8.2 as outlined in Attachment 1.*
2. *Authorise the Shire President and the Chief Executive Officer to execute the Scheme Amendment No. 13 documents.*
3. *Note the Shire’s Chief Executive Officer will refer Scheme Amendment No. 13 to the Environmental Protection Authority for assessment pursuant to section 81 of the Planning and Development Act 2005. Should the EPA advise that the amendment does not require assessment, advertise the amendment in accordance with the Town Planning Regulations 1967.*

4. *Forward a copy of the amendment to the Western Australian Planning Commission for information.”*

Following the Council resolution, the Environmental Protection Authority (EPA) determined that the scheme amendment should not be assessed via an environmental impact assessment. The EPA decision effectively gave its “environmental clearance” to Amendment 13.

Following the receipt of the EPA decision, the Shire met the requirements of the *Town Planning Regulations* through seeking public comment on Scheme Amendment No. 13 for a six week period through:

- writing to relevant State Government and servicing agencies;
- placing public notices in local papers;
- details being on the Shire’s website; and
- having information available at the Shire office.

The Shire received 3 submissions on Scheme Amendment No. 13 all raising no objections (Attachment 1). The associated Schedule of Submissions is set out in Attachment 2.

Clauses 8.1 and 8.2 of LPS3 currently state the following:

“8.1 Requirement for Approval to Commence Development

Subject to clause 8.2, all development on land zoned and reserved under this Scheme requires the prior approval of the local government. A person must not commence or carry out any development without first having applied for and obtained the planning approval of the local government pursuant to the provisions of Part 9.

Note:

1. *The planning approval of the Council is required for both the development of land (subject of this Part) and the use of land (subject of Part 4).*
2. *Development includes the erection, placement and display of any advertisements.*

8.2 Permitted Development

Except as otherwise provided in the Scheme, for the purposes of this Scheme, the following development does not require the planning approval of the local government:

- (a) the carrying out of any building or works which affect only the interior of a building and which do not materially affect the external appearance of the building unless the building is:
 - (i) located in a place that has been registered in the Register of Places under the Heritage of Western Australia Act 1990;
 - (ii) the subject of an Order under Part 6 of the Heritage of Western Australia Act 1990;
 - (iii) included on the Heritage List under clause 7.1 of this Scheme;
- (b) the erection on a lot of a single house including any extension, ancillary outbuildings and swimming pools, except where the proposal:-
 - (i) requires the exercise of a discretion by the local government under the scheme to vary the provisions of the Residential Planning Codes;
 - (ii) is located in a Heritage Area designated under the Scheme;
 - (iii) requires the exercise of a discretion by the Council under the scheme to vary the setback provisions of a specific zone.
- (c) the demolition of any building or structure except where the building or structure is:-
 - (i) located in a place that has been entered in the Register of Places under the Heritage of Western Australia Act 1990;
 - (ii) the subject of an order under Part 6 of the Heritage of Western Australia Act 1990;
 - (iii) included on the Heritage List under clause 7.1 of the Scheme; or
 - (iv) located within a Heritage Area designated under the Scheme;
- (d) a home office;
- (e) any works which are temporary and in existence for less than 48 hours or such longer time as the local government agrees;
- (f) any of the exempted classes of advertisements listed in Schedule 5 except in respect of a place included on the Heritage List or in a Heritage Area.
- (g) the construction, replacement, maintenance or repair by a Government agency or statutory undertaking, of any equipment necessary to provide and maintain a public service;
- (h) the development on land within any zone by the local government or Government agency for the purposes of roads, stormwater drainage, recreation areas, landscaping, gardening, bushfire hazard reduction,

parking, amenities building, river bank stabilisation or beach rehabilitation;

- (i) the reference in sub-clause (h) to the carrying out of development for the purpose of roads includes a reference to the winning of extractive material by the local government for the purpose of public road construction; and
- (j) the carrying out of any development by the local government in connection with the construction, reconstruction, improvement, maintenance, repair or widening (where the local government has acquired the land) of any road except the realignment or relocation of the road.

Note: Development carried out in accordance with a subdivision approval granted by the Commission is exempt under Section 20D Town Planning Act."

The effect of current Clauses 8.1 and 8.2 are that a wide range of development legally requires the planning approval of the local government. There is only a relatively small range of development which is exempt from the need to submit a Planning Application and gain planning approval.

COMMENT:

It is recommended that Council grant final adoption to Scheme Amendment No. 13 subject to minor modifications set out in the officer recommendation in green "highlight". The recommended changes are modifying "DAF" to "DAFWA" in referring to the Department of Agriculture and Food.

Scheme Amendment No. 13 proposes to generally extend the range of permitted development for a range of low-key and low risk forms of use and development. Generally, for low-key and low-risk development, it is suggested that a Planning Application is not required. If a new building is proposed, there is still a separate requirement to gain a Building Permit.

The proposed approach is considered to assist in improving the efficiency and effectiveness of the planning system and to direct resources increasingly into strategic areas and assist with implementing key projects.

It is highlighted that Scheme Amendment No. 13 does propose to increase some instances where Planning Applications are required for the erection on a lot of a single house, including any extension and ancillary outbuildings. Outlined below are the proposed additional circumstances and rationale:

| Suggested development requiring planning approval | Rationale |
|---|--|
| Is outside an approved building envelope or within a building exclusion area. | <p>This is consistent with sub-clause 8.2(b)(iii) regarding setback provisions of LPS3.</p> <p>It is standard Shire practice to require a Planning Application to relocate building envelopes.</p> <p>There are considered to be limited reasons justifying why buildings should be located in building exclusion areas and it is appropriate that this is addressed at the Planning Application stage rather than at the Building Permit stage.</p> |
| Is within the Flood Risk Land Special Control Area. | It is appropriate that this is addressed at the Planning Application stage rather than at the Building Permit stage – including addressing flood risk, environmental impact and servicing considerations. |
| Is within the Landscape Values Area. | Sub-clause 6.2.2 of LPS3 sets out objectives and provisions relating to the Landscape Values Area. Sub-clause 6.2.2.3 requires the approval of the local government for development which should also be reflected in sub-clause 8.2(b) of LPS3. |
| Is on a lot or location which does not have access to a dedicated and constructed road. | This is consistent with the Local Planning Strategy and similar provisions in a number of other Local Planning Schemes in regional Western Australia. It assists to address issues earlier in the development process at the Planning Application stage. |

STATUTORY ENVIRONMENT:

Planning and Development Act, Town Planning Regulations and LPS3.

POLICY IMPLICATIONS:

None at this stage.

FINANCIAL IMPLICATIONS:

Public advertising was a budgeted cost.

STRATEGIC IMPLICATIONS:

Final approval and gazettal of Scheme Amendment No. 13 will assist to improve the efficiency and effectiveness of the planning system.

VOTING REQUIREMENTS: Simple Majority

RECOMMENDATION:

That Council:

A) In pursuance of Section 75 of the *Planning and Development Act 2005* grant final adoption of Amendment No. 13 to the *Shire of Nannup Local Planning Scheme No. 3* through modifying, deleting and inserting text in Clause 8.2 as follows:

1. Deleting “and swimming pools,” in sub-clause 8.2.
2. Changing “Planning” to “Design” in sub-clause 8.2(b)(i).
3. Adding the following to sub-clause 8.2(b)(ii):
 - (iv) is outside an approved building envelope or within a building exclusion area;
 - (v) is within the Flood Risk Land Special Control Area;
 - (vi) is within the Landscape Values Area;
 - (vii) is on a lot or location which does not have access to a dedicated and/or constructed road;
4. Deleting “and” at the end of sub-clause 8.2(i).
5. Changing “.” to “;” at the end of sub-clause 8.2(b)(j).
6. Adding the following sections after sub-clause 8.2(j):
 - (k) incidental structures which include:
 - (i) a dog house, domestic animal enclosure, bird enclosure or a cubby house which does not exceed 3.0 metres in height above natural ground level and does not have any part of its structure located within 1.0 metre of the boundary with an adjacent lot;
 - (ii) a tree house which as a structure that does not exceed 3.0 metres in height, does not have a floor area greater than 4.0m² and is constructed in a tree on a lot used for residential purposes;
 - (iii) a flag pole which does not exceed 6.0 metres in height above natural ground level;
 - (iv) any pole, tower or device used solely for the purpose of providing outdoor lighting which is constructed on a lot used for residential purposes and no more than 6.0 metres in height above natural ground level;
 - (v) swimming pools;
 - (vi) landscaping;
 - (vii) letter boxes;
 - (viii) clothes lines;
 - (ix) unless the building is within a Heritage Area or included within the Heritage List of the Scheme, the installation of solar panels

where such structures do not protrude above the surface of the roof by more than 500mm or above the ridge of the roof of any building;

- (l) the erection of a boundary fence except where otherwise required by the Scheme and where the fence is consistent with Local Planning Policies;
- (m) the carrying out of works urgently required for public safety or for the safety or security of plant or equipment used in the provision of essential services;
- (n) the use of land in a reserve, where such land is vested in the local government or vested in a Public Authority:
 - (i) for the purpose for which the land is reserved under the Scheme; or
 - 1. in the case of land vested in a public authority, for any purpose for which such land may be lawfully used by that authority;
- (o) except for development to which the Residential Design Codes apply, the minor filling, excavation or re-contouring of land provided there is no more than 0.9 metres change to the natural ground level, it is not within flood risk land or except where otherwise required by the Scheme;
- (p) except for development to which the Residential Design Codes apply, retaining walls less than 0.9 metres in height unless the site is located in or referred to in a Local Planning Policy which specifically addresses requirements for retaining walls;

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| <p><i>Note: Development carried out in accordance with a subdivision approval granted by the Commission is exempt under Section 157 Town Planning Act.</i></p> |
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- (q) rainwater tanks;
- (r) aquaculture proposals involving the use of existing dams where no structural works are proposed;
- (s) the clearing of native vegetation except:
 - (i) subject to the requirements of sub-clause 4.13.10.4 (Special Rural zone), Schedule 12 (relating to various Special Rural zones), Schedule 4 (relating to various Special Use zones) or where otherwise required by the Scheme;

- (ii) where the trees are listed or protected in the Municipal Heritage Inventory, a Local Planning Policy, Heritage Area or covered by a "Tree Preservation Order";

*Note:
Where the proposal to clear native vegetation is part of an Application for Planning Approval for buildings or works, there is no requirement for a separate Application for Planning Approval for the proposed clearing.*

A clearing permit may be required from the Department of Environment and Conservation to clear native vegetation as set out in the Environmental Protection (Clearing of Native Vegetation) Regulations.

- (t) the clearing of non-native vegetation except:
 - (i) where there is a specific Scheme requirement to gain local government approval including in the Landscape Values Area;
 - (ii) where the trees are listed or protected in the Municipal Heritage Inventory, a Local Planning Policy or Heritage Area or covered by a "Tree Preservation Order";
- (u) effluent disposal systems where they comply with Scheme requirements and relevant legislation, air conditioning systems and LPG gas tanks for domestic purposes where they comply with relevant legislation;
- (v) satellite dishes and other domestic telecommunication installation unless it does not comply with any relevant adopted standards outlined in a Local Planning Policy or is located within a Heritage Area;
- (w) telecommunication infrastructure which is listed as low impact in the Telecommunications Low Impact Facilities Determination 1997 and subsequent amendments to that Determination;
- (x) a change of use where:
 - (i) the general use class category remains the same (e.g. shop to shop) and no additional floorspace is proposed;
 - (ii) the proposed use will have the same or a reduced car parking requirements and no additional car parking spaces are required (e.g. from shop to office);
 - (iii) no adverse environmental impacts are expected;
 - (iv) no additional floor space is proposed;

Note: Premises where food and drinks are sold may be exempt from a Planning Approval but will require Environmental Health Approval.

- (v) a material change in the appearance of the building is not proposed, as determined by the local government;
 - (vi) it satisfies health and safety requirements; and
 - (vii) there is no need to significantly improve public services and infrastructure;
- (y) “agriculture – extensive” and “agriculture – intensive” in the Agriculture, Agriculture Priority 1 – Scott Coastal Plain and Agriculture Priority 2 zones;
- (z) “rural pursuit” in all zones where it is a “P” (permitted) use;
- (za) dams;

Note: Any landowner/proponent proposing to build a dam in any zone must determine the current requirements for licensing the dam by the Department of Water (DoW) and must satisfy these requirements. The landowner/proponent should seek advice from but not be limited to:

- (i) Department of Agriculture and Food (DAFWA) for advice on whether the proposal is consistent with DAFWA recommendations for farming practices, water supply and dam construction; and the*
- (ii) Department of Environment and Conservation and the DoW for advice on potential environmental impacts on watercourses, wetlands and the riparian zone and must advise them in relation to its impacts on water resource management and if it requires approval in relation to the taking of water and any other potential environmental impacts.*

The local government will require evidence that dams in Residential, Special Residential, Special Rural and Future Development zones have been designed, constructed and certified by a professional engineer.

- (zb) temporary sea containers and transportables consistent with Local Planning Policies;
- (zc) activities and work which lie within the definition of development but which are associated with and/or necessary for the continuation of a use of land lawfully existing pursuant to the provisions of this Scheme; and
- (zd) agroforestry provided no more than 4 hectares of planting occurs on any lot or location.

7. Changing "20D" to "157" for the section of the Town Planning Act in the note at the end of Clause 8.2 and relocate to after sub-clause 8.2(p).
- B) Adopt the recommendations in Attachment 2 relating to submissions and advise all agencies who lodged a submission that their comments were noted.
- C) Refer Scheme Amendment No. 13 to the Western Australian Planning Commission and seek final approval by the Honourable Minister for Planning.

