



Estimated Resident Population (ERP)

	1996 ERP	2001 ERP	Change 1996-2001	2006 ERP	Change 2001-2006	Change 1996-2006
Boyup Brook (S)	1,747	1,642	-6.0%	1,552	-5.5%	-11.2%
Bridgetown- Greenbushes (S)	4,034	4,188	+3.8%	4,119	-1.6%	+2.1%
Manjimup (S)	10,256	10,309	+0.5%	9,773	-5.2%	-4.7%
Nannup (S)	1,161	1,218	+4.9%	1,260	+3.4%	+8.5%

No two local governments are the same and accordingly staffing structures will vary between shires. However, there is often similarity in hierarchies and the shire's organisational structure and level of staffing is not dissimilar to other local governments of similar size. A comparison of shires and staffing levels is included in the following table:

COMPARISON OF 30 SELECTED SHIRES

SHIRE OF	AREA km ²	SEALED ROADS km	UNSEALED ROADS km	POP'N	ELECTORS	RATES \$	TOTAL REVENUE \$	EMPLOYEES
Nannup	2953	156	406	1192	1045	825,000	11,227,000	23.45
Beverley	2310	241	516	1562	1785	1,896,000	3,953,000	25
Boddington	1900	102	184	1379	942	1,199,000	3,751,000	22.5
Boyup Brook	2838	210	788	1480	1158	1,604,000	4,063,000	27
Brookton	1626	203	440	978	701	1,026,000	6,211,000	26
Broomehill- Tambellup	2813	272	754	1137	843	1,303,000	4,771,000	26
Bruce Rock	2772	496	763	950	722	856,000	4,416,000	35
Carnamah	2835	167	469	749	432	994,000	4,340,000	24
Coorow	4137	301	662	1199	1161	1,925,000	4,663,000	28
Cranbrook	3390	345	762	1062	767	1,523,000	3,796,000	27
Cunderdin	1872	376	466	1250	895	1,192,000	3,314,000	21
Dowerin	1867	196	773	702	570	691,000	3,375,000	25
Dumbleyung	2553	231	799	632	522	963,000	4,408,000	24
Goomalling	1845	219	470	935	754	1,114,000	4,153,000	29
Kellerberrin	1852	229	710	1183	880	950,000	3,305,000	25
Kent	6552	230	1200	574	480	1,366,000	4,530,000	23
Kondinin	7340	280	1189	968	686	1,402,000	7,105,000	27
Koorda	2662	245	840	430	327	668,000	3,256,000	19
Kulin	4790	294	1310	881	735	1,269,000	4,264,000	34
Mingenew	1927	191	327	471	365	884,000	2,929,000	18
Morowa	3528	195	850	824	496	889,000	3,644,000	24
Narembeen	3821	290	1150	906	628	1,085,000	4,475,000	27
Narrogin	1618	169	568	829	617	536,000	2,398,000	19
Pingelly	1223	203	384	1168	850	973,000	2,978,000	23
Quairading	2000	288	654	1022	750	1,148,000	2,317,000	26
Three Springs	2629	179	593	664	522	1,050,000	5,631,000	18
Victoria Plains	2563	230	586	903	789	1,628,000	3,665,000	17
West Arthur	2850	190	664	858	648	1,112,000	2,836,000	21
Wickepin	1989	157	717	716	533	973,000	4,301,000	20
Williams	2295	166	388	863	689	1,018,000	2,289,000	23
Average of 30 selected shires	2845	235	679	949	743	1,135,400	4,212,133	24.2

Source: WA Local Government Directory 2006/07, Australian Bureau of Statistics Census 2006 & respective published budgets

Comment

Whether the shire's staffing levels and staff mix is in line with what needs to be achieved will depend on the core business (statutory and discretionary) the council wishes to undertake and the level of service delivery proposed.

Clearly a limited budget and available staff resources will restrict council's service delivery. In a small rural local government recruitment into some specialized professions can be difficult and all staff including the chief executive officer and managers have to be 'hands-on' and generally don't have the luxury of being able to delegate to subordinates. This restriction then often results in an unusual grouping of roles under one department whereas in a larger organisation there may be four or five separate departments/divisions where similar roles can be more closely aligned.



NATURAL ENVIRONMENT STRATEGY
(Draft 4 December 2008).

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Introduction

The biota (the plant and animal life of a particular region or period) is by far the most important aspect of the integrity of this region. It is components of the biota that have guided the settlement and development, and made this area rich in history and diverse in enterprise. These aspects reflect a need to maintain this rich diversity for future generations to be able to experience the unique nature of this region.

The Shire of Nannup covers an area of 2,953 square kilometers of which 83.3% is State Forest, National Park or reserve with only 16.7% as private freehold land. The Shire and community of Nannup value this natural environment and the purpose of this document is to endeavour to ensure that proposed development is environmentally sustainable, that consumption of limited natural resources is minimised, and that the impact on the environment in delivering Shire services is minimised.

Council's Forward Plan 2006/7 – 2010/11 states as one of the key objectives, to protect and enhance the significant natural and cultural heritage assets of the shire and deliver to all our community a high quality of life which is based on sound environmentally sustainable principles. Further, Council intends to ensure greater involvement in sustainable natural resource management (NRM) and has given an undertaking to plan and manage urban growth, land use and provision of infrastructure to minimise adverse environmental effects. Failure to meet these objectives "may cause widespread destruction of the natural environment that leads to the breakdown of natural ecosystems, species extinction, adverse human health impacts, and ultimately to a loss of lifestyle values for residents in the south west" (Draft State of the Environment Report WA 2006). The district forms part of a world "hot spot" for biodiversity and our key environmental features should be protected as they are a distinct part of our identity.

The Natural Environment Strategy shapes our view of these natural assets, their value and the threats to these assets to be able to set priorities within the constraints of the Shire's resources, thus protecting important natural assets, and obtaining value for the expenditure of ratepayers' money

To achieve successful outcomes from this Strategy it is envisioned that the aims of the Strategy are accepted across communities, agencies and stakeholders. It needs a combined, coordinated approach to be sustainable and achieve the desired outcomes across the Warren-Blackwood region. This can only be achieved by partnerships and/or collaboration with other groups, agencies and stakeholders. Council must start somewhere and in the absence of a comprehensive State of the Environment Report for this region Council must focus on what it can achieve and not on other agencies, stakeholders or communities. In future reviews of the Strategy targets from non-Shire sources could be added so that a collaborative pathway is forged.

Vision

The vision of the Shire of Nannup is:

"To foster a community that acknowledges its heritage, values and lifestyles whilst encouraging sustainable development." (Forward Plan 2006/07-2010/11)

This vision sets the broad direction for the municipality with key components relating to the natural environment. This Strategy seeks to assist in implementing the Council's Forward Plan and to thus achieve this vision.

Aims

The aims of this Natural Environment Strategy are to:

- develop a local approach to important environmental issues in the Warren-Blackwood region;
- identify a range of strategies and actions that will improve environmental outcomes in the Shire;
- develop partnerships with stakeholders to more effectively integrate environmental outcomes; and
- encourage the best use of available information in decision-making.

Objectives

The broad principles to consider in environmental management are the sustainable management of natural resources and the protection of the biodiversity that may be affected by human activity.

Natural Resource Management

"Natural Resource Management (NRM) is the ecologically sustainable management of the land, water, air and biodiversity resources of the state for the benefit of existing and future generations, and for the maintenance of the life support capability of the biosphere" (WA NRM Council).

NRM objectives to be adopted by the Shire are to:

- provide leadership by demonstrating and encouraging environmental and sustainable behaviour;
- provide technical and community information where applicable;
- manage natural areas vested in the Shire based on NRM principles;
- ensure land-use planning is compatible with NRM; and
- support local groups in respect of NRM stewardship where applicable.

NRM Background

Modern environmental awareness probably began in the 1950s when a technological solution to pest management was highlighted as an environmental disaster and has evolved in more recent times with the idea that nature's resilience is not never-ending and her resources are not "free". After the UN sponsored environmental conference in Brazil (Rio Janeiro 1992) and with the unfolding world wide debates on climate change with the forming of the Kyoto Protocol (December 1997), a more critical look at how humanity uses the natural environment began. This has resulted in a cultural shift in thinking which is changing the legislative landscape of local government. The rise in environmental consciousness and community expectations to conserve our precious biological assets has prompted the preparation of this Strategy to address these issues and strategically plan for sustainable environmental outcomes for the municipality.

This Natural Environment Strategy is a reflection of these changing times and seeks to positively address NRM and biodiversity issues in the municipality. It introduces a new way of looking at Council's decisions and the Shire's everyday actions. It brings into our thinking the sustainability of our natural environment. It checks economic development against the sustainability of our natural resources upon which we rely for our survival.

Principles of NRM

The Shire of Nannup will adopt the following guiding principles of NRM:

- we recognize the value to humanity of the natural assets within our landscape, and we strive to protect and enhance those values wherever possible;
- wherever possible we focus on dealing with the cause not just the symptoms of the threats to our natural assets;
- all life forms have intrinsic value and warrant conservation independent of our needs, which means that the "precautionary principle" is an important consideration (see Appendix 1 for an explanation of the "precautionary principle");
- the prime responsibility for the management of natural resources is with the land owner/manager;
- the community has the right to be consulted on the decisions and actions that affect them in accordance with legislative requirements;
- decision-making processes should effectively integrate long- and short-term economic, environmental and social consequences, and be open and equitable; and
- NRM action priorities will be determined with stakeholder involvement, be based on the best available knowledge and on continuous improvement methods (adaptive management).

By adopting these principles a solid foundation for the implementation of the Council's NRM objectives is formed.

NRM and the Shire of Nannup

This strategy will enable the Shire to instigate "best management practices" in NRM by the integration of current science (using the best available information where possible and practical) with management requirements that will better account for the values of the natural assets that are within the influence of the Shire. The natural resources that are referred to as assets include:

- Biodiversity;
- waterways, wetlands and estuaries;
- water resources;
- agricultural lands;
- remnant vegetation;
- productive forests;
- mineral resources and basic raw materials;
- coasts;
- air;
- climate; and
- people, culture and infrastructure (including sustainable settlements).

Each of these asset fields have distinct values and threats that need to be identified in a local context and within the parameters of influence of Council. It is through community consultation, awareness raising, working in partnership and committing resources that the NRM objectives may be realised.

Council will seek to ensure the above assets are conserved and enhanced, and that best practice NRM and biodiversity outcomes are achieved through a number of planning processes including:

- seeking to meet the targets outlined in this Strategy;
- implementing the Council's Local Planning Policy – Managing the Natural Environment;
- Council developing and retaining effective partnerships;
- monitoring and lobbying; and
- using the best available information where possible and practical.

Management of Natural Assets

Introduction

Management of natural resources is concerned with the management of ecosystems for human purposes. In Australia, the management of natural resources, the components of ecosystems that are directly used by humans, has been documented as having three, broad, long term goals:

- healthy ecosystems and catchments in which the integrity of soils, water, and flora and fauna is maintained or enhanced wherever possible;
- innovative and competitive industries that make use of natural resources, within their capability, to generate wealth for social and economic well-being; and
- self-sustaining proactive communities that are committed to the ecologically sustainable management of natural resources in their region (National Natural Resource Management Taskforce, 1999).

From a human perspective, the biotic (of, or relating to living organisms) and abiotic (not living) components of ecosystems may be viewed as natural resources or environmental assets such as air, water, land, plants, animals and micro-organisms.

Two of these goals relate to people, the communities they live in, and the social and economical systems that nurture them. Thus, management of natural resources involves understanding, maintaining and, where necessary improving the interactions that people have with the biotic and abiotic components of ecosystems. The third goal indicates that management of natural resources also involves understanding, maintaining and, where necessary, improving the ways in which people relate to each other as part of communities that interact in these ecosystems. Decisions that may lead to the achievement of these goals will need to be informed by appropriate knowledge and ethics.

An ethical approach for explaining the relationship between people and their non-human surroundings is by considering human nature in three forms: self-centered (egocentric); a holistic approach (homocentric); and nature-centered (ecocentric). Sustainable management of natural resources is homocentric, constituting a blend of egocentric and ecocentric perspectives where as an ethical approach to biodiversity *tends* toward the ecocentric.

General

Council decision-making and Shire practice should:

- (i) Avoid unacceptable environmental damage.
- (ii) Actively seek opportunities for improved environmental outcomes, including that which provides restoration or enhancement.
- (iii) Take account of the availability and condition of natural resources, based on the best available information at the time.
- (iv) Conserve significant natural, indigenous and cultural features, including sites and features significant as habitats and for their floral, cultural, built, archaeological, ethnological, geological, geomorphological, visual or wilderness values.
- (v) Take into account the potential for economic, environmental and social (including cultural) effects on natural resources.
- (vi) Recognise that certain natural resources, including biological resources, are restricted to particular areas and that these geographical areas or land types may need to be identified and appropriate provision made to protect these resources.
- (vii) Take into account the potential for on-site and off-site impacts of land use on the environment, natural resources and natural systems.
- (viii) Support conservation, protection and management of remnant vegetation where possible, to enhance soil and land quality, water quality, biodiversity, fauna habitat, landscape amenity values and ecosystem function.
- (ix) Take into account the potential impacts from climate change on human activities including coastal and urban communities, natural systems and water resources.

Biodiversity

"Biodiversity is the variety of all forms of life – the different plants, animals and micro-organisms, the genes they contain and the ecosystems of which they form a part." (Department of Environment & Conservation, Naturebase 2007).

"Biodiversity represents the very foundation for human existence.

Beside the profound ethical and aesthetic implications, it is clear that the loss of biodiversity has serious economic and social costs. The genes, species, ecosystems and human knowledge that are being lost represent a living library of options available for adapting to local and global change.

Biodiversity is part of our daily lives and livelihood and constitutes the resources upon which families, communities, nations and future generations depend" (The United Nation's Global Biodiversity Assessment, 1995).

Biodiversity of the South West - The South West Province of Western Australia is listed as a global biodiversity "hotspot" (one of 34 worldwide). Western Australia has about 11,500 species of vascular plants with 80% being endemic to this area. In comparison Great Britain has about 1,600 species of vascular plant. In the South West Province, a total of 3,022 species of flora (2,625) and fauna (397) were listed as threatened or priority flora or fauna in 2007. This is an increase of 14% for flora and 28% for fauna since 1998 (State of the Environment Report WA 2007.).