8975 DUNNET/GILBERT

That Council:

- A) In pursuance of Section 75 of the *Planning and Development Act 2005* grant final adoption of Amendment No. 13 to the *Shire of Nannup Local Planning Scheme No. 3* through modifying, deleting and inserting text in Clause 8.2 as follows:
 1. Deleting "and swimming pools," in sub-clause 8.2.
 2. Changing "Planning" to "Design" in sub-clause 8.2(b)(i).
 3. Adding the following to sub-clause 8.2(b)(ii):
 - (iv) is outside an approved building envelope or within a building exclusion area;
 - (v) is within the Flood Risk Land Special Control Area;
 - (vi) is within the Landscape Values Area;
 - (vii) is on a lot or location which does not have access to a dedicated and/or constructed road;
 4. Deleting "and" at the end of sub-clause 8.2(i).
 5. Changing "." to ";" at the end of sub-clause 8.2(b)(j).
 6. Adding the following sections after sub-clause 8.2(j):
 - (k) incidental structures which include:
 - (x) a dog house, domestic animal enclosure, bird enclosure or a cubby house which does not exceed 3.0 metres in height above natural ground level and does not have any part of its structure located within 1.0 metre of the boundary with an adjacent lot;
 - (xi) a tree house which as a structure that does not exceed 3.0 metres in height, does not have a floor area greater than 4.0m² and is constructed in a tree on a lot used for residential purposes;
 - (xii) a flag pole which does not exceed 6.0 metres in height above natural ground level;

- (xiii) any pole, tower or device used solely for the purpose of providing outdoor lighting which is constructed on a lot used for residential purposes and no more than 6.0 metres in height above natural ground level;
 - (xiv) swimming pools;
 - (xv) landscaping;
 - (xvi) letter boxes;
 - (xvii) clothes lines;
 - (xviii) unless the building is within a Heritage Area or included within the Heritage List of the Scheme, the installation of solar panels where such structures do not protrude above the surface of the roof by more than 500mm or above the ridge of the roof of any building;
- (li) the erection of a boundary fence except where otherwise required by the Scheme and where the fence is consistent with Local Planning Policies;
- (mi) the carrying out of works urgently required for public safety or for the safety or security of plant or equipment used in the provision of essential services;
- (aa) the use of land in a reserve, where such land is vested in the local government or vested in a Public Authority:
- (j) for the purpose for which the land is reserved under the Scheme; or
 - 2. in the case of land vested in a public authority, for any purpose for which such land may be lawfully used by that authority;
- (bb) except for development to which the Residential Design Codes apply, the minor filling, excavation or re-contouring of land provided there is no more than 0.9 metres change to the natural ground level, it is not within flood risk land or except where otherwise required by the Scheme;
- (cc) except for development to which the Residential Design Codes apply, retaining walls less than 0.9 metres in height unless the site is located in or referred to in a Local Planning Policy which specifically addresses requirements for retaining walls;

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| <p><i>Note: Development carried out in accordance with a subdivision approval granted by the Commission is exempt under Section 157 Town Planning Act.</i></p> |
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- (dd) rainwater tanks;

- (ee) aquaculture proposals involving the use of existing dams where no structural works are proposed;
- (ff) the clearing of native vegetation except:
 - (iii) subject to the requirements of sub-clause 4.13.10.4 (Special Rural zone), Schedule 12 (relating to various Special Rural zones), Schedule 4 (relating to various Special Use zones) or where otherwise required by the Scheme;
 - (iv) where the trees are listed or protected in the Municipal Heritage Inventory, a Local Planning Policy, Heritage Area or covered by a "Tree Preservation Order";

Note:

Where the proposal to clear native vegetation is part of an Application for Planning Approval for buildings or works, there is no requirement for a separate Application for Planning Approval for the proposed clearing.

A clearing permit may be required from the Department of Environment and Conservation to clear native vegetation as set out in the Environmental Protection (Clearing of Native Vegetation) Regulations.

- (gg) the clearing of non-native vegetation except:
 - (iii) where there is a specific Scheme requirement to gain local government approval including in the Landscape Values Area;
 - (iv) where the trees are listed or protected in the Municipal Heritage Inventory, a Local Planning Policy or Heritage Area or covered by a "Tree Preservation Order";
- (hh) effluent disposal systems where they comply with Scheme requirements and relevant legislation, air conditioning systems and LPG gas tanks for domestic purposes where they comply with relevant legislation;
- (ii) satellite dishes and other domestic telecommunication installation unless it does not comply with any relevant adopted standards outlined in a Local Planning Policy or is located within a Heritage Area;
- (jj) telecommunication infrastructure which is listed as low impact in the Telecommunications Low Impact Facilities Determination 1997 and subsequent amendments to that Determination;
- (kk) a change of use where:

- (viii) the general use class category remains the same (e.g. shop to shop) and no additional floorspace is proposed;
- (ix) the proposed use will have the same or a reduced car parking requirements and no additional car parking spaces are required (e.g. from shop to office);
- (x) no adverse environmental impacts are expected;
- (xi) no additional floor space is proposed;

Note: Premises where food and drinks are sold may be exempt from a Planning Approval but will require Environmental Health Approval.

- (xii) a material change in the appearance of the building is not proposed, as determined by the local government;
 - (xiii) it satisfies health and safety requirements; and
 - (xiv) there is no need to significantly improve public services and infrastructure;
- (ll) “agriculture – extensive” and “agriculture – intensive” in the Agriculture, Agriculture Priority 1 – Scott Coastal Plain and Agriculture Priority 2 zones;
- (mm) “rural pursuit” in all zones where it is a “P” (permitted) use;
- (za) dams;

Note: Any landowner/proponent proposing to build a dam in any zone must determine the current requirements for licensing the dam by the Department of Water (DoW) and must satisfy these requirements. The landowner/proponent should seek advice from but not be limited to:

- (i) Department of Agriculture and Food (DAFWA) for advice on whether the proposal is consistent with DAFWA recommendations for farming practices, water supply and dam construction; and the*
- (ii) Department of Environment and Conservation and the DoW for advice on potential environmental impacts on watercourses, wetlands and the riparian zone and must advise them in relation to its impacts on water resource management and if it requires approval in relation to the taking of water and any other potential environmental impacts.*

The local government will require evidence that dams in Residential, Special Residential, Special Rural and Future Development zones have been designed, constructed and certified by a professional engineer.

- (zb) temporary sea containers and transportables consistent with Local Planning Policies;
 - (zc) activities and work which lie within the definition of development but which are associated with and/or necessary for the continuation of a use of land lawfully existing pursuant to the provisions of this Scheme; and
 - (zd) agroforestry provided no more than 4 hectares of planting occurs on any lot or location.
7. Changing "20D" to "157" for the section of the Town Planning Act in the note at the end of Clause 8.2 and relocate to after sub-clause 8.2(p).
- B) Adopt the recommendations in Attachment 2 relating to submissions and advise all agencies who lodged a submission that their comments were noted.
 - C) Refer Scheme Amendment No. 13 to the Western Australian Planning Commission and seek final approval by the Honourable Minister for Planning.

CARRIED 8/0

| | |
|-------------------------|--|
| AGENDA NUMBER: | 11.2 |
| SUBJECT: | Amendment No.14 to the Shire of Nannup Local Planning Scheme No. 3: submitted for adoption (initiation) |
| LOCATION/ADDRESS: | Properties within the Flood Risk Land Special Control Area |
| NAME OF APPLICANT: | Shire of Nannup |
| FILE REFERENCE: | TPL1/14 |
| AUTHOR: | Steve Thompson, Consultant Planner |
| REPORTING OFFICER: | Robert Jennings – Chief Executive Officer |
| DISCLOSURE OF INTEREST: | Edge Planning & Property receive payment for planning advice to the Shire and declare a Financial Interest (section 5.70 of the Local Government Act 1995) |
| DATE OF REPORT | 17 June 2013 |

Attachment: 1. Plan showing floodplain and sewerage system

BACKGROUND:

The purpose of proposed Amendment No. 14, to the *Shire of Nannup Local Planning Scheme No. 3 (LPS3)*, is to provide discretion for the local government to consider on-site effluent disposal for dwellings in the 1 in 25 average recurrence interval (ARI) floodplain. Currently, LPS3 requires that all dwellings in the 1 in 25 ARI floodplain be connected to the reticulated sewerage network.

By way of background, Scheme Amendment No. 7 was gazetted on 9 March 2010. This in part introduced the following in sub-clause 6.2.1.2 in LPS3:

“Notwithstanding sub-clause 6.2.1.1(b)(i), land identified by the Blackwood River Flood Study 1983 as being within the 1 in 25 year flood level will not be permitted to be developed for residential purposes unless such development is connected to the reticulated sewerage network.”

The above clause provides no legal ability for residential development to proceed in the 1 in 25 ARI floodplain without connection to reticulated sewerage.

As outlined in Attachment 1, there are a number of existing lots that are completely in the 1 in 25 ARI floodplain or have building footprints (to comply with building setbacks) that would result in dwellings being located in the 1 in 25 ARI floodplain. Many of these lots are distant from reticulated sewerage and it would not be feasible to connect to reticulated sewerage. Infill sewerage, if it happens, is expected to be years away. The result of the above is that a dwelling could not be practically built on

various existing lots which are currently vacant (contain no dwelling) in the 1 in 25 ARI floodplain.

COMMENT:

While the Shire administration does not support the creation of additional lots in the 1 in 25 ARI floodplain nor in the 1 in 100 ARI floodplain (unless building envelopes/suitable building areas are located outside of 1 in 100 ARI floodplain), it is suggested that applicants should have the ability to apply for and gain approval for a single dwelling as an existing lot provided they suitably justify proposed effluent disposal. In particular, that the applicant demonstrates that on-site effluent disposal suitably addresses human health and environmental risk and the applicant also demonstrates that it is not feasible to connect to the reticulated sewerage network. LPS3 also requires applicants proposing development in the floodplain to address other matters including flood risk, risk to life/human safety and building construction to withstand the forces of flood waters.

It is suggested that clause 6.2.1.2 be modified to the following:

“For land identified by the Blackwood River Flood Study 1983 as being within the 1 in 25 year flood level, residential development (new dwellings and extensions to existing dwellings) should be connected to the reticulated sewerage network unless the applicant suitably demonstrates to the satisfaction of the local government that:

- (a) on-site effluent disposal can be accommodated to address human health and environmental risk; and
- (b) it is not feasible to connect to the reticulated sewerage network.”

The Shire has undertaken preliminary consultation with the Department of Planning and Water Corporation regarding the above. No “fatal flaws” have been identified.

Based on the above, it is recommended that Council adopt (initiate) Scheme Amendment No. 14 to formally commence the process of amending LPS3.

Subject to the Council’s decision, the scheme amendment will be forwarded to the Environmental Protection Authority seeking environmental clearance. Following this, the amendment will be publicly advertised for a minimum of six weeks through:

- writing to relevant stakeholders;
- placing notices in local papers;
- details being on the Shire’s website; and
- having information available at the Shire office.

Public advertising will provide the community and stakeholders the opportunity to consider issues and provide written comments to the Shire.

Following the close of the consultation period, the matter will again be considered by Council to determine whether or not to support final adoption of the scheme amendment (with or without modifications). After this, the Western Australian Planning Commission will next assess the scheme amendment request with the final decision made by the Minister for Planning.

STATUTORY ENVIRONMENT:

Planning and Development Act, Town Planning Regulations and LPS3.

POLICY IMPLICATIONS:

Nil at this stage.

FINANCIAL IMPLICATIONS:

The Shire will meet the cost of advertising the amendment including placing notices in local papers.

STRATEGIC IMPLICATIONS:

Should Scheme Amendment No. 14 receive final approval and associated gazettal, it will provide discretion for the local government to consider on-site effluent disposal for dwellings in the 1 in 25 ARI floodplain.

VOTING REQUIREMENTS: Simple Majority

RECOMMENDATION:

That Council:

1. Agree to adopt (initiate) an amendment to the *Shire of Nannup Local Planning Scheme No. 3*, pursuant to Part 5 of the *Planning and Development Act 2005*, through deleting clause 6.2.1.2 and adding the following to clause 6.2.1.2:

“For land identified by the Blackwood River Flood Study 1983 as being within the 1 in 25 year flood level, residential development (new dwellings and extensions to existing dwellings) should be connected to the reticulated sewerage network unless the applicant suitably demonstrates to the satisfaction of the local government that:

- (a) on-site effluent disposal can be accommodated to address human health and environmental risk; and
- (b) it is not feasible to connect to the reticulated sewerage network.”

2. Following the preparation of Scheme Amendment documents to the satisfaction of the Chief Executive Officer, authorise the Shire President and the Chief Executive Officer to execute the Scheme Amendment No. 14 documents.
3. Note the Shire's Chief Executive Officer will refer Scheme Amendment No. 14 to the Environmental Protection Authority for assessment pursuant to section 81 of the *Planning and Development Act 2005*. Should the Environmental Protection Authority advise that the amendment does not require assessment, advertise the amendment in accordance with the *Town Planning Regulations 1967*.
4. Forward a copy of the amendment to the Western Australian Planning Commission for information.

8976 LORKIEWICZ/MELLEMA

That Council:

1. Agree to adopt (initiate) an amendment to the *Shire of Nannup Local Planning Scheme No. 3*, pursuant to Part 5 of the *Planning and Development Act 2005*, through deleting clause 6.2.1.2 and adding the following to clause 6.2.1.2:

“For land identified by the Blackwood River Flood Study 1983 as being within the 1 in 25 year flood level, residential development (new dwellings and extensions to existing dwellings) should be connected to the reticulated sewerage network unless the applicant suitably demonstrates to the satisfaction of the local government that:

- (a) on-site effluent disposal can be accommodated to address human health and environmental risk; and
- (b) it is not feasible to connect to the reticulated sewerage network.”

2. Following the preparation of Scheme Amendment documents to the satisfaction of the Chief Executive Officer, authorise the Shire President and the Chief Executive Officer to execute the Scheme Amendment No. 14 documents.
3. Note the Shire's Chief Executive Officer will refer Scheme Amendment No. 14 to the Environmental Protection Authority for assessment pursuant to section 81 of the *Planning and Development Act 2005*. Should the Environmental Protection Authority advise that the amendment does not require assessment, advertise the amendment in accordance with the *Town Planning Regulations 1967*.
4. Forward a copy of the amendment to the Western Australian Planning Commission for information.

CARRIED 8/0

| | |
|-------------------------|--|
| AGENDA NUMBER: | 11.3 |
| SUBJECT: | Local Planning Policy No. 21 – Bush Fire Management: Submitted for adoption |
| LOCATION/ADDRESS: | Applies throughout the municipality |
| NAME OF APPLICANT: | Shire of Nannup |
| FILE REFERENCE: | ADM 9 |
| AUTHOR: | Steve Thompson, Consultant Planner |
| REPORTING OFFICER: | Robert Jennings – Chief Executive Officer |
| DISCLOSURE OF INTEREST: | Edge Planning & Property receive payment for planning advice to the Shire and declare a Financial Interest (section 5.70 of the Local Government Act 1995) |
| DATE OF REPORT | 17 June 2013 |

Attachment: 1. Draft Local Planning Policy No. 21 Bush Fire Management (LPP 021)

BACKGROUND:

The purpose of this report is to seek Council support to publicly advertise a draft planning policy relating to bush fire management.

The Council does not have a planning policy relating to bush fire management. This is intended to be addressed through the draft policy which is set out in Attachment 1. The draft policy is intended to generate community discussion and, in time, provide clearer guidelines for assessing planning applications and other proposals.

The Shire administration has undertaken preliminary consultation with the Bush Fire Brigade Chief, Bush Fire Brigade Captains and the Department of Fire and Emergency Services (DFES) on the draft policy. This has revealed support for the draft policy and only minor suggested changes were made.

Planning and building context

The policy seeks to complement the *Shire of Nannup Local Planning Scheme No. 3 (LPS3)* and the associated *Bush Fire Hazard Strategy - Shire of Bridgetown-Greenbushes and Shire of Nannup*. For land designated as Bushfire Prone in the Strategy, this will require new habitable buildings or additions to habitable buildings to comply with *Australian Standard AS3959-2009 Construction of Buildings in Bushfire Prone Areas* unless the Shire supports documentation from a suitably qualified and/or experienced practitioner that the land is not Bushfire Prone.

Some of the important planning and building documents that influence the draft policy are summarised below.

Planning for Bush Fire Protection Guidelines (Edition 2)

The Western Australian Planning Commission (WAPC) and the former Fire and Emergency Services Authority (now DFES) have developed the “Planning for Bush Fire Protection Guidelines” (Edition 2, May 2010). These guidelines are designed, in part, for local governments to use to assess the risk of bushfire hazard in a proposed development or subdivision. The focus of these guidelines is “ensuring that bush fire hazards are considered in planning decisions at all stages of the planning process to avoid increased fire risk to life and property through inappropriately located or designed land use and development.” (page 1)

Local Planning Scheme No. 3

Scheme Amendment No.12, gazetted on 3 May 2013, introduced part 13 into LPS3. This states:

- “13.1 Bushfire Prone Areas are those areas designated as such, by the Bushfire Prone Area Maps as endorsed by Council, which form part of the Scheme for the purposes of Part 13.
- 13.2 Construction and/or additions to habitable buildings throughout the municipality in areas classified as Bush Fire Prone, will be subject to the relevant requirements pursuant to the Building Code of Australia, Australian Standard 3959 – 2009 (or any updates).
- 13.3 The Bushfire Prone Area Maps may be amended from time to time and are to be held at the local government office.
- 13.4 If an owner disputes their land's identification within a designated Bushfire Prone Area that owner may request in writing that the local government reconsider that identification. Supporting documentation is to be provided from a suitably qualified and/or experienced practitioner to address the requirements of the Planning for Bush Fire Protection Guidelines (Edition 2) or any updates.
- 13.5 On receiving a request made under sub-clause 13.4, the local government may determine that the land is not within a designated Bushfire Prone Area; or determine that the land's identification within a designated Bushfire Prone Area is correct.
- 13.6 Applications for the construction and/or addition to habitable buildings within Bushfire Prone Areas are to be accompanied by a report from a suitably qualified and/or experienced practitioner, which is to identify the Bushfire Attack Level (BAL) in accordance with the requirements of the Planning for Bush Fire Protection Guidelines (Edition 2) or any updates. The BAL level will inform the application of AS3959.

- 13.7 The landowner will be responsible for permanent hazard reduction measures to maintain the identified BAL.
- 13.8 In considering proposals (including applications for planning approval, subdivision applications and structure plans) where there are bush fire risks, the local government is to have regard to –
- a) State Planning Policy 3.4 Natural Hazards and Disasters;
 - b) Planning for Bush Fire Protection Guidelines (Edition 2) or any updates;
 - c) any advice obtained from the Department of Fire and Emergency Services; and
 - d) any other planning consideration the local government considers relevant.
- 13.9 The local government may impose conditions to reduce bush fire risk to people and/or property including –
- a) the provision of a fire fighting water supply;
 - b) the provision of fire services access;
 - c) the preparation of a Fire Management Plan in accordance with the Planning for Bush Fire Protection Guidelines (Edition 2), or any updates, and implementation of specific fire protection measures set out in the plan; and
 - d) the implementation of measures to ensure that prospective purchasers are aware of the relevant scheme provisions, Fire Management Plan and publications addressing fire safety.
- 13.10 Where a Fire Management Plan has been endorsed by the local government and/or the Department of Fire and Emergency Services, the affected land owners will be responsible for the ongoing implementation of the 'land owners responsibilities' as specified in that Fire Management Plan.”

Clause 10.2 of LPS3 sets out several matters to consider when dealing with applications for Council's approval of a proposed development:

- (d) any approved Statement of Planning Policy of the Commission;
- (g) any Local Planning Policy adopted by the Council under the provisions of clause 2.4;
- (n) whether the land to which the application relates is unsuitable for the proposal by reason of it being, or likely to be, subject to bush fire or any other risk; and

- (q) whether the proposed means of access to or egress from the site are adequate.

State Planning Policy 3.4 - Natural Hazards and Disasters

Local government must have regard to this Policy in the preparation or amendment of local planning schemes, strategies and policies, and when providing comment and advice that deal with applications that may be affected by natural hazards. The Policy should be used by local government to determine those areas that are most vulnerable to bushfire and where development should not be recommended. It authorises the WAPC to prepare guidelines for protection from hazards which should be considered in the determination of proposals.

Building Code of Australia

The *Building Code of Australia* (BCA), Parts P2.3.4 and 3.7.4, controls the building of dwellings in declared bushfire prone areas. The BCA is satisfied if the dwelling or habitable building complies with *Australian Standard AS3959-2009 Construction of Buildings in Bushfire Prone Areas*.

COMMENT:

Overview

The draft policy is intended to provide guidance for a range of planning proposals (scheme amendment and structure plan requests, subdivision applications, development applications) and building permits. The draft policy is also intended to assist in providing guidance to LPS3 as a result of Amendment No. 12 being gazetted on 3 May 2013.

It is highlighted that there is limited documentation or experience that can be used as a model. Therefore, the policy should be regarded as a living document that will need to be reviewed as required in the light of growing knowledge and experience.

Key features of the draft policy

Some of the key features of the draft policy include it sets out:

- the Council endorses and will have due regard to the WAPC and DFES *Planning for Bush Fire Protection Guidelines* (edition 2) along with any amendments or updates;
- the Council will adopt a precautionary approach to fire risk. To achieve this, the Council will require proponents seeking planning (development), subdivision, scheme amendment, structure plan, and building permit approval and other works to take account of fire risk with their proposals;
- the Council will consider fire risk in planning and building decisions to avoid increasing risks through inappropriately located or designated land use and development;

- more intensive land use and development should only take place in areas where the performance criteria and acceptable solutions set out in the Guidelines can be achieved and realistically maintained;
- the Council will consider fire hazard in the context of other considerations such as landscape protection and vegetation retention;
- the Council does not generally support scheme amendment and structure plan requests for intensive development and subdivisions, such as residential, rural-residential, rural small holdings, tourist and industrial developments in extreme fire hazard areas. The Council will not support scheme amendment and structure plan requests, nor support proposals for “D” and “A” uses as set out in the Zoning Table of LPS3 in areas classified as “extreme” fire risk without permanent and realistic hazard level reduction measures being implemented, that can be sustained in the opinion of the Council to reduce the hazard level to moderate or low;
- where a bush fire hazard assessment and/or fire management plan is required, it is to be prepared by a suitably qualified and/or experienced practitioner;
- the Council’s preference is that the on-going management and maintenance of emergency access ways and fire service access routes (not “standard” firebreaks around each property) rests with the Council for larger rural residential and rural small holding subdivisions, residential, tourism or industrial subdivisions adjoining river foreshores and/or public land and other subdivisions as determined appropriate by the Council;
- emergency access ways and fire service access routes are to be protected through an easement, inclusion in a Public Access Way or through other measures to the satisfaction of the Council;
- landowners should take all practical steps to address fire risks subject to gaining necessary approvals;
- the landowner is responsible for permanent hazard reduction measures to maintain the identified Bushfire Attack Level; and
- where a fire management plan has been endorsed by the local government and/or DFES, the affected land owners will be responsible for the ongoing implementation of the “land owner’s responsibilities” as specified in the fire management plan.

Next steps

The draft policy is considered appropriate to be publicly advertised for community and stakeholder comment. Public advertising of the draft policy will assist to draw out comment from the community and stakeholders. It is proposed to consult widely for a six (6) week period by the Shire administration writing to and inviting comments from wide-ranging stakeholders and government agencies, placing public notices and details in local papers on multiple occasions, placing details on the Shire of Nannup website and information being available at the Shire office.

The goal of the draft policy is to encourage community and stakeholder debate and to seek the receipt of submissions. Following the close of the consultation period, the Council and the Shire administration will consider the submissions and determine whether the draft policy is suitable for final adoption or whether it should be modified. The objective is to finalise a policy which will assist to increase certainty for everyone with an interest in this issue and which will provide increased guidance to Council and the Shire administration in assessing development applications, providing recommendations to the WAPC on subdivision applications and determining scheme amendment and structure plan requests.

Suggested guideline

Given the draft policy is a weighty and complex document, at some point a simpler "guideline" will be prepared to assist the community and other stakeholders in relation to building permits and other planning proposals.

STATUTORY ENVIRONMENT:

Planning and Development Act 2005 and LPS3. Section 2.4 of LPS3 provides the ability to prepare, amend or rescind a Planning Policy.

Planning and Development Act, Town Planning Regulations, LPS3 and State Planning Policy 3.4 Natural Hazards and Disasters.

POLICY IMPLICATIONS:

Local Planning Policies are non-statutory documents which provide guidance to assist the Council in its decision making. Accordingly, the Council is not bound by the policy but is required to have regard to the policy in determining planning applications.

Subject to Council's resolution, the Shire administration will publicly advertise the draft policy inviting community and stakeholder comments.

FINANCIAL IMPLICATIONS:

Public advertising is a budgeted cost. Compliance of the legislation on larger developments could be considered in the long term incorporating Ranger responsibilities in a part time role, subject to budget availability.

STRATEGIC IMPLICATIONS:

The policy, if adopted will assist:

- the decision-making of the Council, the Shire administration and other stakeholders;
- to inform developers/subdividers as to Council requirements, especially to consider bush fire management early in the planning/design process; and
- to raise community and stakeholder awareness regarding bush fire management.

Implementation of the policy will assist to reduce bushfire risk to residents and visitors.

VOTING REQUIREMENTS: Simple majority.

RECOMMENDATION:

That Council:

1. Support the public release of draft *Local Planning Policy 21 – Bush Fire Management*, outlined in Attachment 1, and require the draft policy to be publicly advertised in accordance with the requirements set out in the *Shire of Nannup Local Planning Scheme No. 3* for a period of six (6) weeks.
2. Will reconsider draft *Local Planning Policy 21 – Bush Fire Management* following the close of the public submission period and will determine whether or not to adopt the policy with or without modifications.

8977 GILBERT/STEER

That Council:

1. Support the public release of draft *Local Planning Policy 21 – Bush Fire Management*, outlined in Attachment 1, and require the draft policy to be publicly advertised in accordance with the requirements set out in the *Shire of Nannup Local Planning Scheme No. 3* for a period of six (6) weeks.
2. Will reconsider draft *Local Planning Policy 21 – Bush Fire Management* following the close of the public submission period and will determine whether or not to adopt the policy with or without modifications.