Threats to Biodiversity - Extensive clearing of native vegetation, weed encroachment, "dieback", salinity and introduced feral animals are some of the threatening processes to this diversity.

Since European settlement, 1,233 exotic plant species have established as weeds in Western Australia, which is about half of the recognised weeds in all of Australia. There are only 92 formally declared weed species under State legislation. The Warren-Blackwood region has between 500 and 700 weed species identified (State of the Environment Report WA 2007). Weeds are a bigger threat to native species of flora and fauna than salinity. Weeds increase the risk of fire, reduce the amenity of recreational areas and increase maintenance costs (WA State Weed Plan 2001).

"Phytophthora dieback" (death or modification of vegetation by *Phytophthora cinnamomi*, an Oomycete or "water-mould" known to cause root rot in Australian flora species) has been called the "silent bulldozer". It has been listed in the worst 100 invasive species of the world. Of native flora in the region, 14% are highly susceptible and a further 40% are considered susceptible. This equates to 2,284 plant taxa and thus the disease poses a real threat of extinction for many species of flora and fauna. Local fauna considered threatened by changes to plant communities include the woylie (*Bettongia penicillata*), honey possum (*Tarsipes rostratus*), dibbler (*Parantechinus apicalis*), mardo (*Antechinus flavipes*), Gilbert's potoroo (*Potorus gilberti*), western spinebill (*Acanthorhynchus superciliosus*), ground parrot (*Pezoporus wallicus*), western bristlebird (*Dasyornis longirostris*), western whiplbird (*Psophodes nigrogularis*), and many invertebrates (State of the Environment Report WA 2007).

Another form of "dieback" affecting some tree species (Flooded gum (*Eucalyptus rudis*) and Blackbutt (*Eucalyptus patens*) to name two) is thought to be the result of a possible combination of factors beginning with a lowering of natural resistance from water stress and/or possibly compounded by chemicals (fertilizers and spray residues) that may be present in the substrate, leaving the tree susceptible to severe damage from insect attack.

Effective biological diversity conservation is inextricably related to issues such as land use planning and development, green house gas abatement and the management of natural resources (State Sustainability Strategy 2003).

Biodiversity and the Shire of Nannup - This strategy will enable the Shire to make decisions in consideration of the protection or enhancement of indigenous biodiversity which is a key component of the Shire's natural environment. It will enhance Federal and State biodiversity strategies by concentrating on the local biodiversity issues within the Shire's influence.

This Strategy aims to integrate biodiversity conservation into the Shire's core business by providing a strategic, consistent and well-informed framework for decision making with regard to biodiversity.

When considering issues which may impact on the natural environment and in particular biodiversity, Council decision making and Shire practice should:

- (i) Give priority to protection of areas of high biodiversity and or conservation value and avoid or minimise any adverse impacts, directly or indirectly, on areas of high biodiversity or conservation as a result of changes in land use or development.
- (ii) Safeguard and enhance linkages between terrestrial and aquatic habitats which have become isolated, including the re-establishment of habitat corridors.
- (iii) Assist the return of areas of high biodiversity conservation value to the public estate or otherwise ensure the protection these areas through mechanisms including planning controls or conservation covenants.
- (iv) Support the use of management plans to protect areas of high biodiversity conservation value in the long term.

Water Resources

Water is fundamental to human life and the environment. Alteration of areas from their natural state inevitably results in detrimental changes to water quantity and quality (State of the Environment WA 2006). The careful management of water resources, both in terms of quantity and quality, is essential to support natural ecosystems as well as future growth and development. This includes water catchments, waterways, estuaries and the marine environment.

Council decision making and Shire practice should:

- (i) Protect, manage, conserve and enhance: wetlands; waterways; estuaries and marine environments; and other water resources which sustain catchments or have identified environmental values.
- (ii) Take account of the availability of water resources to ensure maintenance of water quantity and quality for existing and future environmental and human uses.
- (iii) Encourage best management practices through water sensitive designs that better manage stormwater quantity and quality; that reduce the impacts of stormwater flows; and control or remove pollutants and

nutrients so as to improve water quality, retain habitats, conserve water and provide for recreational opportunities and conservation functions through multiple use drainage systems.

- (iv) Ensure the provision of buffer zones around wetlands, waterways, estuaries and the coast, to maintain or improve the ecological and physical function of water bodies. Such buffer zones will aim to maintain the natural drainage function, protect wildlife habitats and landscape values, lessen erosion and facilitate filtration of sediment and wastes associated with surface run-off.
- (v) Consider flood risk and avoid intensifying the potential for flooding as a result of inappropriately located land uses and development.
- (vi) Progressively ensure that Council managed buildings adopt best practice.

Air Quality

Decision-making should reflect that the primary problems of local air quality are the result of domestic and industrial emissions, vehicle use and various land use practices used in the agriculture and forestry industries. The major local air quality issues are photochemical smog and haze from particulates (solid and liquid), sulphur dioxide, dust and air toxins.

Council decision making and Shire practice should:

- (i) Have regard to the potential for conflict between sensitive land uses and activities with air emission impacts.
- (ii) Encourage alternative methods or best management practices for all activities with air emission impacts, such as domestic fires and burning-off practices in agriculture and forestry industries.

Soil and Land

Council decision making and Shire practice should:

- (i) Consider the capability of land to accommodate different land uses with respect to; erosion hazard, absorptive capabilities of the soil, slope stability, potential for variable settlement or subsidence, active fault lines, and dune migration.
- (ii) Recognise and consider land that is degraded or contaminated, or has the potential to become so, and facilitate rehabilitation or remediation for appropriate future use.
- (iii) Ensure that land uses that may result in land contamination such as storage of chemicals, waste, and other toxic materials or liquid are not permitted unless it can be demonstrated that the proposed activities will not result in contamination of land use or adversely effect future land use.
- (iv) Identify existing and potential areas affected by salinity, acid sulphate soils, or other severe land degradation problems and, where appropriate,

facilitate measures such as vegetation retention, vegetation restoration, and prevention of inappropriate development in order to reduce impacts on land, buildings and infrastructure.

Agriculture

Council decision making and Shire practice should:

- (i) Protect and enhance areas of agricultural significance ("priority agriculture").
- (ii) Diversify compatible land use activities in agriculture areas based on principles of sustainability and recognizing the capability and capacity of the land to support those uses.

Coasts

Council decision making and Shire practice should:

- (i) Safeguard and enhance areas of environmental significance on the coast including the marine environment.
- (ii) Ensure use and development on coastal areas is compatible with sustainable use for conservation, recreation and tourism in appropriate areas.
- (iii) Take account of the location of areas of significance (marine and estuarine) for recreational and commercial fishing and aquaculture. This should include land based infrastructure that supports these industries.
- (iv) Seek to avoid or minimise any adverse impacts, directly or indirectly, on areas of significance for recreational and commercial fishing and aquaculture as a result of adjacent land use decisions and actions.

Landscape

Council decision making and Shire practice should:

- (i) Seek to identify and safeguard landscapes with high geological, geomorphological or ecological values, as well as those of aesthetic, cultural or historical value to the community, and encourage the restoration of those that are degraded.
- (ii) In areas identified in (i), consider the capacity of the landscape for development and incorporate appropriate planning, design and siting criteria to ensure the development is consistent and sensitive to the character and quality of the landscape.
- (iii) Consider the need for a landscape, cultural or visual impact assessment for land use or development that may have a significant impact on sensitive landscapes.

Greenhouse Gas Emissions and Energy Efficiency

Council decision making and Shire practice should:

- (i) Promote energy efficiency at all levels from development and urban design incorporating issues such as energy efficient building design and orientation of building lots for solar efficiency, to reducing general electrical consumption by best management techniques.
- (ii) Support the retention of existing vegetation and revegetation to reduce the carbon "foot print" of the community.
- (iii) Support the use of alternative energy regeneration, including renewable energy, where appropriate.
- (iv) Progressively ensure that Council managed buildings adopt best management practice.

Purchasing Practices

Purchasing should acknowledge quality, function, value for money, stability of supply, etc, have favourable environmental considerations, and reflect corporate social responsibilities in the providers. All purchasing by the Shire of Nannup must be in accordance with adopted Council policy ADM 4.

Council decision making and Shire practice should:

- (i) Only purchase products that are determined as necessary.
- (ii) Take into consideration the ecological and economic costs, impacts and benefits of a product or service over the whole of its life.
- (iii) Purchase products that are reusable or recyclable, designed for ease of recycling, re-manufacture or otherwise minimise waste.
- (iv) Purchase products that are reliable, durable and where possible easily upgraded or up dated.
- (v) Purchase products that where possible can be returned to the manufacturer for recycling and reuse (product stewardship).
- (vi) Choose energy efficient and or water efficient products.
- (vii) Where possible purchase products that are non-toxic and non-polluting.
- (viii) Where possible purchase in bulk or with minimal packaging.
- (ix) Purchase products and or services that have a suitable length of warranty for their purpose.
- (x) Purchase products manufactured in socially acceptable circumstances that are in accordance with Human Right's conventions, laws or treaties where labour considerations, social exclusion and equal opportunity are taken into account.
- (xi) Encourage minimal consumption in the work environment.

Climate Change

Climate change scenarios must be considered as an influence on any target set. Risk management strategies need to incorporate plans for dealing with the estimated climate changes. For example; an increase in extreme daily rainfall intensity needs appropriate strategies to accommodate this, or a decrease in annual rainfall needs consideration to be made of alternative potable water supplies, or a combination of increase in temperature coupled with a decrease in rainfall will affect available habitat.

Implementation

Implementation of this strategy will occur through Council decision making and the day to day process of carrying out Council's responsibilities within the constraints of the available resources and in accordance with legislative requirements.

Reviewing the Strategy

The Natural Environment Strategy should be a "living" document that will require review as required in the light of the changing environment in which it operates. It needs to be flexible as it will be influenced by changing priorities and availability of resources. Evaluation will improve the process as it measures the efficiency and effectiveness of implementation against the timely achievement of targets. Actions will be adjusted as required through adaptive management. This will assist Council to make informed choices on projects, management actions and targets as management of the natural resources continues to evolve.

Action Targets

This Strategy will set targets to give effect to the Shire's intention to:

- promote sustainable development;
- promote NRM; and
- reduce the impact of resource consumption on the environment and community.

Targets can be "aspirational targets" (long term, usually fifty plus years), "resource condition targets" (that are completed in ten to twenty years), or "management action targets" (that have a one to five year time frame). Targets set need to be specific, measurable, achievable, relevant, and time bound (SMART). These should not be static blueprints, but rather a continually evolving consensus of community views and aspirations. They should be refined as new data, concepts and opportunities arise. There must be an appropriate balance between certainty and flexibility.

Commitment	Timeframe	Indicators of success	Source of funds	Responsible parties
Review all reticulation and watering routines for Shire ovals, parks and gardens and evaluate alternative water sources and water management practices.	2009/10.	Lower rate of water usage per square metre.	Parks & Gardens budget.	Works Manager (WM).
Review all energy use and implement management practices to minimise energy use including development of a 10 year program to install energy efficient lighting and high-rating insulation in public buildings.	2009/10.	Lower costs for energy consumption.		Management Development Services (MDS).
Ensure that new buildings and refurbishments include energy efficient design and materials in accordance with the Building Code of Australia.	Ongoing.			MDS.
Ensure that land use and development protects and enhances the natural environment.	2007/08.	Adoption of this Natural Environment Strategy document.		Regional Environmental Officer (REO).
Plan and manage urban growth, land use and provision of infrastructure to minimise adverse environmental effects.	Ongoing.	Local Planning Policy - Managing the Natural Environment.		MDS.
Support and partner local Land Care Committees.	Ongoing.	NFPAG, BBG, LCDC.		REO.
Develop and implement a Climate Change Impacts and Risk Management Strategy inline with National and State strategies.	2010/11	Climate Change Strategy.		REO.

Investigate and consider alternative renewable energy sources to power Shire buildings and facilities.	2011/12.	Report to Council, note budget consideration aspect.		REO.
Undertake a biodiversity audit of Council controlled land	2010/11.	Reserves Assessment Report.	SWBP matched by funding in kind.	REO.
Identify high valued ecosystems, and prepare strategies to conserve and enhance these high valued ecosystems and habitats to maintain biodiversity.	2011/12.	Quantified targets for protection and retention of native vegetation for consideration during development processes.	SWBP matched by funding in kind.	REO.
Increase community awareness and participation in protection of the environment.	Ongoing.	To be determined.		REO.
Enhance and protect our natural environment and where practicable promote the use of local native vegetation.	Ongoing.	Inclusion of local species lists within developments and in the use of local species in remedial or mitigation requirements.		REO.
Review the policy on Rural Road Verge Vegetation Management and Clearing including for fence line clearing.	2008/09.	Roadside Conservation Policy.		REO.
Develop policies for revegetation following infrastructure works.	2008/09.	Revegetation Policy.		REO.
Develop policies for weed management and eradication.	2009/10.	Weed Management Policy.		REO.

APPENDIX 1

An Explanation of the Precautionary Principle

Over the last decade the principles of ecological sustainable development have inexorably become woven into environmental law, and the precautionary principle is no exemption. This has been because of governmental policies and practices and in part because of statute law, the highest form of government policy. However the inclusion of the principles in Australian legislation has been confined to objectives of statutes or agencies without any real guidance to decision makers as to whether and how to apply the core principles or what weight to give them. This has given rise to difficulties of interpretation and application.

The precautionary principle first appeared in the mid 1960's and was a measure by which to judge political decisions. In the 1970's it could be found in West German legislation in respect of environmental policies aimed at combating the problems of global warming, acid rain and maritime pollution.

Definition

The Intergovernmental Agreement on the Environment (1992) endorses the precautionary principle in the following terms:

Where there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation. In the application of the precautionary principle, public and private decisions should be guided by:

- (i) careful evaluation to avoid, where practicable, serious or irreversible damage to the environment; and
- (ii) an assessment of the risk-weighted consequences of various options.

The precautionary principle has been described as a decision making approach which ensures that a substance or activity posing a threat to the environment is prevented from adversely affecting the environment, even if there is no conclusive scientific proof linking that particular substance or activity to environmental damage. The principle provides the philosophical authority to make decisions in face of uncertainty. In this way, it is symbolic of the need for change in human behaviour towards the ecological sustainability of the environment.