CARRIED 8/0

| | |
|-------------------------|---|
| AGENDA NUMBER: | 11.4 |
| SUBJECT: | Adoption of the Shire of Nannup Corporate Business Plan 2013-2017 |
| LOCATION/ADDRESS: | N/A |
| NAME OF APPLICANT: | N/A |
| FILE REFERENCE: | ADM 29a |
| AUTHOR: | Evelyn Patman – Executive Officer |
| REPORTING OFFICER: | Robert Jennings, Chief Executive Officer |
| DISCLOSURE OF INTEREST: | None |
| DATE OF REPORT | 18 June 2013 |

Attachment: 1. Shire of Nannup Corporate Business Plan 2013-2017
(Separate Cover)

BACKGROUND:

As a result of the August 2011 amendment to the Local Government Act 1995, the Act now incorporates a statutory requirement for local government in Western Australia to produce a set of strategic planning documents through an integrated planning process. The key documents in the Integrated Planning suite are the Strategic Community Plan, the Corporate Business Plan and the Annual Budget. They are supported by three other planning documents - the Asset Management Plan, Long Term Financial Plan and the Workforce Plan.

The Shire of Nannup currently has an Interim Strategic Plan in place and prior to that the Forward Plan. All new strategic planning arrangements must now be fully in place by 1 July 2013.

As Council are aware, officers in conjunction with Council and community have been progressing the Integrated Planning process since 2011, with the Strategic Community Plan adopted at the previous May 2013 Ordinary Meeting of Council.

COMMENT:

The Shire of Nannup's Corporate Business Plan is the next step from the Strategic Community Plan. It sets out in more detail the direction and specific actions for our organisation through the communities' priorities for the next four years. It is aligned to the Community Strategic Plan and, as such is divided into six key themes, supplying 15 key focus points (objectives) for our communities' future.

Each theme is defined by an aspirational outcome and within each are strategic initiatives. Each theme also sets out in detail the resources required to deliver the

priority, key partners that will be involved, costs involved and Council projects currently in place that will assist in achieving these goals.

Using the Community Strategic Plan together with the other informing strategies including, the Workforce plan, Long Term Financial plan and Asset Management plan and our corporate statements, each action has been considered and broken down into more detail including;

- Priority rating using the informing plans
- Determining whether it is a capital or operational action
- Clear direction on the role Council has for the action to be completed
- A timeline of the expected completion date
- Cross reference to the relevant sections of the Shire's other informing strategies

The Corporate Business Plan will be reviewed annually using the annual budget to set and prioritise our short term goals.

Based on a previous presentation of the draft document to Councillors for feedback, the revised document is now presented to Council for their consideration.

STATUTORY ENVIRONMENT:

The Local Government Act 1995 provides the statutory framework for strategic planning in local government.

POLICY IMPLICATIONS:

There will be considerable policy implication as a result of the Integrated Planning Process. The revisions will be followed through over the coming years.

FINANCIAL IMPLICATIONS:

No external funding was obtained for the development of the Integrated Planning documentation. Other Councils received considerable funding from the Department of Local Government as a result of expressing a desire to conform with the Amalgamation process.

STRATEGIC IMPLICATIONS:

The Integrated Planning process provides the vision, method of delivery and consequent reporting on the community's aspirations collected in the compilation of the Strategic Community Plan. Whilst the change to the way the organisation formulates strategic planning will take some effort to complete, it is expected that significant future benefits will arise from the process.

VOTING REQUIREMENTS: Absolute Majority

RECOMMENDATION:

That Council adopts the Shire of Nannup Community Plan 2013-2017 as per the attachment and makes the document publically available to the community and stakeholders.

CAMARRI/GILBERT

Council make the Corporate Business Plan available to the public for more changes.

WITHDRAWN

Reason: The Corporate Business Plan is required to be in place before 1st July 2013.

GILBERT/MELLEMA

That Council adopts the Shire of Nannup Corporate Business Plan 2013-2017 as per the attachment and makes the document publically available to the community and stakeholders.

8978 GILBERT/MELLEMA

Amendment of the Corporate Business Plan, Section;

2.1.3. Advocate to develop existing industries and ~~create~~ facilitate the creation of new industries (eg. a WA Emergency Management Institute)

Priority: ~~Medium~~ to High

CARRIED 6/2

Voting for the motion: Dean, Dunnet, Gilbert, Longmore, Mellema and Steer.

Voting against the motion: Camarri and Lorkiewicz.

CAMARRI/DUNNET

Amendment of the Corporate Business Plan, Section;

3.1.1 Maintain and clean our beautiful town, streetscape, public buildings, roads, cemetery and parks

Priority: ~~High~~ to Medium

LOST 0/8

8979 LORKIEWICZ/CAMARRI

Amendment of the Corporate Business Plan, Section;

3.1.1 ~~Maintain and clean our beautiful town, streetscape, public buildings, roads, cemetery and parks~~

3.1.1 a. Maintain and clean our public buildings and roads.
Priority: High

b. Maintain and clean our beautiful town, cemetery and parks
Priority: ~~High~~ to Medium

TIED 4/4

Voting for the motion: Dean, Longmore, Mellema and Steer.

Voting against the motion: Camarri, Dunnet, Gilbert, and Lorkiewicz.

The Shire President cast the casting vote for the motion, therefore it was carried.

The original Motion as amended, being;

8980 CAMARRI/GILBERT

That Council adopts the Shire of Nannup Community Plan 2013-2017 as per the attachment and makes the document publically available to the community and stakeholders with the following changes;

2.1.4. Advocate to develop existing industries and ~~create~~ facilitate the creation of new industries (eg. a WA Emergency Management Institute)
Priority: ~~Medium~~ to High

3.1.1 ~~Maintain and clean our beautiful town, streetscape, public buildings, roads, cemetery and parks~~

3.1.1 a. Maintain and clean our public buildings and roads.
Priority: High

b. Maintain and clean our beautiful town, cemetery and parks
Priority: ~~High~~ to Medium

**CARRIED 6/2
BY AN ABSOLUTE MAJORITY**

Voting for the motion: Dean, Dunnet, Gilbert, Longmore, Mellema and Steer.

Voting against the motion: Camarri and Lorkiewicz.

Reason for change: To more accurately prioritise the activities of Council.

| | |
|-------------------------|--|
| AGENDA NUMBER: | 11.5 |
| SUBJECT: | Adoption of the Shire of Nannup Workforce Plan 2013-2023 |
| LOCATION/ADDRESS: | N/A |
| NAME OF APPLICANT: | N/A |
| FILE REFERENCE: | ADM 29a |
| AUTHOR: | Robert Jennings, Chief Executive Officer |
| REPORTING OFFICER: | Robert Jennings, Chief Executive Officer |
| DISCLOSURE OF INTEREST: | None |
| DATE OF REPORT | 18 June 2013 |

Attachment: 1. Shire of Nannup Workforce Plan 2013-2023 (Separate Cover)

BACKGROUND:

As a result of the August 2011 amendment to the Local Government Act 1995, the Act now incorporates a statutory requirement for local government in Western Australia to produce a set of strategic planning documents through an integrated planning process. The key documents in the Integrated Planning suite are the Strategic Community Plan, the Corporate Business Plan and the Annual Budget. They are supported by three other planning documents - the Asset Management Plan, Long Term Financial Plan and the Workforce Plan.

The Shire of Nannup currently has an Interim Strategic Plan in place and prior to that the Forward Plan. All new strategic planning arrangements must now be fully in place by 1 July 2013.

As a supporting document to these key documents, it is not compulsory for the Workforce Plan to be adopted by Council, however it is seen as good process to do so.

COMMENT:

In essence, the Workforce Plan maximises the capacity of our organisation's workforce and our ability to respond to challenges through strategic planning.

Local Government engages both office based and outdoor staff. A high level of technical training is required in some roles (such as town planning and corporate services), whilst government legislation and standard organisational knowledge are important to most positions. Customer service is a significant element to almost all roles, with most staff viewing the role as a service to the community.

In 2013, Council's permanent workforce consists of up to 45 individual employees or 26 full time equivalent (FTEs) staff. This represents around 7% of the total workforce population of 620 people in the Shire of Nannup. The organisation is one of the largest single employers in the Shire.

The key workforce challenges and trends facing the Shire of Nannup in the next 10 years include:

- Ageing workforce
- Increased responsibilities and services to be provided
- Decreased number of new people entering into the market
- Increased competition for specialist skills
- Increased importance on staff retention and satisfaction
- Increased importance on attracting staff and resources from alternate sources
- Achieving financial sustainability
- Increased focus on Councillor training and remuneration
- Increasing demand for more flexible work arrangements
- Workforce will be increasingly highly skilled and specialist information is confined to key individuals
- Technology taking a greater role in service delivery

Based on the research and findings of the Workforce Plan, the following priority tasks are required to maximise the capacity of our organisation's workforce and our ability to respond to challenges through strategic planning:

- New mid-level management role for elements of the CEO Department to be sourced internally
- Allowance for a shared service arrangement for the provision of environmental sustainability expertise
- Increased funding for the Community and Economic Development Unit to secure grants that can provide additional resources
- Human Resources policies and processes require ongoing review
- Reduction in the current Caravan Park workforce when the development phase of the Caravan Park has been completed
- Critical skills and capabilities need to be identified and targeted
- Investigate ways to increase on-line communications and transactions

- Further investigation of career pathways for staff
- Review Emergency Management workforce in line with legislative requirements
- Increased use of flexible work arrangements to attract new staff to outdoor workforce before existing staff begin to retire

The document draws relevance from the requirements of the Community Strategic Plan, the Long Term Financial Plan, both current and future internal and external environments as well as interviews with staff and Councillors.

Based on a previous presentation of the draft document to Councillors for feedback, the revised document is now presented to Council for their consideration.

STATUTORY ENVIRONMENT:

The Local Government Act 1995 provides the statutory framework for strategic planning in local government.

POLICY IMPLICATIONS:

There will be considerable policy implication as a result of the Integrated Planning Process. The revisions will be followed through over the coming years.

FINANCIAL IMPLICATIONS:

No external funding was obtained for the development of the Integrated Planning documentation. Other Councils received considerable funding from the Department of Local Government as a result of expressing a desire to conform with the Amalgamation process.

STRATEGIC IMPLICATIONS:

The Integrated Planning process provides the vision, method of delivery and consequent reporting on the community's aspirations collected in the compilation of the Strategic Community Plan. Whilst the change to the way the organisation formulates strategic planning will take some effort to complete, it is expected that significant future benefits will arise from the process.

VOTING REQUIREMENTS: Simple Majority

RECOMMENDATION:

That Council adopts the Shire of Nannup Workforce Plan 2013-2023 as per the attachment.

8981 GILBERT/STEER

That Council adopts the Shire of Nannup Workforce Plan 2013-2023 as per the attachment noting that the financial implications to Council was that the costs of producing the integrated planning documents were carried by Council.

CARRIED 8/0

Reason for change: To more accurately reflect the cost implications of the integrated planning process.

| | |
|-------------------------|--|
| AGENDA NUMBER: | 11.6 |
| SUBJECT: | Acceptance of Main Street Concept Plan |
| LOCATION/ADDRESS: | Warren Road from Brockman Street to Kearney Street |
| NAME OF APPLICANT: | N/A |
| FILE REFERENCE: | WRK 33 |
| AUTHOR: | Robert Jennings, Chief Executive Officer |
| REPORTING OFFICER: | Robert Jennings, Chief Executive Officer |
| DISCLOSURE OF INTEREST: | None |
| DATE OF REPORT | 18 June 2013 |

Attachment: 1. Nannup Main Street Revitalisation document and plans by Emerge Associates and MPM Design Consultants, April 2013 (Separate Cover)

BACKGROUND:

The Main Street – Heart of Nannup project has been designed to upgrade and enhance the town’s infrastructure, townscaping, economic and community potential and to provide safe movement of traffic and pedestrians in the town centre. The project is located on Vasse Highway (Warren Road) through the Nannup town site. The section involved in this project is from the Vasse River Bridge to Kearney Street, which is approximately 720m.

COMMENT:

The project aims to enhance the safety and appearance of the main street by maximising retail opportunities through improvement to shop access; improving both the on-street and off-street parking facilities; upgrading the drainage in the town centre as it is currently subject to flooding in heavy rainfall, kerbing and footpaths; improving pedestrian safety and the movement of all types of vehicles, including heavy vehicles and enhancing and beautifying the appearance of the main street of town through landscaping and street furniture.

The appointed civil engineering consultants (MPM Development) and the landscape consultants (Emerge Associates) have been progressing the project through the concept design, design development as well as the community and stakeholder consultation phases.

Considerable consultation in the form of public consultation sessions, advertising of plans in the Nannup Telegraph and the Shire Offices, review of the documents based on community submissions and sessions with Councillors have shaped the final set of concept plans now presented to Council. Key issues raised by the

community of sufficient parking and reduction of the number of new trees have been incorporated into this current round of plans for Council endorsement. These plans were advertised for comment at the Shire of Nannup in April 2013, with no significant comments received.

Main Roads have been closely involved in the project planning and have earmarked funding for specific components of the work (e.g. design). Some of this funding is confirmed and some still to be confirmed as part of future budgets.

The project forms one of the key Shire of Nannup projects arising from the Royalties for Regions program from State Government. Costing of the complete project is \$3,493,037. Funding for the first phase of the project is composed of:

| | |
|--|------------------|
| Royalties for Regions Individual Allocation 11/12 (confirmed) | 95,468 |
| Royalties for Regions Individual Allocation 12/13 (confirmed) | 235,468 |
| Royalties for Regions Group Allocation 11/12 (confirmed) | 250,188 |
| Royalties for Regions Group Allocation 12/13 (application submitted) | 386,188 |
| Royalties for Regions Group Allocation 13/14 | 152,881 |
| Shire Main Street Reserve (confirmed) | 246,505 |
| Main Roads Allocation (confirmed in principle) | 335,000 |
| Other (sustainability/environmental grants etc) | 52,800 |
| TOTAL (excluding GST) | 1,754,498 |

The project will be undertaken in 3 stages in order to ensure that each stage is capable of delivering a completed and discrete result whilst maintaining flexibility to include other funding sources which have yet to be identified.

The timeline for completion of the project is currently being refined, but construction is expected to commence in November/ December of 2013 and to be completed before April 2013. The phasing of the construction is programmed such that only a few shops will be affected at one time throughout most of the project, minimising the economic effect on the businesses.

STATUTORY ENVIRONMENT: None.

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS:

As detailed in the table above, considerable financial resources will be required to complete this project. The completed result will address current Asset Management and future issues relating to footpaths, kerbs and parking in the Main Street for a number of years.

STRATEGIC IMPLICATIONS:

From the current strategic planning documentation:
The Shire of Nannup Forward Plan 2011/12- 2015/16
*Program 12 Transport. 12.2D: **Implement Main Street Upgrade***
To correct issues identified with drainage, kerb heights and footpath stability and aesthetics

VOTING REQUIREMENTS: Simple majority.

RECOMMENDATION:

That Council endorse the attached Nannup Main Street Revitalisation document and plans to allow commencement of the documentation drawings in preparation for tender.

8982 LONGMORE/DUNNET

That Council endorse the attached Nannup Main Street Revitalisation document and plans to allow commencement of the documentation drawings in preparation for tender.

CARRIED 8/0

| | |
|-------------------------|---|
| AGENDA NUMBER: | 11.7 |
| SUBJECT: | 2012/13 Your Community Heritage Program |
| LOCATION/ADDRESS: | N/A |
| NAME OF APPLICANT: | N/A |
| FILE REFERENCE: | FNC 6 |
| AUTHOR: | Louise Stokes – Community Development Officer |
| REPORTING OFFICER: | Robert Jennings – Chief Executive Officer |
| DISCLOSURE OF INTEREST: | None |
| DATE OF REPORT | 10 June 2013 |

ATTACHMENT: Letter of Grant Acceptance

BACKGROUND:

Funding acknowledgement has been received of \$21,920.50 from the Department of Sustainability, Environment, Water, Population and Communities through their *Your Community Heritage Grants program*. As this funding is over \$5,000, Council is required to accept the funding as per Council policy FNC 6.

The grant funding is to develop a heritage trail in Nannup, potentially aligning the train with the Main Street during this project.

COMMENT:

This is a partnership project with the Historical Society. The aim is to interpret buildings and sites of heritage significance on Brockman Street and the Main Street. The project would be designed and implemented in conjunction with the Main Street upgrade. In addition a printed brochure would be produced. There is opportunity for the Heritage Trail project to link with the proposed “Avenue of Honour” and audio heritage tour that are being developed independently of this project.

A meeting would be held in the near future with the key stakeholders, property owners and Emerge Consultants (the Main Street project consultants) to develop a framework for undertaking this project.

STATUTORY ENVIRONMENT: None.

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS:

\$3,200 Council contribution towards this project from the 2013/14 Cultural Plan budget.

STRATEGIC IMPLICATIONS:

Shire of Nannup Community Plan 2013 – 2023:

3. *Our Built Environment: Capture and promote our unique charm and fabric.*

VOTING REQUIREMENTS: Simple majority.

RECOMMENDATION:

That Council accept the funding of \$21,920.50 from the Department of Sustainability, Environment, Water, Population and Communities to develop a Heritage Trail in Nannup.

8983 STEER/GILBERT

That Council accept the funding of \$21,920.50 from the Department of Sustainability, Environment, Water, Population and Communities to develop a Heritage Trail in Nannup.

CARRIED 8/0

| | |
|-------------------------|--|
| AGENDA NUMBER: | 11.8 |
| SUBJECT: | Shire of Nannup Youth Strategic Plan 2013-2015 |
| LOCATION/ADDRESS: | N/A |
| NAME OF APPLICANT: | N/A |
| FILE REFERENCE: | ADM 29a |
| AUTHOR: | Kerrie Yabsley – Youth and Events Officer |
| REPORTING OFFICER: | Robert Jennings, Chief Executive Officer |
| DISCLOSURE OF INTEREST: | None |
| DATE OF REPORT | 17 June 2013 |

Attachment : 1. Shire of Nannup Youth Strategic Plan 2013-2015 (Separate Cover)

BACKGROUND

Consultation with the Shire of Nannup youth commenced in 2011, with the focus of developing a Youth Strategic Plan that would cater and address the needs of the young people, as they see it.

The key elements of the consultation involved running two events focused at two different age groups; 12- 15 years and 16- 20 years. This enabled a balance view of the core youth issues to be gained as well as to establish the differing social needs. An online survey was also conducted.

This information was then compiled by the Youth Officer. The project was partially funded through the South West Development Commission.

COMMENT

The Strategic Plan encompasses a number of different aspirations relating to young people as identified through consultation. The main objectives being:

1. Development of a youth space,
2. Improved access to sport, music and lifestyle opportunities,
3. Building the self esteem, pride and confidence of Nannup's young people and
4. Employment and education opportunities within the town.

Within the document, a number of priorities and actions have been put in place to support these identified objectives along with potential funding sources, timeframes and key performance indicators.

There has already been positive progress to achieving some of these objectives and there is more, in the way of the upcoming school holiday program, that will address key issues.

Youth is one of the most changing groups in all of the sub cultures of a town and this is important to remember. Whilst core needs such as transport, employment and education appear similar to other groups in the community, the manner and motivations, social impacts and impressions tend to influence young people both in a group and individually. What worked with one group may not always work with another. Flexibility and creativity is required to best optimise engagement.

The first part of the Strategic Plan focuses on looking at and using supporting evidence that relates to the needs of the young people in town. It does not overly focus on the benefits of growing up in a town like Nannup nor does it look at systems and support structures that are already in place.

STATUTORY ENVIRONMENT:

The document has clear links to achieving the youth objectives identified in the Strategic Community Plan 2013-2023.

POLICY IMPLICATIONS: None

FINANCIAL IMPLICATIONS:

Delivery of the aspirations and associated projects will form part of the annual budget processes. Considerable grant funding will be sought for the majority of projects to ensure cost effectiveness for the organisation and the community.

STRATEGIC IMPLICATIONS:

From the current strategic planning documentation:
The Shire of Nannup Forward Plan 2011/12- 2015/16
Program 13 Economic Services and Tourism. 13.2C: Develop a Youth Plan which incorporates a needs analysis for a Youth Centre.

VOTING REQUIREMENTS: Simple Majority

RECOMMENDATION:

That Council adopts the Shire of Nannup Youth Strategic Plan as per the attachment and implement the objectives and actions subject to funding approvals.

LONGMORE/GILBERT

That Council adopts the Shire of Nannup Youth Strategic Plan as per the attachment and implement the objectives and actions subject to funding approvals.

8984 LORKIEWICZ/CAMARRI

Add the following statement to the Youth Strategic Plan; 'With all Shire sponsored youth activities to be supervised by appropriately certified adults'.

CARRIED 7/1

Voting for the motion: Camarri, Dunnet, Gilbert, Longmore, Lorkiewicz, Mellema and Steer

Voting against the motion: Dean.

The original Motion as amended, being;

8985 LONGMORE/GILBERT

That Council adopts the Shire of Nannup Youth Strategic Plan as per the attachment adding the statement 'With all Shire sponsored youth activities to be supervised by appropriately certified adults'.

CARRIED 7/1

Voting for the motion: Camarri, Dunnet, Gilbert, Longmore, Lorkiewicz, Mellema and Steer

Voting against the motion: Dean.

Reason for change: The supervision method needed more clarification in the strategic document.

| | |
|-------------------------|--|
| AGENDA NUMBER: | 11.9 |
| SUBJECT: | Adoption of the Shire of Nannup Long Term Financial Plan |
| LOCATION/ADDRESS: | Shire of Nannup |
| NAME OF APPLICANT: | Shire of Nannup |
| FILE REFERENCE: | ADM 29 |
| AUTHOR: | Vic Smith – Manager Corporate Services |
| REPORTING OFFICER: | Vic Smith – Manager Corporate Services |
| DISCLOSURE OF INTEREST: | None |
| DATE OF REPORT | 18 June 2013 |

Attachment: 1. Shire of Nannup Long Term Financial Plan (Separate Cover)

BACKGROUND:

As a result of the August 2011 amendment to the Local Government Act 1995, the Act now incorporates a statutory requirement for local government in Western Australia to produce a set of strategic planning documents through an integrated planning process.

COMMENT:

The Long Term Financial Plan and the 2013/14 budget have been developed in conjunction with a number of workshops held with councillors. The document proposed for adoption includes the outputs from these workshops.

The main issue facing the council over the next 10 years is the loss of capital grant funding for the Mowen Road construction project in 2015/16. The operational expenditure currently being supported by capital grants will need to be met from rate income unless compensating income streams can be identified or savings in operational expenditure identified. This represents a significant challenge for the council over the next two years.

This issue was initially identified in the preparation for the 2012/13 budget, when the Long Term Financial Planning model was initially developed. At that time the increase in rates in 2015/16 was projected to be just over 100% but decisions taken during the budget process and further refinement of the model has reduced this projection to just over 38%. The budget for 2013/14 includes further measures to mitigate the projected increase. Work will also be undertaken to smooth this increase over future years. After the financial position stabilises by 2016/17 the pressure on income streams is expected to reduce and rate increases of around the level of CPI are anticipated.

Identifying measures to mitigate projected rate increases will be the main focus for the 2013/14 financial year and will commence with a further review of the Long Term Financial Plan; the output from this will be a savings and investment plan. Typically, there will be four strands to this work:

1. Reducing the cost base by identifying efficiencies
2. Achieving economies of scale by working with others
3. Increasing other income streams
4. Reducing service levels

A Council workshop in the new financial year will review the Long Term Financial Plan in the light of the budget adopted for 2013/14. The output from this workshop will develop a revised document that can be adopted in January and form the basis for the annual budget review in February/March and the annual budget.

STATUTORY ENVIRONMENT:

The Local Government Act 1995 provides the statutory framework for strategic planning in local government.

POLICY IMPLICATIONS:

There will be considerable policy implications regarding future budgets as a result of the projections in the Long Term Financial Plan.

FINANCIAL IMPLICATIONS:

The 2013/14 proposed budget includes measures to mitigate the projected impact of the loss of capital grants in 2015/16.

STRATEGIC IMPLICATIONS:

The Long Term Financial Plan sets out the strategic financial issues facing the council over the next ten years.

VOTING REQUIREMENTS: Simple Majority.

RECOMMENDATION:

That Council adopts the Shire of Nannup Long Term Financial Plan as per the attachment.

8986 GILBERT/LONGMORE

That Council adopts the Shire of Nannup Long Term Financial Plan as per the attachment, with the following adjustment;

Remove the following item from page 8:

| | | | | |
|--|--|------|------|--|
| <u>Councillor Expenses:</u> The review of councillor expenses could result in significant additional costs. | The 2013/14 councillor expenses budget is \$34,800. This could treble. | High | High | This event would need to be addressed by cost savings or an increase in rates. |
|--|--|------|------|--|

CARRIED 8/0

Reason for change: Councillor remuneration levels have been announced and is no longer a high risk.

| | |
|-------------------------|--|
| AGENDA NUMBER: | 11.10 |
| SUBJECT: | Adoption of the Shire of Asset Management Plan |
| LOCATION/ADDRESS: | Shire of Nannup |
| NAME OF APPLICANT: | Shire of Nannup |
| FILE REFERENCE: | ADM 29 |
| AUTHOR: | Vic Smith – Manager Corporate Services |
| REPORTING OFFICER: | Vic Smith – Manager Corporate Services |
| DISCLOSURE OF INTEREST: | None |
| DATE OF REPORT | 18 June 2013 |

Attachment: 1. Shire of Nannup Asset Management Plan (Separate Cover)

BACKGROUND:

As a result of the August 2011 amendment to the Local Government Act 1995, the Act now incorporates a statutory requirement for local government in Western Australia to produce a set of strategic planning documents through an integrated planning process.

COMMENT:

The Asset Management Plan is a second tier document that sits below the Strategic Community Plan, Corporate Plan and Annual Budget in the Integrated Planning Framework. The Asset Management Plan sets out the Council's overall approach to asset management and provides detailed information on:

1. Detailed descriptions of the assets held
2. The reason for holding the asset
3. The condition of those assets
4. The value of the assets
5. The running costs of assets
6. Investment requirements

The plan identifies a number of issues that relate to the council's asset portfolio:

- The information that has been collated relating to the building assets is of a comprehensive nature and suggests that in order to maintain the assets at a serviceable level an annual investment of \$181,134 will be required.
- This reserve fund has been calculated using net present values and will need revision in coming years.

- This investment should allow all maintenance and capital expenses to be met to ensure that assets remain at serviceable levels.
- Prior to major works commencing, as detailed on the investment profile, a detailed budget will be presented to Council for consideration.
- Overall, assets are in good working condition, and do not require major funding in any one area to achieve a service level that matches user expectations.
- The road network is being maintained at a competent level and it is envisaged that the regular scheduled maintenance works will ensure that the condition will not materially depreciate in the near future.
- In order to maintain the infrastructure assets i.e. roads and drainage, staff will need to become more competent in using the ROMAN database.
- The data collected in relation to drainage is basic in nature and is an area that will need developing in coming periods to get a better understanding of future requirements.