It is accepted that the precautionary principle is a guiding principle. The principle also has operational effect. The purpose of the principle is to 'encourage, perhaps even oblige, decision-makers to consider the likely harmful effects of

their activities on the environment before they pursue those activities' (The Precautionary Principle: A Fundamental Principle of Law and Policy for the Protection of the Global Environment, J. Cameron and J. Abouchar, 1991). The concept is linked to ideas of acceptable risk in attempting to deal with scientific uncertainty. It challenges scientific understanding and advocates caution in dealing with risk. Proponents of the precautionary principle acknowledge that the principle contains some ambiguities and uncertainties but strongly maintain that such problems do not discredit the principle.

Application

In applying the precautionary principle, these conceptual elements should be considered:

- **The threshold – threats of serious or irreversible damage.** The existence of threats is the threshold which must be satisfied before the principle is enacted. Uncertainties associated with scientific investigation, and the different disciplinary approaches adopted by scientists in assessing evidence, does not present a unified view of the consequences of a particular action. The precautionary principle takes into account the conflict within sciences and the social construction of acceptable risk.
- **Lack of scientific certainty.** 'No scientific method will be able to ask all the right questions, let alone find the answers about what we do to the environment. Science does not give absolute proof; it is intrinsically 'soft' and its results are always open to interpretation... Rather than commit society to a blind faith that scientific knowledge can and does address all uncertainties, mature and rational policy should recognise the inherent limitations of scientific knowledge. A greener science would make these limitations explicit, and so produce more critical public debate about the interventions in nature that are made in the name of economic necessity' ('How Science Fails the Environment', B. Wayne and S. Mayer, 138 New Scientist).

In terms of 'scientific rationality' there is within the society an obsessive attachment to scientific rationality and expertise. 'Among the illusions which have invested our civilization is an absolute belief that the solutions to our problems must be a more determined application of rationally organized expertise. The reality is that our problems are largely the product of that application' (Voltaire's Bastards – The Dictatorship of Reason in the West, J. R. Saul, 1992.). Modernist science tends, via reductionism, to focus more effort on the understanding of increasingly smaller parts of systems which results in the risk of making and acting on decisions that when viewed holistically are without sense or morality. The appropriate use of common sense, ethics, intuition, memory and reason can help to overcome this problem.

Lack of full scientific certainty will always exist because full scientific certainty is neither achievable nor provable. The precautionary principle is a step forward in the development of an environmental framework within which soundly based scientific data can be integrated with the political, economic and social pressures and considerations upon which decisions rest.

- ***Not to be used as a reason for postponing measures.*** 'Once the threshold test has been satisfied the burden of proof in relation to scientific questions falls on those wishing to engage in the activity. If the suggested threat cannot be disproved by evidence advanced by the proponent, then it is a factor to be taken into account in the cost benefit calculus' (Reconstituting Decision Making Process and Structures in Light of the Precautionary Principle, D. Farrier and L. Fisher, 1993). There is little guidance in the principle on how to weigh the conflict between environmental harm and economical benefit.
- ***The precautionary principle and ecologically sustainable development.*** The precautionary principle needs to be considered in the context of the wider principles and philosophies forming the concept of ecologically sustainable development. This is where development is defined as sustainable if 'it meets the needs of the present without compromising the ability of future generations to meet their own needs' (The Brundtland Report, 1987). Thus decision-makers need to; consider the economic, social and environmental implications of their actions on the community and biosphere, and adopt a long-term view rather than a short-term view. In this the precautionary principle ensures a better integration of environmental considerations in decision-making.

The precautionary principle is not absolute or extreme. It does not prohibit an activity until the science is clear. It does change the underlying presumption from freedom of exploitation to one of conservation. From: "Are Decision-makers too cautious with the Precautionary Principle?" The Hon Justice Paul L. Stein, Land and Environment Court of NSW Annual Conference 1999.



Local Planning Policy – Managing the Natural Environment

(Updated 12 September 2007)

1. Background and Issues

With the international debate on climate change and the resulting implications for the environment there is an evolving change in the legislative landscape that local government operates in. This Planning Policy is a result of this changing landscape. The Council needs to bring into its operations an awareness of the natural environment and the threats to the natural resource assets upon which we rely for our existence. This Planning Policy reviews TPS3 and other planning policies to ensure the inclusion of NRM principles into the planning framework.

There are many pieces of legislation, strategies and policies that are concerned with the sustainable management of natural resources and a large number of government agencies and other stakeholders that are involved in the regulation and management of issues associated with natural resource management.

This Policy follows from the Natural Environment Strategy.

2. Objectives

The objectives of this Policy are:

- promote conservation of ecological systems and the biodiversity they support including ecosystems, habitats, species and genetic diversity;
- assist in the conservation and management of natural resources, including air quality, energy, waterways and water quality, landscape, agriculture and minerals to support both environmental quality and sustainable development over the long term;
- adopt a risk-management approach which aims to avoid or minimize environmental degradation and hazards;
- prevent or minimise environmental problems which might arise as a result of siting incompatible land uses together; and
- outline what matters the Council will address through the planning system and outline which matters are addressed through other legislation and other agencies.

3. Areas of Application

The Policy applies throughout the Shire of Nannup to development applications, subdivision applications, strata applications, structure plans and scheme amendments as considered appropriate by Council. In this Policy, development applications and subdivision applications can also mean strata applications, structure plans and scheme amendments as appropriate by Council and are called "proposals" in this Policy.

4. Links to Town Planning Scheme/Local Planning Strategy

This Policy relates directly to the provisions set out in the Shire of Nannup Town Planning Scheme No. 1 (TPS1), the Draft Shire of Nannup Town Planning Scheme No. 3, the Council's Natural Environment Strategy, the guidelines provided in the Shire of Nannup Local Planning Strategy and also to the overall principles and guidelines set out in the State Government's Statement of Planning Policies, the Warren-Blackwood Regional Strategy and the Warren-Blackwood Rural Strategy.

5. Policy Measures

5.1 General

The above objectives provide the context for the Policy measures which are set out under the following headings:

- General;
 - Water Resources;
 - Soil and Land;
 - Biodiversity;
 - Land Management; and
 - Carbon Sequestration.
- (i) This Policy should be read in conjunction with the Shire of Nannup Natural Environment Strategy.
- (ii) This Policy is intended to complement and be used in conjunction with relevant Legislation, the Council's Town Planning Scheme/s, the Council's Local Planning Strategy, other Local Planning Policies, and Western Australian Planning Commission (WAPC) Policies and Strategies and other guidelines that apply to planning and the management of natural resources.
- (iii) The Council may require conditions for development or request conditions to be imposed on subdivision applications approved by the WAPC that require the preparation and/or implementation of environment management plans to be contained within a separate legal agreement with the proponent and or landowner.
- (iv) The Council may require proponents and or the landowner to prepare, where appropriate, additional information that shows the "ecological footprint analysis" of the proposal. This could include: water management; acid sulphate soils management; fire management; waste management; and energy conservation.
- (v) Where, in the opinion of the Council, a proposal may have a high likelihood for environmental impact, such as hydrological, biodiversity or geotechnical implications, a robust monitoring programme may be required to properly inform the decision-making prior to the Council determining the proposal.

5.2 Water Resources

- (i) A proponent may be required by Council to develop a Water Management Plan to show how the proposal will suitably address possible environmental effects on surface and ground water flow and quality.
- (ii) Nutrient levels in water resources are not to be increased as a result of the proposal. If in the opinion of the Council this is unavoidable the Council may determine and require relevant mitigation measures.

- (iii) Stormwater treatment should wherever possible and practical be at source and adopt best practice water sensitive design.
- (iv) Installation of wet stormwater basins as artificial ponds or lakes will not be supported unless the proponent can demonstrate long term cost effectiveness and sustainability of these structures. The Council requires the proponent to adopt best practice water sensitive design (unless there are significant constraints in the opinion of the Council).
- (v) Where lowering of groundwater levels or disturbance of waterlogged soils is proposed, a detailed and extensive assessment for the presence of acid sulphate soils or passive acid sulphate soils may be required.

5.3 Soil and Land

Where there may be a risk of creating or disturbing acid sulphate soils, a management plan may be required in accordance with Department of Environment and Conservation Guidelines.

5.4 Biodiversity

- (i) Subject to the nature and scale of the proposal, its location, proposed level of servicing and anticipated impacts on the natural environment, proponents are required to submit an appropriate level of assessment to ensure biodiversity values are identified and maintained, and where adverse impact is unavoidable there is a plan of mitigation.
- (ii) Clearing of high conservation value vegetation, wetlands or riparian vegetation is not supported unless in exceptional circumstances and where justified by the proponent subject to state and federal legislation.
- (iii) Linkages between high value conservation areas should be maintained and where possible enhanced to avoid isolation of these areas.

Council encourages the retention and regeneration of native vegetation and where appropriate, replanting areas adjacent to watercourses and in other areas with local native vegetation. This is in order to promote better overall natural resource management practices including maintaining and improving riverine ecosystem function and water quality.

As part of the application, Council will require the applicant to provide a statement confirming whether the application proposes any clearing of native vegetation on the application site generally and/or within the adjoining road reserve/s to achieve vehicular access. If native vegetation is proposed to be cleared, the site plan/plantation management plan will need to clearly identify these areas. The Council may seek advice from the Department of Environment and Conservation or relevant agencies in determining approval of the application. Should the Department of Environment and Conservation raise objections regarding the application, Council may refuse the application.

Council may impose planning conditions restricting the clearing of native vegetation or may require any clearing requests to be separately considered by the Department of Environment and Conservation as part of the Environmental Protection (Clearing of Native Vegetation) Regulations 2004.

Council encourages the applicant/operators to work in partnership with relevant government agencies, catchment management groups and the local community to develop relevant "best management practice".

5.5 Land Management

For "rural life-style" subdivisions (including rural residential, small rural holdings and conservation lots), the Council may require the proponent to prepare or financially contribute to an education programme for the new owners, prior to the issue of titles, concerning their obligations to the environment and community in such as stock and fencing, weeds, fire risk abatement and fire break maintenance.

5.6 Carbon Sequestration

As communities begin to adopt a carbon neutral approach to greenhouse emissions carbon sequestration in vegetation sinks will become a new enterprise that is expected to be subject to rigorous scientific studies, analysis and debate.

There is no doubt that plantations will act as a carbon sink while they grow. But it has been estimated that plantations for woodchips return the majority of their stored carbon to the atmosphere within ten years. The ultimate vegetation sink is a mixed vegetation stand that will be in situ for at least 100 years. This sort of vegetation sink will also provide the maximum protection for natural assets. Under the Kyoto Protocol Carbon Sequestration Rules there is a 100 year minimum level of permanency for the continued storage of carbon. In terms of forest size the *minimum* specifications are 0.2 hectare with 20% crown cover and a 2 metre height capacity of the tree species.

6. Administration

6.1 Need for applications

Development applications shall be assessed in accordance with the principles and objectives of this Policy, Council's Town Planning Scheme, Council's Local Planning Strategy and other relevant strategies/documents in the opinion of Council.

6.2 Application requirements

Depending on the nature and scale of the proposal, its location, proposed level of servicing and anticipated impacts on the natural environment, Council may require the submission of an appropriate:

- "ecological footprint analysis" (such as: water management, acid sulphate management, fire management, waste management, and or energy conservation);
- biodiversity assessment;
- statement confirming whether the application proposes any clearing of native vegetation; and
- water impact statement relating to water quantity and quality.

6.3 Procedural requirements

Council will:

- publicly advertise planning applications where legally required to under the operative Town Planning Scheme;
- publicly advertise planning applications as deemed appropriate by Council where there are likely environmental impacts; and
- seek comments, as determined by Council, from relevant government agencies, stakeholders, adjoining/nearby landowners and the community.

In the event that substantive objections are received against the application, the following will apply:

- objections from State Government authorities will require the matter to be considered by Council;
- where the objection is for matters not deemed relevant to Council, for the purposes of this policy (outlined in section X), then Council's Development Services section will assess the application based on all relevant information and advice in accordance with the policy, its Town Planning Scheme and the Local Planning Strategy; and
- where the objection falls within the range of relevant issues (section X), then Council's Development Services section will assess the application

based on all relevant information and advice in accordance with this policy, its Town Planning Scheme and the Local Planning Strategy and determine whether the matter needs to be considered by Council.

Applications that are recommended for refusal are to be determined by Council.

6.4 Implementation

Council expects applications, when approved, will be implemented under the principle of sustainable land management based on endorsed "best management practice/code of practice" documents and natural resource management targets for key land, water and biodiversity areas. Additionally, any approved application, if implemented, shall be carried out in full compliance with any conditions imposed with that planning approval.

7. Future Directions

Council will ensure consistency between the gazetted Town Planning Scheme of the district and the adopted policy. The policy will be reviewed as required.

8. Approval Authorisation

Authority to approve applications in conformity with this Policy are delegated to the Manager Development Services.

9. Endorsement

This Policy was adopted by Council on XXXX.

Local Government Structural Reform Meeting Notes

Tuesday 25th August 2009

Shirley Humble Room.

Meeting Opened 6.30pm.

Cr Barbara Dunnet presented an overview of the current issues, political considerations and timeframe of proposed Local Government Structural Reform.

Mr Shane Collie indicated that Council needs to look at a strategy as to how to deal with any outcomes of community consultation and the issue of amalgamation.

This is the first opportunity that we have had to present information to the community and there will be further public meetings as part of the consultation process.

Mr Charles Gilbert asked what consultation has been undertaken with other Councils?

A number of informal meetings have been held, including the shires of Busselton, Augusta/Margaret River, the Warren Blackwood shires of Boyup Brook, Bridgetown/Greenbushes and Manjimup as well as Donnybrook/Balingup and most recently the Balingup Progress Association.

Mr Robert Lee: Wouldn't Council have known earlier its options if they had held a referendum with the community, and what finances will the Shire lose if they amalgamate?

All finances would be pooled with a new Shire and redistributed between all communities. This includes debt, reserves and rate income.

Tonight is the beginning of the consultation period and more will be undertaken with the Strategic Alliance consultancy. It is anticipated that a letter drop will form part of the further consultation.