These findings will be addressed in future years.

STATUTORY ENVIRONMENT:

The Local Government Act 1995 provides the statutory framework for strategic planning in local government.

POLICY IMPLICATIONS:

There will be considerable policy implications regarding the council's use and maintenance of assets as a result of the Asset Management Plan.

FINANCIAL IMPLICATIONS:

The Asset Management Plan indicates ongoing contributions to the Asset Management Reserve of \$180,000 per annum over the next ten years.

STRATEGIC IMPLICATIONS:

The Asset Management Plan sets out the council's strategic approach to the management of its assets, including the need to fund an asset investment profile over the next ten years.

VOTING REQUIREMENTS: Simple Majority.

RECOMMENDATION:

That Council adopts the Shire of Nannup Asset Management Plan as per the attachment.

8987 GILBERT/MELLEMA

That Council adopts the Shire of Nannup Asset Management Plan as per the attachment.

CARRIED 8/0

Cr Camarri declared an impartiality interest due to being involved in the committee for the following item.

8988 GILBERT/LORKIEWICZ

Cr Camarri to stay, participate and vote on item 11.11– Lease of Danjangerup Cottages.

CARRIED 7/0

| | |
|-------------------------|--|
| AGENDA NUMBER: | 11.11 |
| SUBJECT: | Lease – Danjangerup Cottages |
| LOCATION/ADDRESS: | Shire of Nannup |
| NAME OF APPLICANT: | N/A |
| FILE REFERENCE: | ADM 36 |
| AUTHOR: | Vic Smith – Manager Corporate Services |
| REPORTING OFFICER: | Vic Smith – Manager Corporate Services |
| DISCLOSURE OF INTEREST: | None |
| DATE OF REPORT | 18 June 2013 |

Attachment: 1. Lease – Danjangerup Cottages

BACKGROUND:

The Council entered into a 30 year lease agreement with Danjangerup Cottages Incorporated on 1 August 1991; the lease was for a peppercorn rent. It provided for the lease of land at Lot 306 Cross Street Nannup, part of Reserve Number 39740, to be used for the purposes of Aged Persons Homes. The lease is provided at Attachment 1.

COMMENT:

Danjangerup Cottages Incorporated is seeking to transfer its interest to another provider and is currently negotiating with Alliance Housing; this process is being facilitated by the Department of Housing. As part of this process the lease will need to be assigned to the new provider.

The Department of Housing have advised that to facilitate the process the council will need to:

1. Agree in principle to the relinquishment of the lease and for Alliance Housing to take over the management of Danjangerup Cottages;

2. Advise the Department of Housing that it agrees to the severance of clause 4(k) from the lease between the Council and Danjangerup Cottages Incorporated dated 1 August 1991; and
3. Agree to the execution of a new lease with Alliance Housing on terms to be agreed.

Under the terms of the original lease the lessor must yield up the premises and all the buildings to the Council at the termination of the lease on 31 July 2021 (clause 4(k)). In the view of the Department of Housing this clause is unenforceable as neither Danjangerup Cottages nor the Council owns these premises, as they were constructed subject to a joint venture agreement between Danjangerup Cottages Incorporated and Homeswest.

STATUTORY ENVIRONMENT: Land Act 1933

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS: None.

STRATEGIC IMPLICATIONS: None.

VOTING REQUIREMENTS: Simple Majority.

RECOMMENDATIONS:

1. Council agree in principle to the relinquishment of the lease and for Alliance Housing to take over the management of Danjangerup Cottages.
2. Council advise the Department of Housing that it agrees to the severance of clause 4(k) from the lease between the Council and Danjangerup Cottages Incorporated dated 1 August 1991.
3. Council agree to the execution of a new lease with Alliance Housing on terms to be agreed.

8989 DUNNET/STEER

1. Council agree in principle to the relinquishment of the lease and for Alliance Housing to take over the management of Danjangerup Cottages.
2. Council advise the Department of Housing that it agrees to the severance of clause 4(k) from the lease between the Council and Danjangerup Cottages Incorporated dated 1 August 1991.

3. Council agree to the execution of a new lease with Alliance Housing on terms to be agreed.

And add the following;

4. Council agree to hold a trust fund for the balance of surplus funds from Danjangerup Committee, plus interest and a contract be drawn up to this effect between the Danjangerup Committee and the Shire of Nannup to release these funds of the expansion of the Danjangerup Cottages in the future.

CARRIED 8/0

Reason for change: New Information was received after the agenda was sent out.

| | |
|-------------------------|--|
| AGENDA NUMBER: | 11.12 |
| SUBJECT: | Budget Review – May 2013 |
| LOCATION/ADDRESS: | Nannup Shire |
| NAME OF APPLICANT: | N/A |
| FILE REFERENCE: | FNC 8 |
| AUTHOR: | Tracie Bishop – Finance Officer |
| REPORTING OFFICER: | Vic Smith – Manager Corporate Services |
| DISCLOSURE OF INTEREST: | None |
| DATE OF REPORT | 19 June 2013 |

Attachments: 1. Table Showing Detailed Variances for 2012/13
2: Monthly Financial Statements for the period ending 30 May 2013

BACKGROUND:

It is a statutory requirement that Council report monthly on the financial activity from all the various operating and capital divisions. Previously this has resulted in all variances of 10% or more being identified and reported. While this achieved the objective of showing these variances as at the date of the report, a lot were the result of timing, as opposed to actual variances that will carry through to the end of year figures. This report focuses attention on only those variances that are expected to impact on the end of year position.

The report format does not reflect the detailed requirements as set out in Section 34(1) of the Local Government (Financial Management) Regulations 1996. In order to comply with legislation these statements are provided at Attachment 2. This covering report identifies all of the major variations; other variations as shown in the statutory statements are due to timing differences.

The report has been broken down showing over and underspends in both operating and capital divisions. The second column from the right shows the current variances and the end column shows the anticipated final figures.

COMMENT:

The gross underspend that is anticipated for the end of this financial year is expected to be \$1,891,527. The vast majority of this relates to capital projects where expenditure lags the receipt of income to fund the project. For example, projects such as the recreation centre upgrade and the main street upgrade are dependent on income from Royalties for Regions; this income is only now being received. Additionally there is a Mowen Road carried forward to account for works to be completed in future periods. The expenditure relating to these types of projects will therefore be carried forward into 2013/14.

After removing these amounts from the overall variance we anticipate that the actual carried forward figure for this year will be a \$20,973 overspend. This is shown in the table below.

| | <i>Savings</i> \$ |
|---|----------------------|
| Gross saving expected for the year | |
| Income – under received | \$122,214 |
| Expenditure – savings made | -\$2,011,241 |
| Total Gross Saving | -\$1,891,527 |
| Less: Savings to be carried forward income | \$2,500 |
| Less: Savings to be carried forward expenditure | \$1,910,000 |
| Net overspend at end of the year | \$20,973 |

Full details of all variances, including all the savings which will be carried forward, are contained within Attachment 1. There are significant savings found within Parks and Gardens and Insurances; however the previously reported savings in Fuels and Oils have now been revised to \$20,000. The savings within Parks and Gardens have been revised down from an anticipated saving of \$50,000 to \$15,000 and is the result of efficiency savings, while the savings returned on insurance is a result of anticipated increases within this industry not reaching levels expected.

Within our works program, there has been additional expenditure which relates to the rehabilitation of the gravel pits and a reserve contribution of \$8,000 will be made to partially offset this cost.

Income variances are primarily as a result of funding from grants being received later than expected and lower interest on investments. In other areas transaction volumes have been lower than expected for example, commission received from Department of Transport, town planning income, venue hire. There have also been reductions within this area from mobile bin fees. This is as a result of a bin audit conducted this year which revealed less bins in use than previously listed.

The final figure for the new addition of a caravan park has now been analysed up to the end of April 2013. As this project is only in its first year of operation, there were no historical figures on which to base our original estimations. The full cost of this project, at this point in time is under constant review as a result. It is anticipated that on an operational level there will be a loss of approximately \$60,000. This comprises \$10,000 of increased expenses and \$50,000 of lost income as a result of the park not being in our control for a full twelve months. For the first three months of this financial year the park was under the control of the Nannup Tourist Association. Capital costs are \$80,000, which results in an overspend of \$10,000 in this area.

As a result of the lag in receipt of grant income we anticipate that capital expenditure will be lower than originally budgeted. Projects that will be carried forward and included in the 2013/14 budget include the Recreation Centre upgrade, and Heart of Nannup projects.

For a more detailed explanation of the variances and the actions being taken to address them please refer to Attachment 1, which has included all variances to date.

STATUTORY ENVIRONMENT:

Local Government (Financial Management) Regulation 34 (1)(a).

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS: None.

STRATEGIC IMPLICATIONS: None.

VOTING REQUIREMENTS: Simple Majority.

RECOMMENDATION:

It is recommended that the Monthly Financial Statement for the period ending 31 May 2013 be received.

8990 DUNNET/STEER

It is recommended that the Monthly Financial Statement for the period ending 31 May 2013 be received.

CARRIED 8/0

| | |
|-------------------------|---|
| AGENDA NUMBER: | 11.13 |
| SUBJECT: | Monthly Accounts for Payment , May 2013 |
| LOCATION/ADDRESS: | Nannup Shire |
| NAME OF APPLICANT: | N/A |
| FILE REFERENCE: | FNC 8 |
| AUTHOR: | Tracie Bishop – Finance Officer |
| REPORTING OFFICER: | Vic Smith – Manager Corporate Services |
| DISCLOSURE OF INTEREST: | None |
| DATE OF REPORT | Date 18 June 2013 |

Attachment: 1. Schedule of Accounts for Payment

BACKGROUND:

The Accounts for Payment for the Nannup Shire Municipal Account fund and Trust Account fund detailed hereunder and noted on the attached schedule are submitted to Council.

COMMENT:

If Councillors have questions about individual payments prior notice of these questions will enable officers to provide properly researched responses at the Council meeting.

Municipal Account

| | | |
|-------------------------|---------------|---------------|
| Accounts paid by EFT | 4890 - 4992 | \$ 599,872.65 |
| Accounts paid by cheque | 19142 - 19167 | \$815,545.10 |

Sub Total Municipal Account \$1,415,417.75

Trust Account

| | | |
|-------------------------|---------------|----------|
| Accounts Paid by cheque | 22768 - 22769 | \$350.00 |
|-------------------------|---------------|----------|

Sub Total Trust Account \$350.00

Total Payments \$1,415,767.75

STATUTORY ENVIRONMENT:

LG (Financial Management) Regulation 13

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS:

As indicated in Schedule of Accounts for Payment.

STRATEGIC IMPLICATIONS: None.

VOTING REQUIREMENTS: Simple majority

RECOMMENDATION:

That the List of Accounts for Payment for the Nannup Shire Municipal Account fund totalling \$1,415,767.75 in the attached schedule be endorsed.

8991 MELLEMA/LONGMORE

That the List of Accounts for Payment for the Nannup Shire Municipal Account fund totalling \$1,415,767.75 in the attached schedule be endorsed.

CARRIED 8/0

| | |
|-------------------------|--|
| AGENDA NUMBER: | 11.14 |
| SUBJECT: | Budget 2013/14 |
| LOCATION/ADDRESS: | Nannup Shire |
| NAME OF APPLICANT: | N/A |
| FILE REFERENCE: | FNC 3 |
| AUTHOR: | Vic Smith – Manager Corporate Services |
| REPORTING OFFICER: | Vic Smith – Manager Corporate Services |
| DISCLOSURE OF INTEREST: | None |
| DATE OF REPORT | Date 18 June 2013 |

- Attachments:
1. Budget Summary 2013/14
 2. Changes to Base Budget
 3. Budgeted Reserves
 4. Proposed Savings and Growth

BACKGROUND:

This recommended draft budget continues the process started in 2011/12 to produce a sustainable financial position for the Shire of Nannup. In compiling the draft budget a great deal of background work has been undertaken by both Councillors and officers.

Monthly financial reporting is focused to concentrate on the anticipated end of year financial position; this was supplemented by a detailed budget review reported to Council on 28 March 2013. A model of the projected budgetary position over the next 10 years has been developed as part of the Integrated Planning process, so that the annual consideration of the budget can take into account cost pressures that will arise over the medium and long term. The Long Term Financial Plan is presented to this meeting for adoption elsewhere on today's agenda.

The model underpinning the draft Long Term Financial Plan was reported to Council at its budget workshops held on 2 May and 6 June 2013. The model demonstrates that the Council currently benefits from capital grants because significant elements of its recurring costs are charged to these capital projects. Once the grant funding ceases these costs will need to be met by the ratepayer. Decisions taken in adopting the 2012/13 budget have started to address this issue and the projected impact has been reduced from a 100% increase in rates in 2015/16 to a 38% increase to meet the anticipated shortfall. The 2013/14 budget contains measures that will help to mitigate this position by including a reserve contribution that can be used to reduce the demand on rates in that year; this will allow Council to smooth the impact over more than one year.

As part of the Integrated Planning process the Council has developed a detailed Asset Management Plan. In preparing this document each of the assets owned by the

Council has been reviewed and an assessment carried out to determine the condition of each asset and the cost of maintaining the asset base over the next 10 years. A detailed presentation was given to Council at its budget workshops held on 2 May and 6 June 2013. The Asset Management Plan is presented for adoption by Council elsewhere on today's agenda.

The budget format classifies income and expenditure into three groups:

1. Base income/expenditure – the cost of carrying out the same level of activity in the new financial year as was undertaken in the old financial year.
2. Committed income/expenditure – unavoidable changes to the base, such as contracts entered into in the old financial year which will have a cost impact on the new financial year.
3. Uncommitted income/expenditure – items of income or expenditure where there is a choice over whether it should be included in the draft budget.

Officers carried out a detailed review of the draft budget prior to a presentation to Council at its budget workshops on 6 and 13 June 2013. The workshops examined all areas of committed and uncommitted income and expenditure and the output from this process provided guidance to officers on which items should be included or excluded from the draft budget.

The result of the process described above is the draft budget presented to Council today as summarised at Attachment 1.

COMMENT:

Budget Assumptions

In compiling the base budget an assessment of probable levels of inflation and interest

rates has been taken. Reasonable account has been taken of known or anticipated price increases and other committed expenditure. Inflation of 3% has been added to the base level of expenditure but has not been added where underspends have been seen in previous years.

The employee budget is a major constituent of the Council's finances. The 2013/14 budget allows for a pay award of 4.5% for employees as part of a three year agreement from 2012/13 to 2014/15. Employee costs have also increased as a result of the statutory increase in employer superannuation contributions; employer contributions for 2013/14 have increased from 9% to 9.25%. Employer contributions will continue to increase over the next six years until they reach 12%.

The Council has a degree of control over the main areas of uncertainty in the budget and should therefore be able to moderate its exposure to significant variations

through the decisions taken during the budget process. However, the unpredictability of many of the factors influencing the Council's budget remains a risk and this is addressed through prudent estimates.

There are five major risks affecting the revenue budget:

- (a) In the current economic climate the Council's main income streams are at risk. The base budget for 2013/14 includes income from fees and charges of approximately \$390,000.
- (b) The Council receives significant income from investment interest. As interest rates decline and grant income falls this will decrease. A decrease of \$20,000 has been assumed in the draft 2013/14 budget.
- (c) Whilst considerable work has been undertaken to produce a business plan for the caravan parks this is based on income and expenditure information from records for previous years. There is a risk that the income will not be sufficient to cover the expenditure required on the parks.
- (d) At the time of compiling the budget a review of councillors' expenses was being carried out by the Salaries and Allowances Tribunal. The results of this review were due to be reported in April, so that local governments could include the review outcomes in their 2013/14 budget. The review was finally published on 19 June 2013 and an initial assessment has concluded that the current budget should be sufficient to cover the recommendations. A full report on the review will be brought to a future meeting.
- (e) The Council does not maintain a general level of working balances which can absorb unexpected fluctuations in its income and expenditure. In the event that there are significant adverse variations during the year money would need to be released from other earmarked reserves to cover any shortfall.

In the light of the assumptions made in compiling these estimates and reflected in the recommendation it is considered that the budget as presented is sufficient to meet the liabilities facing the Council during 2013/14.

Changes to the Base Budget

The Base Budget for 2013/14 represents the cost of carrying out the same level of activity as in 2012/13. At the time of compiling the 2012/13 budget the financial implications of taking on the management of the Brockman Street and Riversbend caravan parks was largely unknown. The base budget for 2013/14 now includes a more detailed costing of the caravan parks and this is approximately \$30,000 higher than the 2012/13 budget. Funding for road construction under the Commodity Routes (formerly TIRES) program will cease in 2013/14 and this has also been incorporated into the base budget. After taking account of these changes and including inflationary increases the base budget is expected to rise by approximately 7.3%.

However, the Base Budget also needs to be revised to accommodate other detailed changes in circumstances which have occurred during 2012/13 that will continue in

2013/14 or that will occur in 2013/14. These changes are summarised in Attachment 2.

Overall, costs have decreased by \$197,284, primarily as a result of activities budgeted for in 2012/13 that will not continue in 2013/14 and a significant increase in the Financial Assistance Grants. This is offset by a net contribution to reserves of \$95,400, including a contribution of \$100,000 to fund the recreation centre project as resolved by Council at its meeting on 23 August 2012. Overall costs have reduced by \$101,884.

Reserves

The budget process provides an opportunity for the Council to assess the adequacy of its reserves. The Council maintains a number of reserves set up for specific purposes. The table in Attachment 3 details the reserve position as reflected in the recommended budget and the purpose for which each reserve is maintained.

The reserves are adequate to meet the future needs of the Council and are anticipated to have sufficient funds to meet expected expenditure. The budgeted contribution to the Plant Reserve is in accordance with Council's Plant Replacement Policy (WKS12).

The Kindergarten Extension Reserve will be fully utilised in 2012/13 to fund the remaining costs of constructing the FROGS Early Learning Centre.

Once plans for the upgrade of the main street of Nannup are more developed, the Main Street Upgrade Reserve will be used to provide Shire resources to supplement external funding secured against this project.

The Emergency Management Reserve was established with an initial contribution of \$50,000 from savings in the 2011/12 budget.

The Asset Management Plan shows that significant funds will be required over the next 10 years to maintain the Council's buildings and infrastructure. The resources required to maintain Council-owned buildings is anticipated to be \$180,000 per annum.

Funding Corporate Priorities

As part of the 2013/14 business planning process, managers have submitted bids for growth within their service areas. These bids have been considered and prioritised by the Senior Management Team and reviewed in the budget workshops held on 6 and 13 June 2013.

Only those revenue bids that were agreed as high priority items have been included within the proposed budget for 2013/14; they are shown in the uncommitted column in the draft budget. A list of all the bids is shown in Attachment 4.

The top priority for investment is considered to be the creation of a reserve to address the projected budget deficit in 2015/16 that will arise as a result of the

cessation of capital grants on the completion of Mowen Road. The budget includes a contribution of \$150,000 to this reserve in 2013/14. The reserve will be used to mitigate the impact of the loss of capital grants and avoid an excessive rate increase in 2015/16.

A sum of \$10,600 has been included in the budget to adopt the Microsoft Software Assurance program. This allows the council to maintain pace with new releases of Microsoft products without having to commit large sums in future years for major software upgrades. After three years the annual contribution reduces to around 25% of the initial level.

The proposed budget includes \$22,802 to employ an apprentice gardener. This investment will generate an employment opportunity in the area and will help to ensure that the environment is well maintained in line with the ambitions as set out in the Strategic Community Plan.

A number of smaller items are included in the proposed budget to support existing council services and details of all the proposed changes to the budget are set out in Attachment 4.

Prospects for the Future

The Council is heavily dependent upon grants to deliver both operational and project specific works. These grants include an “administrative” component which allows Council to offset officers’ time against some of these grants; this has the effect of reducing the requirement to fund operational expenses (in the form of wages and salaries) from rate income.

The model underpinning the Long Term Financial Plan demonstrates that rates would need to increase by 38% in 2015/16 as the income derived from these capital grants ceases. The 2013/14 budget contains measures that will help to mitigate this position by including a reserve contribution that can be used to reduce the demand on rates in that year; this will allow Council to smooth the impact over more than one year.

Identifying measures to mitigate projected rate increases will be the main focus for 2013/14 and will commence with a further review of the Long Term Financial Plan early in the new financial year; the output from this will be a savings and investment plan. Typically, there will be four strands to this work:

1. Reducing the cost base by identifying efficiencies
2. Achieving economies of scale by working with others
3. Increasing other income streams
4. Reducing service levels

A Council workshop in the new financial year will review the Long Term Financial Plan in the light of the budget adopted for 2013/14. After the financial position

stabilises by 2016/17 the pressure on income streams is expected to reduce and rate increases of around the level of CPI are anticipated.

Budget Monitoring

Regulation 34(5) of the Local Government (Financial Management) Regulations 1996 requires that:

Each financial year, a local government is to adopt a percentage or value, calculated in accordance with AAS 5, to be used in statements of financial activity for reporting material variances.

Currently the materiality level for budget variances for reporting purposes has been set at 10% or \$5,000, whichever is greater. It is not proposed to amend this limit for monthly reporting for 2013/14.

Under the Regulations reporting can be broken down by program area, the nature or type of expenditure or by business unit. For statutory reporting purposes a breakdown by program area is used.

The Regulations allow Council to incorporate any supplementary information that it seems appropriate into its monthly reporting. The current reporting format makes extensive use of this provision; this supplementary information focuses attention on the expected outturn position rather than the monthly variation.

Conclusion

The proposed rate requirement is \$1,319,834, an increase of 6.77% on 2012/13. The budget presented for adoption assumes a balanced budget, in that the Council will not end the 2013/14 financial year with either a surplus or deficit.

The Council faces substantial financial challenges over the next three years and the proposed 2013/14 budget is a key step in addressing these. It is therefore considered that after taking all the above factors into account the budget as presented is sufficient to meet the liabilities facing the Council during 2013/14.

STATUTORY ENVIRONMENT:

Local Government Act 1995 and Local Government (Financial Management) Regulations 1996.

Section 6.2 of the Local Government Act 1995 stipulates that no later than 31 August each financial year or such extended time as the Minister allows each local government is to prepare and adopt by absolute majority in the form and manner prescribed a budget for its municipal fund for the financial year ending on the next following 30 June.

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS: A rate requirement for 2013/14 of \$1,319,834.

STRATEGIC IMPLICATIONS:

The adoption of the proposed 2013/14 budget is the cornerstone of developing the long term financial sustainability of the Shire.

VOTING REQUIREMENTS: Simple Majority

RECOMMENDATION:

1. A Rates Equalisation Reserve be established with an initial contribution of \$50,000; these funds to be used to support the budget in 2015/16.
2. \$100,000 included in the budget to support the recreation centre project be transferred to reserves.
3. \$100,000 be transferred from the Recreation Centre Reserve to the Rates Equalisation Reserve.
4. \$100,000 included in the budget to support the recreation centre project be transferred to reserves.
5. Council adopt the proposed budget as set out in Attachment 1.
6. That the statutory reporting of material variances in the monthly financial statements for 2013/14 be based on variations of 10% or \$5,000, whichever is the greater.

GILBERT/MELLEMA

Amendment to attachment 4 in Recreation and Culture, remove the line;

| | |
|----------|---|
| \$22,802 | Apprentice gardener – the current gardening team have found it difficult to maintain the area with their current resources. An additional gardener would sourced through the apprentice scheme and would provide six months cover |
|----------|---|

8992 CAMARRI/LORKIEWICZ

That Council suspend standing orders.

CARRIED 8/0

Standing Orders were suspended at 17.50hrs.

8993 LORKIEWICZ/GILBERT

That standing Orders be resumed.

CARRIED 8/0

Standing Orders were resumed at 18.20 hrs.

CAMARRI/LORKIEWICZ

Amendment to attachment 2 in Governance, remove the line;

| | |
|----------|--|
| \$18,000 | Net cost of replacing two sedans in compliance with employment contracts |
|----------|--|

LOST 3/5

Voting for the motion: Camarri, Dunnet and Lorkiewicz

Voting against the motion: Dean, Gilbert, Longmore, Mellema and Steer.

8994 MELLEMA/CAMARRI

Amendment to attachment 4 in Economic Services, remove the line;

| | |
|-----------|---|
| \$48,000 | Events – to promote an economic stimulus over the quieter Summer months and increase usage at Foreshore Park. |
| -\$40,000 | Events funding – Lotterywest grants to support the events described above. Net cost \$8,000 |

CARRIED 6/2

Voting for the motion: Camarri, Dunnet, Longmore, Lorkiewicz, Mellema and Steer.

Voting against the motion: Dean and Gilbert,

CAMARRI/-

Amendment to attachment 4 in Governance, remove the line;

| | |
|-------|---|
| \$200 | Christmas lights – request from Christmas Lights Competition Team to continue to donate \$200 towards the prize money. Previously funded from gifts budget. |
|-------|---|

LAPSED

Through lack of a seconder

LORKIEWICZ/-

Amendment to attachment 4 in Governance, remove the line;

| | |
|---------|---|
| \$2,300 | Community grants – at its March meeting Council resolved to fund requests of \$10,200 subject to budget funding being available. If the allocation of |
|---------|---|

| | |
|--|---|
| | \$25,000 is maintained for the Music Festival then an additional \$2,300 would be required to fund all the other requests |
|--|---|

LAPSED
Through lack of a seconder

The original Motion as amended, being;

8995 GILBERT/MELLEMA

1. A Rates Equalisation Reserve be established with an initial contribution of \$50,000; these funds to be used to support the budget in 2015/16.
2. \$100,000 included in the budget to support the recreation centre project be transferred to reserves.
3. \$100,000 be transferred from the Recreation Centre Reserve to the Rates Equalisation Reserve.
4. \$100,000 included in the budget to support the recreation centre project be transferred to reserves.
5. Council adopt the proposed budget as set out in Attachment 1. Subject to reduction of \$22,802 being apprentice gardener and a net of \$8,000 for events.
6. That the statutory reporting of material variances in the monthly financial statements for 2013/14 be based on variations of 10% or \$5,000, whichever is the greater.

CARRIED 7/1

Voting for the motion: Dean, Dunnet, Gilbert, Longmore, Lorkiewicz, Mellema and Steer

Voting against the motion: Camarri

Reason for change: To reduce the total rates increase in alignment with real benefits to the community and to provide a realistic rate increase in these financially difficult times.

Council meeting was adjourned at 18:40 hrs.