Poll provisions are a requirement under the Local Government Act and the Minister is obliged to take notice of a poll if a) 50% of the community votes and b) the majority of the community object to a proposal. There is no present move to change the poll provision however there is some scepticism as these provisions could be changed by legislation.

One of the reasons put forward for amalgamation is financial sustainability.

Mr Frank Camarri indicated that he opposed amalgamation and illustrated that it was undertaken in Queensland where there were no benefits to the community.

Dr Bob Longmore asked if the Council has been effective in being kind to the community by keeping rates low?

It is anticipated that rates would have to be increased if amalgamation happens and cost recovery is a major component of sustainability. Cr Dunnet indicated that the Structural Review that has recently been undertaken has identified that rates and cost recovery is an area where review is required.

Dr Bob Longmore also indicated that grants are up for winning, we have won them and should not be penalised for this.

Mr David Prater asked which way personally Cr Barbara Dunnet would vote for amalgamation with Margaret River or Bridgetown?

Cr Barbara Dunnet indicated that Augusta/Margaret River was a possible option emphasising that this was a personal view and not that of Council.

Mr David Prater asked how much money would we lose if we amalgamated?

There are two main grants: Local Roads Grant and the Federal grant termed Equalisation grant. Federal funding is approximately \$800,000 - \$900,000 per year. Those who amalgamate would have these guaranteed for five years. There are then competitive grants that would be shared amongst the new Shires. Other specific grants include Mowen Road and State road grants.

Mr David Prater asked what would be the outcome if we refuse to participate?

Mr Prater said having moved from Margaret River with bureaucratic ideas, over 100 staff and consultants, a staffing bill of around \$8 million per year, this is the last resort for Nannup.

Mr David Prater felt that we need to identify where our growth market is.

Mr Shane Collie indicated that Council needs to define its position in respect of developing a strategy for submission to the State. For example the Shire of Williams has advised of all out opposition.

Ms Karlene Newnham indicated that she is opposed to amalgamation and requested that if a letter drop is going to happen, can we ask what services we would like to see retained in the community, including two doctors in our town, community bus and Federal reimbursement for unratable forests.

Mr Mark Scott asked if there would be a reduction of councillors in line with the recommendation from the Minister?

Mr Shane Collie indicated that a recommendation to Council is for a reduction from eight to six councillors, however this remains a Council decision with Council on the last two occasions resolving to stay at eight.

Ms Maggie Longmore asked if cost recovery includes user pays for community groups including Tourist Association, Telecentre etc. It was noted that most community groups pay little cost in town.

Cr Barbara Dunnet indicated that this was one area under review, balancing cost recovery with service provision.

Mr John Dunnet asked if there is anyway that we can work with metropolitan Shires who are affluent in a Sister Shire relationship?

This was previously investigated with the Shire of Stirling.

Ms Chrissie Sharp and Mr Don Cooper from the Balingup Progress Association were invited to address the forum. They indicated that they were here to hear what Nannup residents thought, however feel that Nannup and Balingup have a sense of connection between the two communities. Balingup already is part of an amalgamated Shire (1969). A Blackwood Valley Shire was proposed that included part of Nannup, the Upper Blackwood and Balingup. This was thrown out and there has never been a strong community of interest between Donnybrook and Balingup. The Balingup Progress Association has made a decision that since the regionalisation has been imposed that they would be pro-active in ensuring that Balingup does not form part of the City of Bunbury along with Donnybrook, should amalgamation happen.

If there was to be a greater hinterland Bunbury Shire, Balingup would be a distant town in this proposal and completely lost. They revisited the 1969 proposal for a Greater Blackwood Shire because this would ensure that their sense of identity would not be lost and there is already a good connection with the towns along the Blackwood River.

Should Balingup and Nannup amalgamate Nannup may not lose the Shire offices because Balingup does not currently have a Shire office. It was felt that the option of Bridgetown, Balingup, Boyup Brook and Nannup was appropriate. Groups have worked together with events, festivals, Blackwood Basin Group and the Blackwood River Valley Marketing Association. In Balingup there are 800 residents. A boundary realignment that covered Mullalyup, Balingup, Boyup Brook, Bridgetown and Nannup would see a Shire of around 8,000 residents.

Mr Chris Scott indicated that he liked the Balingup/Bridgetown Shire proposal and having travelled recently felt that Western Australia would inevitably face

amalgamations such as other countries and states had. He indicated that those who did amalgamate would receive good financial assistance in the first years.

He believed that Augusta needs to be included in the Balingup/Bridgetown proposal to include a coastal town. Having been in Augusta every week he believed that this would be a proposal that would be well received. The travel distance was noted as a problem.

The other question of Bridgetown was raised. Balingup has met with Bridgetown and Boyup Brook. Neither areas have come to formal positions however Bridgetown had favourable comments on boundary realignment to include the town of Balingup.

Balingup held a community meeting last Tuesday and a motion put that Balingup should join a Blackwood River Shire was carried 51/4 votes.

Mr Charles Gilbert indicated that the cost of services needs to be determined. Charles was concerned that Manjimup on itself is unsustainable and that a strong case needs to be put to ensure that we don't have to amalgamate with them. The reliance on grants for current services must be considered.

If Nannup is not sustainable at present, Council must face up to its responsibilities and change the rating system.

Mr Robert Lee asked if the Shire was opposed to having a community referendum. Response was no and that it is very important to gauge what the majority of people think.

Mr Robert Lee asked what would it cost the Shire in consultancy fees per year?

Mr Shane Collie indicated that this alters all the time and to a degree depends on what current issues are.

Mr Robert Lee asked why we need consultants when this information is available from the Department of Local Government? It was indicated that an independent assessor was required and this was funded by the Department, not Council income. Consultants used include: family needs assessment, recreation needs, barrage proposal, cemetery upgrade and planning however most work was done where possible in house.

Mr Robert Lee asked if we can be getting this information from the Department of Local Government?

No, guidelines only are provided and assessments against local planning scheme, legislation were required.

Minister John Castrilli at the Bridgetown Community meeting indicated that red tape and bureaucracy would be eliminated.

Mr Kurt Weigele asked if the consultant was doing the review for independent Shires or for the Shires as a whole?

Part of the requirement of the joint proposal was for Nannup to not only look at the regional options with the Strategic Alliance but also other models for Nannup independently.

Mr Jim Green indicated that most people liked Nannup as it is as it does much work in the community and needs to look at ways to increase population. Smaller shires are efficient as compared to larger shires and many visitors comment on the good roads, clean road side verges, bins cleared, streetscape and that Nannup is working as a town, a community and as a Shire.

Mr Don Cooper mentioned that there is a bigger picture and not just a State or regional initiative, but a Federal initiative. They don't want to deal with the number of Shires that we currently have but they want to deal with a smaller number of Shires. The agenda is that the Federal Government is pushing this to ensure rational regional development and they realise that smaller shires are at risk of losing their social capital and identity. This is not being explained at all in the community consultation process by the Minister of Local Government.

The importance of retaining community development and identity post amalgamation is extremely important. Options for community representation are a priority. It has been highlighted that we need to be thinking higher than community councils. In Scotland there are 1,200 community councils that are the bridge between the Council and community.

In New Zealand the structural reform has community boards to represent and act as an advocate between Council and the community. They maintain an overview of services. It should be mandatory if amalgamation proceeds that community councils are implemented so that community does not feel left out. Anything that we can do to maintain sense of community and democratic process onto the overall Council is necessary.

Mr Frank Camarri asked what are the benefits? If the Shire currently provides services, do we get cheaper or better services?

Mr David Prater asked if it has been discussed if councillors would get paid if amalgamation happens, given the distance required to travel, reduced number of councillors with more responsibility?

One of the key requirements for any new councillor coming onto Council is that they must do training. Salaries are discussed, however those who have employment,

Council responsibility does not cover time out of employment or businesses. This is being looked at by the Department of Local Government.

Mr Don Cooper enquired to Mr Frank Camarri that currently we receive 6% Federal funding to local governments compared to Canada who receives 4 times this amount to be spent directly at the grass roots level. The commonwealth wants to direct the money directly to the local level from Canberra. It was acknowledged that additional responsibilities are being imposed on local government all the time.

Cr Carol Pinkerton asked Mr Don Cooper about his observations about Balingup and how hard they have had to work on the progress association?

The Balingup Progress Association has been operating for around 100 years and works hard to be heard in Donnybrook. This is a real issue and now there are no wards. There is council representation of 1/9 on Council and the issues include: land use planning, because most people who live in Balingup do so because people live there with land care sensitivity, however this is not acknowledged in Donnybrook and to the State Planning Commission.

In the Blackwood River region there are salinity issues, fertile soils and little horticulture due to the salinity. Balingup has sympathetic land values and landscape protection with Nannup. Balingup works hard to get small grants and to get a voice.

Mr Alister Broughton indicated that he agrees with Mr Chris Scott and believes that we need to be pro-active in dealing with this. He likes the idea of Augusta and the Greater Blackwood Shire.

Mr Chris Scott indicated that he is opposed to amalgamation however realistically believes that it is inevitable.

Cr Joan Lorkiewicz indicated that it is imperative that the Shire of Nannup is not split up through boundary alignments as we would lose our identity.

Mr Chris Rutter talked about the synergy about land use and how this is a really important value.

There is a Warren Blackwood Regional Plan that looks at soils, classifications of soil, water, general agriculture, horticultural zones etc.

It will cost a lot of money to stay independent.

Dr Bob Longmore felt that Mr Don Cooper has shown us about good research and possibilities. He commended Mr Don Cooper and Ms Chrissie Sharp for attending tonight and their background work in the process.

Ms Cheryle Brown made the comment that amalgamation is opposed with Busselton and Manjimup. Jarrahwood, Pemberton and Northcliffe are good examples of how

these shires treat these towns. Local economic sustainability needs to be looked at. Reduced staffing and services has a flow on effect in our town to the hospital and schools. Financial sustainability is their key indicator.

Mr Robert Lee asked if we would be best to go for Royalties for Regions or State Government funding? The Strategic Alliance is the regional organisation that distributes funds. Shires should not be held to ransom for this but it is a huge unknown.

Mr Shane Collie indicated that the Premier has advised that the State will assist with the set up of amalgamated shires and will assist amalgamated shires. Royalties for Regions will have a reduced or removed funding allocation.

Ms Maggie Longmore asked if there is any chance that we can be reimbursed for the plantations?

Private plantations (DEC freehold land) pay ex gratia rates. DEC land (other) pay no rates. The deregulation of the dairy industry is another example where the Shire of Nannup produces 1/3 of the State's milk supply. No reimbursement for road maintenance is received.

Mr Walter Brenkman sees that travel to larger central communities would negate any benefit of amalgamation. There will be further consultation in Mid September.

Ms Cheryle Brown asked if the proposed poll will ask residents if they want to amalgamate or if proposals will be put up for voting?

Mr Shane Collie indicated that residents can call for a poll if they are not comfortable with the proposal that the State Government puts up.

Ms Cheryle Brown asked if the Nannup shire will be asking residents their preferred proposal?

This will be determined in the next stage of consultation. At the minimum a letter drop will be undertaken.

It was requested for notes from this meeting to be published in the local paper.



Notes compiled Community Development Officer. Checked Chief Executive Officer.

27 August 2009

Local Government Structural Reform Meeting

September 8th, Shirley Humble Room 5.30pm.

Cr Margaret Bird welcomed everyone to the meeting and handed over to Mr Tony Brown, from WALGA who gave a power point presentation of the process of structural reform, proposed timeframes, key issues to consider, discussions to date and background information.

BACKGROUND.

Minister Castrilli announced in 2009 that there would be voluntary amalgamations to reduce the number of local councils in WA. Regional groupings of local government are a positive step to reducing costs, improving services and streamlining policy and procedures.

In May 2009 a joint funding submission through the Blackwood Strategic Alliance employed a consultant to research structural reform options for the Shires of Manjimup, Boyup Brook, Nannup and Bridgetown. Mr John Gilfellow will present draft findings tonight.

It was reiterated that the Nationals do not support forced amalgamations but they do support reform.

Minister Castrilli has indicated that he wants significant reform including a reduction in Local Governments across WA. Premier Colin Barnett has indicated that he wants to see a reduction from 139 to less than 100 councils within 5 years.

Councils have been asked to prepare a checklist that covers long term planning, policy development, staffing and succession planning. Nannup received a checklist rating of 3, indicating that significant structural reform was needed and formalised regional groupings.

67 councils were classified as category 3, 42 councils were classified category 2 and 30 Councils received a rating of category 1. From this, preferred amalgamation structure or boundary realignment was required giving consideration to a reduction in the number of elected members. This documentation is to be received by the 30th September 2009 by the Minister for Local Government.

OUTLINE OF WHAT IS HAPPENING AROUND THE STATE.

In the Midwest and Wheatbelt regions there is more activity in reform.

In the Great Southern mergers are being considered. The City of Bunbury is considering a City of Greater Bunbury however the neighbouring Shires are not comfortable with this.

Other councils will put forward proposals with either a recommendation to remain sustainable or with merger options.

A steering committee will assess reform submission and seek further information if needed. Advice to the Minister on preferred options for reform will be provided to the steering committee. Finalised proposals will be referred to the Local Government Advisory Board for consideration and recommendation. A poll would be required for potential mergers. It is important for Councils to talk to their neighbouring councils as any one Council can veto a proposal.

Mr Frank Camarri asked if one council rejects a proposal, what happens then? In this case, the entire proposal would go back to square one.

Ms Laraine Raynel asked that if we can't get 50% of the population to vote, what happens? In this instance, the decision will be made for you.

Mr Mike King asked for more information on regionalisation. This is a regionalised area for service delivery that could be over a larger number of councils.

Mr Rob Taylor asked if there was any indication from other shires that are now 'serious'? All the councils previously discussed in the Midwest and Great Southern are considered as serious proposals.

Is there any timeline on this final stage? Yes, mid January the Minister would make a public announcement and will go to Cabinet and then the Advisory Board to make the preparations for mergers. By June 2010 decisions will be finalised.

Mr Alistair Broughton asked if a category 3 council would be forced to amalgamate. Some councils would not be able to amalgamate simply due to travel distance, particularly in the northern areas of WA. The Minister has not yet given direction on this.

If Nannup wants to stay on their own, can Bridgetown ask for Nannup to go with them? Isn't this corruption? No, it is not corruption but this can be the outcome. The Federal Government may be looking at funding incentives for councils to merge because they want regionalisation.

Mr Happ said that the \$millions of dollars don't make sense for staff, roads need to be continued to be maintained and constructed, so centralisation in the name of decentralisation is a no win situation and it is a load of government hogwash. The cost of amalgamation is immense and there is no benefit for communities to amalgamate.

Government has an agenda that big is better.

KEY ISSUES TO CONSIDER.

Mr Shane Collie advised on historical trends where postal votes in Nannup were regularly over 60% turnout. The Shire of Nannup has a position which opposes forced amalgamation (2001) and this has been reviewed since with no indication to change.

A Community meeting was held on the 25th August and notes from this meeting are available and have been distributed.

A community survey is currently being undertaken and closes on September 15th. 61 surveys have been returned to date and approximately 85% indicate no merger is the preferred option.

Council will be making a submission effectively appealing the checklist assessment given. This will be further developed into Council's formal submission document for endorsement by Council 24 September to meet the Minister's deadline of September 30th.

In terms of reserves, staffing and finances the Shire of Nannup fares well in comparison to neighbouring shires. Council is reliant on Federal funding to a degree. Grants Commission funding is guaranteed for 5 years after amalgamation however after this time, there is no guarantee that funding will be retained. This is a significant disincentive to an amalgamated shire.

Mr John Gilfellon outlined that the poll provisions are as per the current Local Government Act however this could be changed through legislation.

Mr John Gilfellon, the consultant engaged by the Strategic Alliance presented an overview of the Shire of Nannup's current and possible position in regards to structural reform.

The four Shires within the Strategic Alliance appear to not want to amalgamate and no one wishes to amalgamate with the Shire of Manjimup.

3 key considerations: finance and administration, elected member representation and what affect mergers would have on the communities were discussed.

The Local Government Act has changed to incorporate the role of the Council. The Council can do anything that does not conflict with the Act or carry out functions that are done by the State Government.

Financial implications include facts that all reserve funds of a Shire will be pooled with a new Councils and debt will be spread against all shires. Assets become the property of all shires and senior staff redundancies will have an impact financially. Employment of CEO, senior staff and directors would be higher than current costs however across the board there would be savings of about \$500,000 to \$1,000,000 per year, offset by grant reductions. Centralisation is the preferred option however staff housing needs to be considered as none of the neighbouring shires have premises to house the required number of staff.

The Premier has indicated that they will assist with redundancies. All staff except those on contracts are guaranteed employment for 2 years unless an agreed redundancy is achieved. Regional shires would receive a reduction in government grants. It is considered that overall there is a financial disincentive for amalgamations.

Mr Robert Taylor asked what the total number of ratepayers is? We don't know what the number is.

Mrs Liz Williamson asked why Margaret River/Nannup merger has not been investigated? This was outside the brief of the consultant.

With elected member representation with the ward system you can have equal ward representation. After 2 years the 1 vote, 1 value system would be implemented.

Mr Steve Boak asked if there are figures on elected members because if elected members lived a long distance away, it is difficult for community members to access their local member. In this instance a community advisory committee could be established that would advise the elected member.

The positive for amalgamation is that if all four shires joined together you would have a greater political voice.

Funding would become regionalised rather than local government based.

Federal Government doesn't want to talk to many local governments, they want to talk to regions and see infrastructure developed for regions.

Amalgamation and the loss of a Council to a small town slows down economics, volunteering and community action in general.

Savings of \$86,000 would be realised in reducing elected members for Nannup.

There has been little direction given in the amalgamation process and it is not known what the timeframe is or implications of forced amalgamations once the voluntary amalgamation process has concluded. Improved services to the community are not known.

Rates in the Shire of Nannup could rise by 58% for unimproved rates. Differential rates could be implemented for a while however essentially all members would have to be on equal rates.

Dr Bob Longmore indicated that distance and dilution are the major factors for Nannup.

It is not known until Councils submit their submissions if Nannup has been included in their merger proposals.

Ms Chrissy Sharp from Balingup presented a proposal for the creation of a Blackwood Valley Shire with a view that regionalisation is a reform process for all states and WA is the only State not to have regionalisation.

An 8 page submission from the Balingup Progress Association was made August 31st.

Identity is a major issue and this would be retained with a regionalised Blackwood Valley Shire.

There are other considerations that include:

- *Nannup has a high percentage of State and Federal government grants (67%) and it has been made clear that this funding will be targeted at regional entities, not at the local level.*
- *Balingup has been pro active in meeting with neighbouring communities and has submitted a formal proposal. There is consideration from the Bridgetown/Greenbushes/Balingup Shires to merge and become a Blackwood River Shire.*
- *If Nannup decides not to join this merger potential, what is the likely outcome? Should a fall back position be investigated?*

Mr Robert Taylor asked what the general feeling of the community meeting in Bridgetown was last night?

50% voted for the Boyup Brook/Bridgetown/Greenbushes/Balingup model.

Over 50% voted for the Boyup Brook, Balingup, Nannup (excluding Scott River) model.

The Greenbushes/Bridgetown/Manjimup model received little support.

Bridgetown does not see that it is a coastal town and is not interested in coastal access.

Mr Frank Camarri indicated that his position has not changed in that he does not support amalgamation however he is concerned that Nannup will fall through the cracks in years to come if funding will be regionalised? These are strong issues and reiterated by the Nationals and Federal government.

Mr Mike King presented that Balingup and Donnybrook were amalgamated in 1969 and Balingup has had little support from Donnybrook and little representation. Being a small town in a big shire with 90% of residents voting to secede from Donnybrook is that we would have balanced representation of elected members and this is really important, given that we now have a chance to select our region whilst we can.

Mrs Liz Williamson indicated that it is disappointing that many community members have voted without having attending community meetings.

Mr Robin Mellema and Mrs Maggie Longmore said that Nannup should not be penalised because they have been pro-active in receiving grants.

Mr Kevin Bird asked where to from here? Prior to the 30 September Nannup has to find a position and present their submission.

Boyup Brook has indicated that they want to retain their depot and shop front. There is opportunity for each Shire to have different departments retained in their own Shires.

Shire of Nannup electors to have an opportunity to vote on structural reform options. A straw poll was taken on two matters being -

Those in favour of Nannup standing alone? Majority

Fallback position being a Blackwood Valley Shire including all of Nannup. Majority



Notes compiled Community Development Officer. Checked Chief Executive Officer.

15 September 2009

Local Government Structural Reform Meeting.
 Community Consultation
 8 September 2009

EMAIL / POSTAL DETAILS.

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Shane Collie	
Teresa Louise Godwin	
Tang	
Jim Alder	
Christy Sharp	
Karin Bird (Balingup)	
Helen	
Steve Bank	
Cheryl Brown	

Grant Reynel

Structural Reform Survey

Total	Percentage
-------	------------

Total number of surveys returned

131	100%
109	83%

Q.1 Do you support the Shire of Nannup remaining unchanged, that is no amalgamation?

Q.2 Do you support the Shire of Nannup amalgamating with one or more of the following local governments.

- A) Nannup and the Shire of Augusta/Margaret River?
- B) Nannup and the Shire of Manjimup
- C) Nannup and the Shire of Busselton?
- D) Nannup and Balingup, Bridgetown/Greenbushes and Boyup Brook?
- E) Nannup and the Shires of Bridgetown/Greenbushes, Manjimup and Boyup Brook?

7	11%
5	8%
2	3%
42	69%
5	8%

Q.3 Other options? Please note in this area if you have any other options that you would like to submit. For example boundaries could relate to water catchments, parts of shires, land tenure or other community, economic or topographic features.

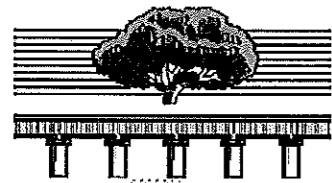
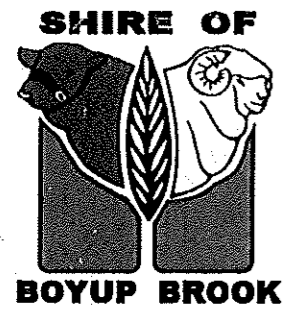
30	23%
----	-----

Q.4 Any Other Comments [If you require additional space for comments, please attach a separate piece of paper]

56	43%
----	-----

NOTE 1: Question 2 does not necessarily represent a respondent's first preference with a number of responses indicating the Balingup, Bridgetown/Greenbushes/Boyup Brook proposal as a second option.

NOTE 2: The "Any Other Comments" area has yet to be fully analysed.



Shire of
**Bridgetown-
Greenbushes**



**REPORT ON THE ASSESSMENT
OF STRUCTURAL REFORM**

FOR THE SHIRES OF

**BOYUP BROOK
BRIDGETOWN-GREENBUSHES
MANJIMUP
and
NANNUP**

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EXECUTIVE SUMMARY

The assessment considered a wide range of financial, community and local representation issues in looking at whether an amalgamation of the Shires of Boyup Brook, Bridgetown Greenbushes, Manjimup and Nannup would create a local government that will have the capacity to improve the provision of services to the community and introduce new services and facilities that individually the Shires cannot.

Based purely on financial capacity there are no significant obstacles that would prevent an amalgamation. The assessment identifies that annual savings can be made on the merger of administrative staff but the initial cost of staff redundancies and other transitional costs would require a contribution from the State Government of between \$750,000 to \$1m to ensure the initial costs of amalgamation do not overly stretch available cash reserves.

The initial year the cost of redundancies for four CEOs and five senior officers could be as high as \$840,000. This amount will be reduced if these officers are appointed to Director or Manager positions in the created Shire. After the initial year, savings in the order of \$950,000 can be expected from the reduction in the number of elected members, three less CEOs and reduced senior staff positions. Although some redundancies may be needed reduction in staff numbers should be achievable through natural attrition. Unfortunately much of these savings may be eroded by a reduction in the General Purpose Grant after five years when funding is assessed as a single Shire and not four separate Shires.

An amalgamated Shire will have a greater political voice and greater influence with the State and Federal Governments and be able to attract grants that smaller Shires cannot.

The assessment found that there are different levels of rating by the four Shires and in an amalgamation rates with the imposition of an average rate in the dollar rates in Boyup Brook would decrease and there would be significant increases in the rural rates in Bridgetown-Greenbushes and Nannup. Reserve funds have been accumulated by the four Shires for specific purposes in their district. Although the created Shire would have control over the expenditure of Reserve funds there would be an expectation that those funds be restricted to the purpose for which they have been raised. Different levels of loan liability exist and although Manjimup has the highest debt liability the loan repayments would be well within the capacity of the created Shire.

Different employment salary and conditions are in place within the four Shires but although a problem to address they are not an impediment to amalgamation.

The assessment did identify an adverse effect on the towns of Boyup Brook and Nannup if the majority of the Shire staff and operations were to be removed from the towns. An effect on business and volunteerism would be felt in the communities and although no leading to the demise of the towns will have an impact that would need to be recognised by the created Shire.

At a joint meeting of elected members and staff from the four Shires it was evident that there is a reluctance for the Shires to amalgamate into a larger body and especially with Manjimup. Manjimup however is open to amalgamations and boundary adjustments but will not consider the annexation of Walpole.

This Report is presented with a number of other options for amalgamation among the four Shires and these will be presented to community forums for consideration and direction to the Councils. The following alternate options are presented:

Amalgamate the Shires of Boyup Brook, Bridgetown-Greenbushes and Nannup. The amalgamation of the three Shires would create two Shires in the Warren Blackwood Region of a similar size and revenue. Savings from the reduction in elected member numbers would result in savings of approx \$86,000 per annum. Only small savings would be achievable through reduced senior staff and redundancies for the CEOs would cost \$360,000 if one of the current CEOs is not appointed as CEO for the created Shire. Savings should be achieved through a reduction in overall staff numbers but will only eventuate when the administration and outside workforces are brought together in one location.

Amalgamation of the Shires of Bridgetown-Greenbushes and Boyup Brook. An amalgamation of the two Shires would generate savings of \$76,000 through the reduction of elected members. Savings through the elimination of one CEO position would be absorbed in increased salaries for the CEO, Directors and Managers of the created Shire.

Savings should be achieved through a reduction in overall staff numbers but will only eventuate when the administration and outside workforces are brought together in one location.

Amalgamation of the Shires of Manjimup and Nannup. An amalgamation of these two Shires will provide savings of \$24,000 per annum through the reduction in the number of elected members. Savings through the elimination of one CEO position would be absorbed in increased salaries for the CEO, Directors and Managers of the created Shire. Savings should be achieved through a reduction in overall staff numbers but will only eventuate when the administration and outside workforces are brought together in one location.

Amalgamation of the Shires of Bridgetown-Greenbushes and Nannup. On economic statistics the amalgamation of these two Shires is an option worthy of strong consideration. Savings would not be significant with a decrease in the cost of supporting the elected members of \$50,000 being the only immediate saving. Additional savings would be made when the administration and operational workforce locations could be centralised. Bridgetown would be the favoured option for new centres.

Rating by average rates in the dollar would not see a significant impact with the total UV rates in Nannup increasing by 17%.

The establishment of a formal Regional Local Government and the retention of the four Shires. The establishment of a regional local government will provide a vehicle for the centralising of a number of financial and administrative tasks on behalf of the four Shires. Savings should be made in the reduction of senior staff similar to those in an amalgamation of the four Shires. Annual costs associated with a Regional Local Government are \$470,000. If the Regional Local Government cannot operate from the existing Shire Offices additional costs will be incurred in purchasing of leasing office and meeting space.

Retain the status quo. The assessment identified significant savings can be made by the amalgamation of the four Shires with a reduction in those savings for other amalgamations. Unfortunately those savings may be eroded after five years when the general purpose grants allocated to the created Shire decreases. Projections show the population of the Shires either remaining stable or declining over the next twenty years, however, the Shires are showing signs of positive growth with new subdivisions and new industries. It is therefore a creditable option that the Shires retain the status quo and look toward resource sharing through the Warren Blackwood Strategic Alliance.

DRAFT

1. BACKGROUND

In February 2009, the Minister for Local Government announced strategies for local government to investigate structural reform of the sector in Western Australia. Subsequently, each local government within the Warren Blackwood region has undertaken preliminary work focussing on developing options for reform within their administrative and governance structures.