Council meeting was resumed at 18:59 hrs.

| | |
|-------------------------|---------------------------------------|
| AGENDA NUMBER: | 11.15 |
| SUBJECT: | Rate in the Dollar 2013/14 |
| LOCATION/ADDRESS: | Nannup |
| NAME OF APPLICANT: | N/A |
| FILE REFERENCE: | FNC 3 |
| AUTHOR: | Vic Smith, Manager Corporate Services |
| REPORTING OFFICER: | Vic Smith, Manager Corporate Services |
| DISCLOSURE OF INTEREST: | None |
| DATE OF REPORT | 18 June 2013 |

BACKGROUND:

Section 6.32 of the Local Government Act 1995 requires that:

When adopting the annual budget, a local government —

- (a) in order to make up the budget deficiency, is to impose a general rate on rateable land within its district, which rate may be imposed either —
 - (i) uniformly; or*
 - (ii) differentially;**
- (b) may impose on rateable land within its district —
 - (i) a specified area rate; or*
 - (ii) a minimum payment; and**
- (c) may impose a service charge on land within its district.*

A minimum rate can only be imposed in conjunction with a general rate and if the minimum rate is more than \$200 it cannot be imposed on more than 50% of rated properties. This limit applies separately to those properties classed as Gross Rental Value (GRV) or Unimproved Value (UV).

The draft budget is included elsewhere on today's agenda. The proposed budget requires a sum of \$1,319,835 to be raised from rates, giving an average increase of 6.77%. If Council changes the total required yield from rates as a result of the adoption of the 2013/14 budget, then the recommendation in this report will need to be amended in line with that resolution. The meeting will need to be adjourned for this work to be completed.

Council need to determine the rate in the dollar to be applied to the different categories of rates so as to raise the budgeted rate income.

COMMENT:

Council's rating model for 2012/13 was:

| | RATE IN THE \$ | MINIMUM RATE | BUDGETED YIELD |
|-----|----------------|--------------|----------------|
| GRV | 0.091602 | \$675 | \$657,642 |
| UV | 0.003280 | \$885 | \$578,549 |
| | | | \$1,236,191 |

Actual rate income for 2012/13 is expected to be \$1,240,913.

Principles for Rate Modelling

The rating methodology to be followed is set out in Council resolution 8946 from the meeting of 18 April 2013.

This states:

In preparing rate models for Council consideration officers should:

1. *adopt the principle that future rate increases should be at or above CPI and more closely linked to the LGCI (Local Government Cost Index) given that the latter has more relevance to local governments' costs; and*
2. *the current balance of payment between UV and GRV properties be maintained; and*
3. *the rate in the dollar for UV and GRV properties be adjusted up or down, as the case may be, to compensate for general increases or reductions in rateable values for each class of property before applying new rate models.*

Changes in 2012/13

Valuations of properties occur throughout the year as a result of land amalgamation, sub-divisions, new building etc. These changes affect the rate base and change the rate yield. Prior to the general revaluation undertaken by the Valuer General changes to the rate base had the following effect on the projected rate yield.

| | Rate in the Dollar | Minimum Rate | Yield | Minimums |
|-----|--------------------|--------------|-------------|----------|
| GRV | 0.091602 | \$675 | \$657,313 | 48.81% |
| UV | 0.003280 | \$885 | \$585,586 | 50.39% |
| | | | \$1,243,169 | |

As a result of changes during the year the proportion of UV properties on the minimum rate increased above the 50% threshold allowed in the Local Government Act 1995. If no other changes were applied the rate in the dollar for UV properties would need to increase to 0.003315 (+1.1%) to bring the UV minimum rated properties back below 50%.

Revaluation

Whilst UV properties undergo an annual revaluation the revaluation of GRV properties is carried out at less frequent intervals; a general revaluation of GRV properties was carried out by the Valuer General in 2012/13 and new valuations will apply from 1 July 2013. The last revaluation of GRV properties was carried out in 2010.

As a result of the revaluation of UV properties, valuations fell by an average of 4.85% and were reasonably even distributed.

The revaluation of GRV properties was much less evenly distributed. The Valuer General identified that overall valuations for GRV properties had increased by 2.3% but this masked significant variations in different property types. The detailed analysis is reproduced in the table below.

| Classification | Inc/Dec | No. | Value | % of Total |
|------------------|---------------|------------|--------------------|---------------|
| Residential | +10.69% | 413 | \$4,203,414 | 63.1% |
| Commercial | -15.50% | 26 | \$785,896 | 11.8% |
| Industrial | +11.37% | 18 | \$606,526 | 9.1% |
| Vacant Land | -14.06% | 235 | \$1,068,140 | 16.0% |
| TOTAL GRV | +2.29% | 692 | \$6,663,976 | 100.0% |

The revaluation changes would have the following impact on the rate yield if the rate in the dollar and minimum rates remained unchanged.

| | Rate in the Dollar | Minimum Rate | Yield | Minimums |
|-----|--------------------|--------------|-------------|----------|
| GRV | 0.091602 | \$675 | \$680,138 | 42.40% |
| UV | 0.003280 | \$885 | \$564,069 | 54.07% |
| | | | \$1,244,197 | |

Overall the rate yield has changed very little but this masks a significant rise in the yield for GRV properties that is largely offset by the fall in the yield for UV properties. The fall in UV valuations results in more UV properties falling into the minimum rate

category. To bring the number of UV properties back below 50% the UV rate in the dollar would need to increase to 0.003499 (+6.68%).

Resetting the Rate Base

Council's rating methodology requires the rate in the dollar for UV and GRV properties to be increased or reduced, as the case may be, to compensate for general increases or reductions in rateable values for each class of property before applying new rate models. This means that the rate in the dollar for UV properties would need to increase and the rate in the dollar for GRV properties decrease to generate the same rate yield as set in the 2012/13 budget.

The impact of this adjustment is shown in the table below.

| | Rate in the Dollar | Minimum Rate | Yield | Minimums |
|-----|--------------------|--------------|-------------|----------|
| GRV | 0.087152 | \$675 | \$657,640 | 47.00% |
| UV | 0.003403 | \$885 | \$578,548 | 51.18% |
| | | | \$1,236,188 | |

To generate the same yields the rate in the dollar for GRV properties has decreased by 4.65% and the rate in the dollar for UV properties has increased by 3.75%. However, this increase would not be sufficient to bring the number of minimum UV properties below the 50% threshold; to achieve this the rate in the dollar would need to increase by 6.68% as outline in the previous section of the report.

Proposed Rates

The final stage of the process is to apply changes to the base as reset in the previous step to generate the rate yield required by the proposed budget without changing the balance between UV and GRV properties.

The first stage is to apply the average increase (i.e. 6.77%) to the properties on the minimum rate. This would establish the following minimums:

| | Minimum Rate | Increase |
|-----|--------------|----------|
| GRV | \$721 | 6.81% |
| UV | \$945 | 6.78% |

The rebased rate in the dollar for UV properties as shown above is 0.003403. Increasing this by 6.77% gives a rate in the dollar of 0.003633 but would result in the number of minimum rated properties being 51.18% of the total. The UV rate in the dollar must therefore be increased further to address this. The lowest UV rate in the dollar that would result in a model that complies with the Local Government Act is 0.003736, equivalent to an increase of 13.9%.

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The remainder of the rate requirement is funded from an increase in the rate in the dollar for GRV properties, resulting in a rate in the dollar of 0.090987, representing a net reduction of 1.21%.

This produces the following proposed rate model:

| | Rate in the Dollar | Minimum Rate | Yield | Minimums |
|-----|--------------------|--------------|-------------|----------|
| GRV | 0.090493 | \$721 | \$689,820 | 48.81% |
| UV | 0.003736 | \$945 | \$630,015 | 49.34% |
| | | | \$1,319,835 | |

The impact of these proposals on rate bills has been modelled and is shown graphically in Attachments 1-3.

Conclusion

Rate increases for 2012/13 were contained within a fairly narrow range to produce an average increase of 10.36% as shown in the table below.

| | |
|-----------------|---------|
| UV Minimum | +10.63% |
| UV Non Minimum | +7.5% |
| GRV Minimum | +10.63% |
| GRV Non Minimum | +9.93% |

Whilst every effort has been made to minimise the variation in increases in rate bills this is constrained by the valuation adjustments imposed by the Valuer General. Rate increases for the majority of UV properties can be contained within a fairly narrow range of between 7.3% and 9%. However, the large variation in the changes to GRV valuations means that 140 properties will have increases of over 10%.

Alternative Proposals

Councillors are free to propose alternative rates in the dollar. Any proposals will need to comply with the statutory requirements as set out in the Local Government Act 1995 regarding the proportions of properties subject to the minimum rate. Councillors are encouraged to contact the Manager Corporate Services to check that any individual proposals are compliant with these requirements. In the event that any proposals are tabled at the meeting the Shire President will adjourn the meeting to allow the proposals to be examined for statutory compliance.

Any proposals that do not generate sufficient rates to fund the budget would require the adopted budget to be amended.

STATUTORY ENVIRONMENT: Local Government Act 1995 Division 6.

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS: The resolution on the rate in the dollar is required to fund the 2013/14 budget.

STRATEGIC IMPLICATIONS: None.

VOTING REQUIREMENTS: Absolute Majority

RECOMMENDATION:

That Council agree to the following rates in the dollar and minimum rates for the 2013/14 financial year:

| | Rate in the Dollar | Minimum Rate | Yield | Minimums |
|-----|--------------------|--------------|-------------|----------|
| GRV | 0.090493 | \$721 | \$689,820 | 48.81% |
| UV | 0.003736 | \$945 | \$630,015 | 49.34% |
| | | | \$1,319,835 | |

8996 DUNNET/MELLEMA

That Council agree to the following rates in the dollar and minimum rates for the 2013/14 financial year:

Modified due to the changes in the budget item 11.14.

| | Rate in the Dollar | Minimum Rate | Yield | Minimums |
|-----|--------------------|--------------|-------------|----------|
| GRV | 0.089077 | \$709 | \$678,774 | 48.81% |
| UV | 0.003672 | \$929 | \$619,258 | 49.34% |
| | | | \$1,298,032 | |

CARRIED 8/0

Council meeting was adjourned at 19:00 hrs.

Cr Longmore left the meeting at 19:00 hrs.

Council meeting was resumed at 19:27 hrs.

Cr Mellema left the meeting at 19:30 hrs

Cr Mellema returned to the meeting at 19:31 hrs

| | |
|-------------------------|---------------------------------------|
| AGENDA NUMBER: | 11.16 |
| SUBJECT: | Adoption of 2013/14 Budget |
| LOCATION/ADDRESS: | Nannup |
| NAME OF APPLICANT: | N/A |
| FILE REFERENCE: | FNC 3 |
| AUTHOR: | Vic Smith, Manager Corporate Services |
| REPORTING OFFICER: | Vic Smith, Manager Corporate Services |
| DISCLOSURE OF INTEREST: | None |
| DATE OF REPORT | 18 June 2013 |

Attachment 1: 2013/14 Budget

Attachment 2: Schedule of Fees & Charges 2013/14

BACKGROUND:

Section 5.2 of the Local Government Act 1995 stipulates that no later than 31 August each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt by absolute majority in the form and manner prescribed a budget for its municipal fund for the financial year.

The draft 2013/14 budget anticipates a deficit of \$1,325,952 being the rate requirement. These formal budget statements submitted for adoption assume that the recommended budget and rate in the dollar as presented to today's meeting will be accepted. Any variation to these recommendations will require the formal statements at Attachment 1 to be amended prior to adoption.

COMMENT:

Section 6.2 of the Local Government Act 1995 and Financial Management Regulations Part 3 stipulate the requirements for the content of the budget and these are reflected in Attachment 1.

Councillors will note that the comparative figures for 2012/13 are estimates only as the end of year has not been finalised; however this has no bearing on the adoption of the budget itself.

Whilst the Rate Setting Statement shows a surplus on 2012/13 of just over \$2.3 million this is primarily made up of grants received in 2012/13 where the expenditure will be incurred in 2013/14; these funds will therefore be carried forward into the next financial year.

The budget also reflects Council resolution 8969 in relation to Fees and Charges. The full schedule is set out in Attachment 2 and formal adoption is required by section 6.16 of the Local Government Act 1995 as part of the approval of the annual budget. There has been one change to the schedule since the adoption of the fees and charges to reflect the issue of statutory planning fees for 2013/14.

STATUTORY ENVIRONMENT: Local Government Act 1995 Part 6.

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS: 2013/14 budget.

STRATEGIC IMPLICATIONS:

This budget forms the basis for the Long Term Financial Plan.

VOTING REQUIREMENTS: Absolute Majority.

RECOMMENDATION:

That Council adopt the budget papers for 2013/14 as set out in Attachments 1 and 2.

8997 STEER/GILBERT

That Council adopt the budget papers for 2013/14 as set out in Attachments 1 and 2 (modified due to the changes in the previous budget item).

CARRIED 6/1

Voting for the motion: Dean, Dunnet, Gilbert, Lorkiewicz, Mellema and Steer

Voting against the motion: Camarri,

12. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING

(a) OFFICERS

None.

(b) ELECTED MEMBERS

None.

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

None.

14. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Questions by Councillor Dean from April 2013 in regard to Rates:

1. What is the average size (hectares) of each lot in Nannup assessed for UV rates?
A1. 141.7142 hectares.

2. If properties with the minimum rate are removed from the above, what is the average size? (if possible)
A2. 241.7484 hectares.

3. What is the average rate paid per UV assessment?
A3. \$1,527.50

4. What is the average rate paid per UV assessment if the minimum rate numbers are excluded, as per question 2?
A4. \$1,993.35

5. What is the average UV rate paid per UV rateable property in terms of dollars per hectare on non minimum properties?
A5. \$9.13.

15. CLOSURE OF MEETING

There being no further business to discuss the Shire President declared the meeting closed at 19:35 hours.