On the 22nd of May 2009 at a regional meeting of all Warren Blackwood Shire Council representatives, it was resolved to prepare a joint submission for funding assistance under the auspices of the Warren Blackwood Strategic Alliance (WBSA). The Alliance has been authorised to act on behalf of all municipal members of the Alliance. Accordingly, a Consultancy Brief - Scope of Works was prepared in conjunction with an application for funds to assist the four local governments to further examine their reform options.

On the 13 July 2009 the consultant met with the Chief Executive Officers of the four Shires in Bridgetown to discuss the preparation of the Report. Generally the CEOs felt that the Shires preferred position was for the status quo, however, they wished to undertake a thorough analysis. The CEO of Shire of Manjimup stated that the Shire is open to amalgamations and other reform.

A meeting was held in Manjimup on 21 August 2009 with the consultant, elected representatives and staff of the four Shires to brainstorm a preliminary draft report and challenge the data and check for consistency in the findings.

Section 3.1 of the *Local Government Act 1995* determines that "the general function of a local government is to provide for the good government of persons in its district". Section 1.3(3) of the Act states "In carrying out its functions a local government is to use its best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancement and economic prosperity".

Elected members when considering any matter need to satisfy themselves that when "participating in the local government's decision-making processes" they are participating in a manner that allows the local government to carry out its functions as set out in the Act.

To provide the elected members of the Shires with sufficient information to allow them to make an informed decision and satisfy themselves of the benefits or otherwise of any local government reform this report is structured to address three components that need to be addressed when making a decision on local government reform options.

The first component is the financial, administrative and operational considerations. The report identifies areas of potential savings through combining the operations of the amalgamating Shires. The report also considers additional costs that may be incurred to implement reform.

The second component relates to the governance of the local governments and how a single elected governing body will provide representation to the communities of the amalgamated local governments and how those communities can have a voice in the new larger local government. The report identifies potential savings through the reduction in the number of elected members.

The third component looks at the economic and social impact that any reform may have on the commercial viability of the businesses in the towns within the amalgamated local governments. The social impact that the loss of identity may have on the communities of the amalgamated local governments and how the amalgamation may impact on the cultures and traditions relating to sporting, volunteerism social and pride within those communities.

When considering amalgamation or other reform options an aspect that needs to be considered by the elected members of all Shires is whether by staying as an individual Shire the community will be disadvantaged by the Shire not having access to regional grant funding offered by the State and Federal governments. Grant funding for larger projects would require a project that will advantage a regional district and not just one Shire.

Elected members need to consider whether without amalgamation, or being part of a regional organisation, the Shires will find that their capacity to provide the level of services and facilities for their communities that are available to other neighbouring communities is limited.

Elected members when making their decision need to answer the following questions:

- Are there any community benefits to be accrued by an amalgamation?
- Will a well managed amalgamation result in a better community outcome?
- Will an amalgamation give the newly created Shire greater capacity to provide new and improved services and facilities?

2. BRIEF HISTORIES

In 1871 the Road Districts of Western Australia were first constituted. The area now known as the Warren Blackwood sub-region was part of the Wellington Road District, an area that included the coastal areas of Capel, Bunbury and Harvey across to the Wickpin and Kulin and south to Tambellup and Gnowangerup. In 1890 the Lower Blackwood area was re-designed Nannup and in 1896 the designation of the Upper Blackwood was declared. (Schorer, 1968)

In 1923 the Roads Boards first received federal government funding under the Federal Aid Road Program. (Frost, 1979) The Roads Boards were subjected to many name and Boundary changes as the populations grew. Roads Boards continued until 1961 when the Local Government Act of 1960 created a name change to Shires. A brief history and commentary of each of the Shires follows.

Boyup Brook

The townsite of Boyup Brook was declared on, 9th February 1900. The region was developed as an agricultural area providing crops and stocks resources. The local government of the area, now geographically identified as the Shire of Boyup Brook, was administered through the Upper Blackwood Roads Board, which prior to 1896 included Bridgetown and Warren. In 1961 the Shire of Upper Blackwood was declared.

The Shire has a spread of vineyards, timber plantations, general farming, sheep, cattle, olives and various cottage industries whilst maintaining a fledgling tourist industry and various tourist attractions.

The Shire conducts a number of significant local events including the Country Music Awards, a growing Music Festival, the Mayanup Camp Draft, a Power Dingy Race and a Rodeo all of which draw large crowds and many visitors. The town is blessed with an abundance of sporting facilities which would serve a growing community extremely well.

Bridgetown-Greenbushes

The townsite of Bridgetown was declared 1868. Once part of the Upper Blackwood Roads Board and then Nelsons Roads Board, it was not until 1970 that the Shire of Bridgetown-Greenbushes was formed. Prior to that date the Shire of Bridgetown and the Shire of Greenbushes were separate local government entities. At the last Council meeting of the Shire of Greenbushes members "stood in silence for two minutes for the death of a virile and active Shire brought about by the undemocratic actions of the Minister and his staff". (Frost 1979)

Manjimup

In 1869 Warren was attached to the Wellington residency. This continued until 1876 when it became part of the Blackwood Roads Board with its administration centre in Bridgetown. In 1896 the Upper Blackwood Roads Board was formed leaving the Bridgetown and Warren Roads Board to be joined to form the Nelsons Roads Board. In 1908 the Warren Roads Board was formed with three wards Perup, Central and Warren. (Giles, 1959)

According to Giles (1959), Manjimup town was gazetted on 13th February 1903. The name Manjimup was changed to Palbarrup in 1910. The Warren Roads Board was formed in 1908, was redesigned the Manjimup Roads Board in 1925 and became the Manjimup Shire Council in 1961. In 1936 the Manjimup Roads Board included 5 wards and in 1952 expanded to 6 wards.

Sawmills opened in the surrounding area from 1911 onwards allowing the timber milling industry to develop. According to Giles (1959), a Department of Agriculture Officer, Mr N. Halse, observed in 1959, the most important industry likely to be developed in the Manjimup area over the next 15 years was a paper pulp factory.

The Shire of Manjimup's inhabitants enjoy the benefits of a diverse economy and a rural lifestyle second to none. The town of Manjimup acts as a regional service centre for the area. With the surrounding towns of Pemberton, Northcliffe, Walpole and smaller communities of Quinninup and Deanmill it offers a wide range of sporting, community and business facilities. Residents enjoy the benefits of an extensive road network, excellent recreation and educational facilities, diverse shopping, hospitals, an airport and a range of government departments.

Nannup

The Town was first settled in the 1850's as an agricultural and timber industry area. The area known as the Shire of Nannup was included in various Roads Boards until 1890 when the Nannup Roads Board was formed. The Shire of Nannup commenced administration in 1960.

The Shire encompasses the localities of Nannup, Donnelly River, Bidellia, Carlotta, Cundinup, Scott River, Lake Jasper, Darradup, Barrabup, Nannup Brook and East Nannup.

Nannup is geographically in the centre of the South West and caters for most sporting and outdoor adventure enthusiasts offering basketball, netball, multi purpose skate park, walk trails, golf course, football club, tennis, canoeing, cricket, horse riding, 4WD tracks, beach and trout fishing. National Parks and State Forest are a prominent feature in the Shire being a significant tourist attraction for the region.

Nannup hosts several significant local events including the Nannup Music Festival, Flower and Garden Festival, Blackwood Power Boat Marathon and Forest Car Rally. Nannup boasts a variety of successful industries including beef cattle, horticulture, tourism, arts and crafts, floriculture, aquaculture, viticulture and timber processing. Nannup has a long history with the predominant industries for many years being timber and agriculture, recent diversification has seen this diluted somewhat with cottage type industries and tourism increasing.

DRAFT

3. WARREN BLACKWOOD REGION

The Warren-Blackwood Region, comprising the Shires of Manjimup, Bridgetown-Greenbushes, Boyup Brook and Nannup is an area of wide physical contrast, great natural beauty and high economic productivity. With a total area of approximately 1,412,000ha and an estimated population at 30 June 2008 of 17,253, it contains 58.9 per cent of the total South-West land area and has 13 per cent of the population.

Extending from the south coast and the Scott Coastal Plain, over the southern end of the Darling Scarp and into the plateau of the western agricultural areas, the region is dissected by the two major river basins, which give the region its name.

The Blackwood River passes through the Shires of Boyup Brook, Bridgetown-Greenbushes and Nannup, whereas the Warren River basin is contained almost totally within the Shire of Manjimup. The Department of Environment and Conservation estate accounts for 64.6 per cent of the regional area, but this is greater in the Manjimup Shire (79.5 per cent) and Nannup Shire (78.8 per cent). The remaining land has been generally cleared for agricultural uses, with only a very small proportion being urban or rural-residential land.

The Warren-Blackwood Region has traditionally been an area of high productivity and great economic importance. On the limited freehold land available, the gross value of agricultural production for the region in 2005/06 was \$178.5m. With high-capability soils, relatively good supplies of high-quality water and considerable export opportunities, there is significant potential for intensification and diversification of production.

The region is also subject to considerable uncertainty now as the timber industry is being affected by the rationalisation and cutback of native forest timber harvesting and the Forest Management Plan 2004-2013 and is undergoing a process of readjustment. Government agricultural services have been rationalised in recent years and agricultural producers are affected by fluctuating commodity prices and rural economic change. In addition, the region is affected by a wide range of land degradation factors, which potentially threaten future productivity, viability and ecological sustainability.

Although the population is relatively small and current growth rates relatively low, the region is becoming increasingly attractive as a lifestyle alternative to city living and the rapidly developing coastal areas to the north and west. Tourism, which has always been a significant industry in the area, is also growing. With the wide variety of natural attractions and the ambience of the region, its appeal in this regard will almost certainly continue to grow.

It is clear that the Warren-Blackwood Region is of State economic significance, as well as being of great environmental and social/cultural value. It is imperative that careful planning to protect the natural resources be undertaken in line with the aspirations of the local community.

The Western Australian Planning Commission published the Warren Blackwood Rural Strategy in August 2004 and the Warren Blackwood Region, Industrial Sites Study, in July 2007.

4. THE WARREN BLACKWOOD STRATEGIC ALLIANCE.

The Warren Blackwood Strategic Alliance is an association of the Shires of Boyup Brook, Bridgetown-Greenbushes, Manjimup and Nannup and is supported by the South West Development Commission.

It was formed in April 2001 as The Warren Blackwood Economic Alliance, and changed to its current name on 1 May 2007. Its purpose is to highlight and progress issues that have regional impact and to be a voice for the Warren Blackwood.

The Board of the Alliance has representatives from the four Shires and their communities and the South West Development Commission and employs a part time executive officer. The Board meets every two months, rotating its meetings around the four Shires.

MISSION

Strength, Influence and Recognition for the benefit of our communities

VISION

The Warren Blackwood Strategic Alliance will lead the way in partnership development, relationship building and progressing projects by establishing a respected reputation with community, government and industry to enhance the wellbeing of their communities.

The Alliance will be approached by government and industry for information and input into significant issues.

The Warren Blackwood Strategic Alliance is the preferred regional local government organisation for the four Shires.

5. DISTRICTS AND LOCATIONS

The four Shires are in the South West Country Zone of the Western Australian Local Government Association. They are in the same WA Police Service and Education Department Zones.

The Shires are in the South West Development Commission region.

6. GENERAL COMPARATIVE ASSESSMENT

As can be seen from the following Table the Shires are different in size and revenue with the Shire of Manjimup having the larger area and population. Purely based on this raw data, their common borders and their current co-operation through the Warren Blackwood Alliance any proposal that they amalgamate would, based on this raw data, be worth considering.

Comparative Statistics

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup
Distance from Perth	270	269	306	288
Area (sq kms)	2,838	1,691	7,028	2,953
Sealed Roads (kms)	212.62	214.64	521.51	197.73
Unsealed Roads (kms)	841.81	591.03	930.65	393.82
Population	1,594	4,339	9,995	1,325
Number of Electors	1,160	2,942	6,458	904
Number of Elected Members	9	11	11	8
Number of Electors per Elected Member	129	267	587	113
Number of Dwellings	749	2,000	4,546	747
Total rates	\$1,693,063	\$2,835,448	\$ 6,756,990	\$ 853,629
Total GP Grant (08/09)	\$ 267,047	\$ 777,490	\$ 1,670,010	\$ 564,285
Total Road Grant (08/09)	\$ 541,639	\$ 546,256	\$ 1,411,904	\$ 361,418
Total Op Revenue	\$4,036,424	\$8,657,804	\$14,379,220	\$2,541,064
Employees	31	75	103	28

There are however many other matters that need to be taken into account by the decision makers when they are considering the proposal. Factors such as the relative financial positions, cost of implementing the amalgamation, long term financial benefits, representation on the amalgamated Shire and impacts on the communities such as social advancement and economic prosperity would also influence a decision to amalgamate.

7. FINANCIAL ASSESSMENT AND COMPARISONS

7.1 Financial Ratios

The following Tables provide a five year history of the financial ratios that every local government is required by legislation to disclose. The Tables are provided by the Department of Local Government and are followed by the Department's assessment for each ratio. The Tables are coloured on the traffic light principle. "Green" means go, every thing is alright, "Amber" means caution, and "Red" means stop, something is wrong.

Financial ratios should be used to identify adverse trends in the financial performance over a number of years. An adverse ratio for a single year should be able to be explained by a particular financial event for that year. Adverse trends need to be identified and action taken to rectify the trend.

The four Shires, although generally above the benchmark for the Rates Coverage Ratio, have a low percentage of rates raised against operating revenue. The Bridgetown-Greenbushes Table shows that despite having relatively large rate increases in 2007 and 2008 its percentage of rate against operating revenue dropped below the benchmark of 33% for a Shire of its size.

Manjimup has the highest percentage in the Gross Debt to Revenue Ratio of 51% in 2008 with Boyup Brook the next highest at 28%. Bridgetown-Greenbushes and Nannup are very low at 5% and 3% respectively.

The Financial Ratio Tables reflect a good level of financial performance by the four Shires with nothing that would have an adverse impact on amalgamation.

Shire of Boyup Brook

Financial Ratios	2004	2005	2006	2007	2008
Current Ratio (benchmark >100%)	158%	100%	114%	91%	150%
Debt Ratio (benchmark <100%)	4%	4%	3%	2%	3%
Debt Service Ratio (benchmark <10%)	3%	2%	2%	2%	2%
Rates Coverage Ratio (benchmark >27%)	36%	31%	32%	34%	36%
Outstanding Rates Ratio (benchmark <5%)	7%	6%	4%	2%	3%
Untied Cash to Trade Creditors Ratio (benchmark >100%)	51%	63%	85%	105%	282%
Gross Debt to Revenue Ratio (benchmark <60%)	13%	9%	15%	15%	28%
Gross Debt to Economically Realisable Assets Ratio (benchmark <30%)	7%	6%	9%	9%	14%
* Note: New ratios prescribed 2005 onwards					
Percentage Rate Increases in Total \$ Value to the Previous Year	2.96%	5.96%	2.94%	3.12%	14.81%

Courtesy Department of Local Government

Current Ratio

This ratio measures the liquidity position of a local government. The preferred ratio is greater than 100%. Except for 2007, the Shire disclosed a good current position for four of the past five years.

Debt Ratio

This ratio measures total liabilities to total assets. The lower the percentage the stronger is the financial position. The Shire demonstrated a strong debt ratio.

Debt Service Ratio

This ratio measures a local government's ability to service debt. The ratio is under the benchmark demonstrating an ability to service debt.

Rates Coverage Ratio

This ratio is a measure of rates to total operating revenue and is an indicator of a local government's dependence on rate revenue to fund its operations. The Shire has a high dependency on rates to fund its operations and is above the benchmark for a local government of this size

Outstanding Rates Ratio

This ratio measures the effectiveness of the rate collection of a local government. The Shire has improved its rates collection to under the benchmark level.

Untied Cash to Trade Creditors Ratio

This ratio provides an indication of whether a local government has sufficient untied or uncommitted cash to pay its trade creditors. This ratio has improved to be well above the benchmark in 2008.

Gross Debt to Revenue Ratio

This ratio measures a local government's ability to service debt in any year out of total revenue (ie. operating revenue less capital grants and contributions). The Shire is under the benchmark demonstrating an ability to service debt out of total revenue

Gross Debt to Economically Realisable Assets Ratio

This ratio provides a measure of whether a local government has sufficient realisable assets to cover its total borrowings. The Shire is under the benchmark disclosing it has sufficient economically realisable assets to cover its total borrowings.

Shire of Bridgetown-Greenbushes

Financial Ratios	2004	2005	2006	2007	2008
Current Ratio (benchmark >100%)	191%	421%	388%	118%	254%
Debt Ratio (benchmark <100%)	1%	2%	2%	2%	1%
Debt Service Ratio (benchmark <10%)	3%	2%	3%	2%	2%
Rates Coverage Ratio (benchmark >27%)	37%	38%	39%	26%	29%
Outstanding Rates Ratio (benchmark <5%)	6%	8%	5%	4%	7%
Untied Cash to Trade Creditors Ratio (benchmark >100%)	341%	268%	293%	171%	309%
Gross Debt to Revenue Ratio (benchmark <60%)	13%	16%	14%	10%	5%
Gross Debt to Economically Realisable Assets Ratio (benchmark <30%)	7%	9%	7%	5%	2%
* Note: New ratios prescribed 2005 onwards					
Percentage Rate Increases in Total \$ Value to the Previous Year	4.93%	2.18%	8.68%	8.91%	6.75%

Courtesy Department of Local Government

Current Ratio

This ratio measures the liquidity position of a local government. The Shire has disclosed a strong position for the past 5 years

Debt Ratio

This ratio measures total liabilities to total assets. The Shire has maintained a strong debt ratio.

Debt Service Ratio

This ratio measures a local government's ability to service debt. The ratio is under the benchmark demonstrating an ability to service debt.

Rates Coverage Ratio

This ratio is a measure of rates to total operating revenue and is an indicator of a local government's dependence on rate revenue to fund its operations. The Shire has a high dependency on rates to fund its operations but is currently above the benchmark for a local government of this size

Outstanding Rates Ratio

This ratio measures the effectiveness of the rate collection of a local government. The Shire needs to improve its rates collection record to the benchmark level.

Untied Cash to Trade Creditors Ratio

This ratio provides an indication of whether a local government has sufficient untied or uncommitted cash to pay its trade creditors. This ratio is well above the benchmark and demonstrates the Shire's ability to pay its trade creditors out of uncommitted cash.

Gross Debt to Revenue Ratio

This ratio measures a local government's ability to service debt in any year out of total revenue (ie. operating revenue less capital grants and contributions). The Shire is under the benchmark demonstrating an ability to service debt out of total revenue

Gross Debt to Economically Realisable Assets Ratio

This ratio provides a measure of whether a local government has sufficient realisable assets to cover its total borrowings. The Shire is under the benchmark showing it has sufficient economically realisable assets to cover its total borrowings.

Shire of Manjimup

Financial Ratios	2004	2005	2006	2007	2008
Current Ratio (benchmark >100%)	130%	138%	*152%	*134%	*140%
Debt Ratio (benchmark <100%)	3%	3%	4%	3%	4%
Debt Service Ratio (benchmark <10%)	6%	6%	7%	8%	8%
Rates Coverage Ratio (benchmark >27%)	31%	32%	32%	29%	36%
Outstanding Rates Ratio (benchmark <5%)	4%	5%	5%	5%	5%
Untied Cash to Trade Creditors Ratio (benchmark >100%)	2664%	820%	341%	390%	443%
Gross Debt to Revenue Ratio (benchmark <60%)	42%	49%	64%	53%	51%
Gross Debt to Economically Realisable Assets Ratio (benchmark <30%)	19%	24%	22%	22%	21%
* Note: New ratios prescribed 2005 onwards					
Percentage Rate Increases in Total \$ Value to the Previous Year	15.9%	5.76%	9.23%	12.27%	8.64%

Courtesy Department of Local Government

*The Shire of Manjimup has advised that the ratio percentages disclosed in the Annual Financial Statements for the past three years were calculated incorrectly. The correct percentages as supplied by Manjimup have been included in the Table to ensure the actual financial position is assessed.

Current Ratio

This ratio measures the liquidity position of a local government. A ratio greater than 100% is preferred. The Shire has disclosed a good current ratio for each of the past five years.

Debt Ratio

This ratio measures total liabilities to total assets. The lower the ratio the stronger is the financial position of a local government. The Shire disclosed a strong debt ratio.

Debt Service Ratio

This ratio measures a local government's ability to service debt. The ratio is under the benchmark demonstrating an ability of the Shire to service debt.

Rates Coverage Ratio

This ratio is a measure of rates to total operating revenue and is an indicator of a local government's dependence on rate revenue to fund its operations. The Shire has a high dependency on rates to fund its operations and in 2008 is slightly above the average for a local government of this size

Outstanding Rates Ratio

This ratio measures the effectiveness of the rate collection of a local government. The Shire ratio has declined from 6% to 5%, and is within the satisfactory benchmark level.

Untied Cash to Trade Creditors Ratio

This ratio provides an indication of whether a local government has sufficient untied or uncommitted cash to pay its trade creditors. For the past four years, the Shire's ratio was well above the minimum benchmark, indicating it has sufficient cash to pay its trade creditors obligations.

Gross Debt to Revenue Ratio

This ratio measures a local government's ability to service debt in any year out of total revenue (ie. operating revenue less capital grants and contributions). The Shire is under the benchmark demonstrating an ability to service debt out of total revenue.

Gross Debt to Economically Realisable Assets Ratio

This ratio provides a measure of whether a local government has sufficient realisable assets to cover its total borrowings. The Shire is under the benchmark, demonstrating it has sufficient economically realisable assets to cover its total borrowings.

Rate Increases

Rates over the past five years have increased by an average of 9.5%. The CPI for the 12 months to June 2007 was 4.5% whereas rates increased by 12.27%. This was well above CPI.

Shire of Nannup

Financial Ratios	2004	2005	2006	2007	2008
Current Ratio (benchmark >100%)	163%	157%	191%	108%	70%
Debt Ratio (benchmark <100%)	3%	3%	5%	8%	7%
Debt Service Ratio (benchmark <10%)	5%	4%	3%	2%	1%
Rates Coverage Ratio (benchmark >27%)	25%	26%	26%	21%	32%
Outstanding Rates Ratio (benchmark <5%)	3%	2%	2%	3%	3%
Untied Cash to Trade Creditors Ratio (benchmark >100%)	8112%	1540%	2009%	627%	137%
Gross Debt to Revenue Ratio (benchmark <60%)	13%	10%	8%	5%	3%
Gross Debt to Economically Realisable Assets Ratio (benchmark <30%)	5%	4%	3%	1%	1%
* Note: New ratios prescribed 2005 onwards					
Percentage Rate Increases in Total \$ Value to the Previous Year	2.74%	4.09%	3.75%	6.29%	4.38%

Courtesy Department of Local Government

Current Ratio

This ratio measures the liquidity position of a local government. Except for 2008 the Shire disclosed a good position for the past five years

Debt Ratio

This ratio measures total liabilities to total assets. The Shire demonstrates a good debt ratio.

Debt Service Ratio

This ratio measures a local government's ability to service debt. The ratio is under the benchmark demonstrating an ability to service debt.

Rates Coverage Ratio

This ratio is a measure of rates to total operating revenue and is an indicator of a local government's dependence on rate revenue to fund its operations. The Shire has a moderate dependency on rates to fund its operations and is close to the benchmark for a local government of this size

Outstanding Rates Ratio

This ratio measures the effectiveness of the rate collection of a local government. The Shire has a good rates collection record to less than 5%.

Untied Cash to Trade Creditors Ratio

This ratio provides an indication of whether a local government has sufficient untied or uncommitted cash to pay its trade creditors. For the past five years it is well above the benchmark and able to pay its trade creditors out of its uncommitted cash.

Gross Debt to Revenue Ratio

This ratio measures a local government's ability to service debt in any year out of total revenue (ie. operating revenue less capital grants and contributions). The Shire is under the benchmark demonstrating an ability to service debt out of total revenue

Gross Debt to Economically Realisable Assets Ratio

This ratio provides a measure of whether a local government has sufficient realisable assets to cover its total borrowings. The Shire is under the benchmark and demonstrates that there are sufficient economically realisable assets to cover its total borrowings.

7.2 Balance Sheets for the years 2005, 2006, 2007 and 2008

The following Tables set out the Balance Sheets of the four Shires for the years ending 30 June 2005, 2006, 2007 and 2008. An analysis of the Tables show any adverse trends in the financial position of the Shires which can be coupled together with other financial information in this Report. Trends, such as a decline in Equity, can mean that a Shire is using up all its assets to remain operational.

As with some other financial data Manjimup report things differently to the other Shires which makes comparison between the four a bit more difficult. The individual Balance Sheets do give a snapshot of the individual Shires positions.

Boyup Brook

	2008	2007	2006	2005
Current Assets	\$	\$	\$	\$
Cash and Cash Equivalents	2,362,782	1,386,265	1,037,647	911,490
Trade and Other Receivables	232,206	219,987	316,665	240,455
Inventories	31,115	21,129	20,796	29,018
Total Current assets	2,626,103	1,626,381	1,375,108	1,180,963
Non-Current Assets				
Other Receivables				3,385
Property, Plant & Equipment	5,714,508	5,860,646	5,776,614	5,387,299
Infrastructure	47,921,166	48,282,997	48,026,149	47,614,437
Total Non-Current assets	53,635,674	54,133,642	53,802,763	53,005,121
Total Assets	56,261,777	55,760,023	55,177,871	54,186,084
Current Liabilities				
Trade and Other Payables	399,895	449,430	312,690	241,932
Short Term Borrowings		37,858		
Long Term Borrowings	50,394	36,797	38,334	63,152
Provisions	242,127	190,871	124,626	129,362
Total Current Liabilities	692,416	714,956	475,650	434,446
Non-Current Liabilities				
Long Term Borrowings	1,113,340	564,197	600,994	322,264
Provisions	21,108	56,491	130,365	106,739
Total Non-Current Liabilities	1,134,448	620,688	731,359	429,003
Total Liabilities	1,826,864	1,335,644	1,207,009	863,449
Net Assets	54,534,913	54,424,379	53,970,862	53,322,635
Equity				
Retained Surplus	51,762,103	51,886,321	51,518,972	50,944,453
Reserves - Cash Backed	1,082,429	947,677	861,509	787,801
Reserves - Asset Revaluation	1,590,381	1,590,381	1,590,381	1,590,381
Total Equity	54,434,913	54,424,379	53,970,862	53,322,635

Boyup Brook has upward trends for total assets, reserve funds and equity showing a growth in the overall wealth of the Shire. There is however an upward trend in long term borrowings.

Bridgetown-Greenbushes

	2008	2007	2006	2005
Current Assets	\$	\$	\$	\$
Cash and Cash Equivalents	5,405,575	6,050,266	2,853,396	2,263,123
Trade and Other Receivables	574,705	428,037	423,634	416,872
Inventories	23,826	22,575	658,721	664,836
Total Current assets	6,004,106	6,500,878	3,935,751	3,344,831
Non-Current Assets				
Other Receivables	44,195	45,858	43,770	47,613
Property, Plant & Equipment	7,963,202	7,791,323	7,577,323	7,256,483
Infrastructure	99,668,065	98,069,017	97,729,468	98,099,408
Total Non-Current assets	107,675,462	105,906,198	105,360,561	105,403,504
Total Assets	113,679,568	112,407,076	109,286,312	108,748,335
Current Liabilities				
Trade and Other Payables	351,543	803,916	449,726	444,345
Long Term Borrowings	35,272	564,312	74,290	70,307
Provisions	370,936	269,667	163,172	104,654
Total Current Liabilities	757,751	1,637,895	687,188	619,306
Non-Current Liabilities				
Long Term Borrowings	231,028	203,300	767,612	841,902
Provisions	132,146	186,944	185,203	171,487
Total Non-Current Liabilities	363,174	390,244	952,815	1,013,389
Total Liabilities	1,120,925	2,028,139	1,640,003	1,632,695
Net Assets	112,558,643	110,378,937	107,646,309	107,115,640
Equity				
Retained Surplus	50,694,311	48,239,120	48,579,553	48,854,056
Reserves - Cash Backed	4,515,946	4,791,431	1,718,370	913,198
Reserves - Asset Revaluation	57,348,386	57,348,386	57,348,386	57,348,386
Total Equity	112,558,643	110,378,937	107,646,309	107,115,640

Bridgetown-Greenbushes has upward trends for total assets, reserve funds and equity showing a growth in the overall wealth of the Shire. There is also a downward trend in long term borrowings which adds to financial stability.

Manjimup

	2008	2007	2006	2005
Current Assets	\$	\$	\$	\$
Cash and Cash Equivalents	2,856,818	2,618,575	3,346,074	3,460,717
Trade and Other Receivables	938,528	1,069,517	922,096	997,492
Inventories	97,954	63,879	54,901	43,329
Other Assets	104,335	57,230	33,533	47,555
Tax Assets	6,164	60,512	27,322	21,786
Total Current assets	4,003,799	3,869,713	4,383,926	4,570,879
Non-Current Assets				
Other Receivables	170,600	177,383	153,733	152,247
Property, Plant & Equipment	22,990,516	23,803,900	24,681,127	19,134,439
Infrastructure	209,094,074	227,071,022	202,109,754	205,564,665
Total Non-Current assets	232,255,190	251,052,305	226,944,614	224,851,351
Total Assets	236,258,989	254,922,018	231,328,540	229,422,230
Current Liabilities				
Trade and Other Payables	1,817,193	1,460,018	2,625,673	1,335,072
Short Term Borrowings	485,336	481,836	470,896	373,537
Provisions	749,509	750,924	748,141	612,485
Total Current Liabilities	3,052,038	2,692,778	3,844,710	2,321,094
Non-Current Liabilities				
Long Term Borrowings	5,295,002	5,560,700	6,005,442	4,222,142
Provisions	221,623	228,532	245,334	204,233
Total Non-Current Liabilities	5,516,625	5,789,232	6,250,776	4,426,375
Total Liabilities	8,568,663	8,482,010	10,095,486	6,747,469
Net Assets	227,690,327	246,440,009	221,233,053	222,674,761
Equity				
Retained Surplus	-9,134,596	-5,258,453	-4,643,448	-3,357,404
Reserves - Cash Backed	1,865,343	1,808,785	1,293,282	1,377,321
Reserves - Asset Revaluation	234,959,579	249,889,677	224,583,219	224,654,844
Total Equity	227,690,327	246,440,009	221,233,053	222,674,761

The trends for Manjimup show a slight decrease in Equity from 2005 to 2006, a large increase in 2007 and a decrease for 2008. Cash backed reserves show a similar trend for the first three years but with a slight increase from 2007 to 2008. Long term borrowings show a decline since 2006.

Property, Plant and Equipment and Infrastructure non-current assets show a decline in value from 2007 to 2008.

Nannup

	2008	2007	2006	2005
Current Assets	\$	\$	\$	\$
Cash and Cash Equivalents	7,168,872	6,754,065	1,545,200	1,078,943
Trade and Other Receivables	170,173	608,026	132,213	106,892
Inventories				
Total Current assets	7,339,045	7,362,091	1,677,413	1,185,835
Non-Current Assets				
Other Receivables	1,562	785		1,838
Property, Plant & Equipment	4,010,486	3,773,411	3,417,060	3,441,110
Infrastructure	81,535,727	79,991,093	30,919,441	31,425,479
Total Non-Current assets	85,547,775	83,765,289	34,336,501	34,868,427
Total Assets	92,886,820	91,127,380	36,013,914	36,054,262
Current Liabilities				
Trade and Other Payables	6,602,661	6,945,539	1,312,676	690,140
Long Term Borrowings	25,007	32,681	43,119	44,866
Provisions	156,615	126,852	143,240	120,907
Total Current Liabilities	6,784,283	7,105,072	1,499,035	855,913
Non-Current Liabilities				
Long Term Borrowings	41,279	66,288	98,967	142,086
Provisions	52,722	67,685	48,642	56,558
Total Non-Current Liabilities	94,001	133,973	147,609	198,644
Total Liabilities	6,878,284	7,239,045	1,646,644	1,054,557
Net Assets	86,008,536	83,888,335	34,367,270	34,999,705
Equity				
Retained Surplus	248,130	-1,181,865	-1,543,827	-890,956
Reserves - Cash-Backed	923,173	232,967	176,205	155,769
Reserves - Asset Revaluation	84,837,233	84,837,233	35,734,892	35,734,892
Total Equity	86,008,536	83,888,335	34,367,270	34,999,705

The trends for Nannup show an increase in value for total assets, reserve funds and equity showing a growth in the overall wealth of the Shire. There is also a downward trend in long term borrowings which adds to financial stability.

Property, Plant and Equipment and Infrastructure non-current assets show an increase in value each year.

7.3 Operating Statements by Program

The following Table sets out the operating statements of the four shires to allow comparisons by program revenue and expenditure. True comparisons are difficult as Shires can have different interpretations on where the same revenue and expenditure should be allocated.

Operating Statements by Program

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup
Op Revenues				
Governance	440	4,130	822,243	
General Purpose	2,640,220	4,227,041	7,403,973	2,252,971
Law, Order & PS	46,900	177,130	1,031,086	97,390
Health	453,499	7,250	32,802	3,500
Education & Welfare	6,400	3,500	495,716	
Housing	22,192	6,160	76,338	30,840
Community Amenities	99,300	637,034	1,330,129	77,300
Recreation & Culture	32,450	196,548	910,290	4,100
Transport	644,352	101,390	5,252,721	1,200
Economic Services	73,850	130,120	77,000	48,763
Other Prop & Services	16,821	114,845	21,150	25,000
	4,036,424	5,605,148	17,453,448	2,541,064
Op Expenditure				
Governance	454,475	849,573	1,703,322	242,717
General Purpose	46,501	95,586	23,000	121,378
Law, Order & PS	118,371	406,463	710,182	202,848
Health	522,837	206,185	288,294	59,077
Education & Welfare	60,015	198,593	589,852	90,865
Housing	109,062	25,389		52,167
Community Amenities	251,520	1,120,336	1,688,327	397,323
Recreation & Culture	514,482	1,462,761	3,104,075	395,071
Transport	2,608,808	2,470,994	8,466,790	1,819,397
Economic Services	275,778	398,624	1,070,650	257,163
Other Prop & Services	14,983	157,919	-14,566	127,908
	4,976,832	7,392,423	17,629,926	3,765,914
Borrowing Costs				
Governance	1,972		27,597	286
General Purpose		500		
Law, Order & PS			3,113	
Health	8,266			
Housing	46,333			2,427
Community Amenities	2,049	4,550	15,799	
Recreation & Culture	11,151		198,877	
Transport			48,701	1,591
Economic Services	5,413	11,201	71,101	
	75,184	16,251	365,188	4,304
Cont'b Devlp Assets				
Law, Order & PS		753,166		
Recreation & Culture		105,000		1,733,203
Transport	145,548	1,524,332		6,086,103
Economic Services				33,200
Other Prop & Service		9,000		
	145,548	2,391,498		7,852,506

<i>Profit/(Loss) sale assets</i>				
Governance		-2,392		-3,643
Law, Order & PS		3,992		
Health		238,752		
Community Amenities		-4,786		
Transport	-12,600	56,870		10,994
Economic Services		-2,445		
Other Prop & Services		49,000		
	-12,600	338,991		7,351
Net Result	-882,644	926,963	-541,666	6,886,519

7.4 Cash Flow Statements by Nature and Type

The following Table compares the Cash Flow Statements of the four Shires. The statements show the levels of revenue and expenditure for the various nature and types and determines and increase or decrease in the cash held by the Shire at the end of the financial year.

The statements are taken from the 2008/09 annual budgets of the Shires. An explanation of any increase or decrease in the cash held is included in the notes to the financial statements. To compare the financial performance of the Shires an analysis of the reasons for any increase or decrease has been undertaken. A decrease that is made up of a decrease in specific purpose reserve funds is not a cause to worry. If the decrease in reserve funds were to be greater than the decrease in cash it would appear that reserve funds are being used to fund operating expenses.

Boyup Brook budgeted to have a decrease in cash held at 30 June 2009 of \$1,466,550. This was made up of a decrease in cash backed reserve funds of \$868,049 and a decrease in unrestricted cash of \$598,501. The main decreases in reserve funds were the Police Housing Loan Unspent of \$572,392, the CEO Housing Reserve of \$300,625 and Road to Recovery funds of \$109,615.

Bridgetown-Greenbushes budgeted to have a decrease in cash held of \$1,125,347. Made up of a decrease in cash backed reserve funds of \$253,404 and decrease in unrestricted cash of \$877,257. The main decrease in reserve funds were Roads to Recovery Grants of \$228,862 and the Swimming Pool Reserve of \$41,982.

Manjimup has budgeted for a decrease in cash held of \$1,121,222. Made up of a decrease in cash in bank of \$808,349 and a decrease in cash backed reserve funds of \$312,873. The decrease in cash in bank would occur by utilising the cash surplus from the previous year. The decrease in reserve funds was through expenditure from the Plant and Equipment and Waste Management Reserve.

Nannup budgeted for a decrease in cash held of \$4,752,435. Made up of a decrease in restricted cash (specific road funds) of \$4,704,000, a decrease in Reserve funds of \$486,700 and offset by an increase in cash in bank of \$469,368. The decrease in reserve funds came from the specific reserve for the Kindergarten and Co-location Building Reserve.

These figures show that the Shires all budgeted for a decrease in cash held based on the expenditure of funds that had been set aside for a particular purpose and the decrease was not an erosion of their operating financial position.

Comparison of Cash Flow by Nature and Type

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup
Cash Flows from Operating Activities	\$	\$	\$	\$
Receipts				
Rates	1,693,063	2,835,448	5,658,477	853,629
Grants & Subsidies - operating	1,411,121	1,561,761	3,669,802	1,047,174
Contributions, Reimbursements & Donations	66,133	67,095	0	17,000
Fees & Charges	737,519	660,018	2,127,568	178,761
Interest Earnings	122,386	299,750	240,352	424,500
Goods and Services tax	0	295,000	0	0
Other	1,000	163,750	927,542	20,000
	4,031,222	5,882,822	12,663,468	2,541,064
Payments				
Employee Costs	2,486,638	3,016,601	6,383,465	1,013,229
Materials & Contracts	1,401,317	1,604,298	2,791,999	772,332
Utilities (gas, electricity, water, etc)	82,350	150,478	378,443	44,100
Insurance	128,323	172,657	349,825	126,016
Interest	75,184	16,251	365,188	4,304
Goods and Services Tax	0	295,000	0	0
Other	0	86,485	480,473	10,300
	4,173,812	5,341,770	10,749,393	1,970,281
Net Cash Provided by Operating Activities	142,590	541,052	1,914,075	570,783
Cash Flows from Investing Activities				
Purchase of Land	0	0	803,000	0
Payments for Purchase of Property, Plant and Equipment	1,513,500	2,084,340	2,698,505	360,000
Payments for Construction of Infrastructure	165,615	3,218,490	4,484,696	8,539,413
Grants/Contributions for the Development of Assets	145,548	2,385,760	4,183,560	3,127,306
Proceeds from Sale of Plant & Equipment	60,000	600,000	432,542	146,000
Net Cash Used in Investing Activities	1,473,567	2,317,070	3,370,099	5,626,107
Cash Flows from Financing Activities				
Repayment of Debentures	50,393	35,279	485,336	25,007
Proceeds from Self Supporting Loans	0	0	17,138	0
Proceeds from New Debentures	200,000	685,950	803,000	327,896
Net Cash Provided By (Used In) Financing Activities	149,607	650,671	334,802	302,889
Net Increase (Decrease) in Cash Held	1,466,550	1,125,347	1,121,222	4,752,435
Cash at Beginning of Year	2,333,322	5,405,575	2,837,767	6,999,485
Cash and Cash Equivalents at the end of the Year	866,772	4,280,228	1,716,545	2,247,050
% decrease in cash held	62.85%	20.82%	39.51%	67.90%

7.5 Nature and Type Revenue and Expenditure Percentages

The following Table compares the nature and type revenue and expenditure of the Shires by percentages. Non cash items such as depreciation and profit and loss on sale of assets have been excluded from the Table.

Although the Shires receive grants for capital works the receipt of a large grant or a large capital expenditure using grant funds received in advance can distort the percentages and therefore have been discounted.

The Table shows that as a percentage of operating revenue Boyup Brook has budgeted to receive 42.1% in rates, Bridgetown-Greenbushes 50.9%. Manjimup 44.2% and Nannup 33.6%.

The percentage of employee costs against operating expenditure for the Shires increases significantly with the removal of depreciation but accurately reflects the true percentages relative to cash expenditure. The percentages of employee costs for the Shires without depreciation and with depreciation are:

Boyup Brook	without	61.8%	with	48.1%
Bridgetown-Greenbushes		59.6%		40.6%
Manjimup		59.5%		35.1%
Nannup		50.6%		35.8%

Nature and Type Revenue and Expenditure Percentages

	Boyup Brook		Bridgetown-Greenbushes		Manjimup		Nannup	
Revenue	\$	%	\$	%	\$	%	\$	%
Rates	1,698,265	42.1	2,852,774	50.9	5,658,477	44.2	853,629	33.6
Grants and Subsidies	1,411,121	35.0	1,561,761	27.9	3,899,587	30.4	1,047,174	41.2
Contributions & Reimbursements	66,133	1.6	67,095	1.2			17,000	0.7
Service Charges								
Profit on sale of assets								
Fees and Charges	737,519	18.3	660,018	11.8	2,127,568	16.6	178,761	7.0
Interest Earnings	122,386	3.0	299,750	5.3	240,352	1.9	424,500	16.7
Other Revenue	1,000	0.0	163,750	2.9	882,399	6.9	20,000	0.8
Sub-total	4,036,424		5,605,148		12,808,383		2,541,064	
Expenditure								
Employee Costs	2,436,638	61.8	3,016,601	59.6	6,321,364	59.5	1,013,229	50.6
Materials & Contracts	1,217,528	30.9	1,606,794	31.8	2,791,999	26.3	804,832	40.2
Utilities	82,350	2.1	150,478	3.0	372,850	3.5	44,100	2.2
Depreciation								
Interest Expenses	75,184	1.9	16,251	0.3	365,188	3.4	4,304	0.2
Insurance	128,323	3.3	172,657	3.4	349,825	3.3	126,016	6.3
Loss on sale of Assets								
Other Expenditure			97,249	1.9	428,155	4.0	10,300	0.5
	3,940,023		5,060,030		10,629,381		2,002,781	