



Shire of
Nannup
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Minutes

Council Meeting held Thursday 28 March 2013

CONFIRMATION OF MINUTES

These minutes comprising pages 1 – 63 were confirmed by Council on 18 April 2013 as a true and accurate record.

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Tony Dean
SHIRE PRESIDENT

Minutes

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1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Chairperson declared the meeting open at 16:15 hours

ATTENDANCE:

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

Robert Jennings - Chief Executive Officer
Chris Wade - Manager Infrastructure
Vic Smith – Manager Corporate Services

VISITORS: 10

APOLOGIES: None

2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

(previously approved)

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Ms P Fraser

Q14. Why have no Councillors in the past attended public meetings on Yarragadee?

A14. Councillors have attended and also advocated for meetings regarding the Yarragadee in the past. Whether they have attended all such meetings is a question for individual Councillors.

Q15. Please explain where in the budget allocation was there the mention of the replacement of a 2 tonne tip truck?

A15. The tip truck income and expenditure are listed as separate items in the 2011/2012 budget under schedule 12 - Transport. Note 3 to the published budget shows plant and equipment acquisitions of \$410,000 and this includes the funding for the tipper truck.

4. PUBLIC QUESTION TIME

Mr L Gilcrest

Q1. Why are rate payers asked to sit down and questions not answered?

Shire President responded:

A1. We feel we do answer questions but these might not always be what the public wish to hear.

Q2. In relation to the Day Hospital in Balingup Road, did the Shire President say that he didn't care about the hospital because it wasn't next to him?

Shire President responded:

A2. That he has never made that comment.

Q3. Is it true that the Day Hospital in Balingup Road is a drug and sex clinic?

Shire President responded:

A3. There is no drug clinic in Nannup and the Day Hospital in Balingup Road is a class D hospital that has final Federal approval with final State approval in the process.

Ms R Stallard

Q4. Will you accept congratulations about saving the public toilets?

Shire President responded:

A4. Yes, thank you.

Q5. Are the tenants of Community House being evicted?

Shire President responded:

A5. No, they are not.

Q6. Are you aware that the interior Town Hall clock is missing?

Manager Infrastructure responded:

A6. No he was not aware that it was missing but he will look into it.

Ms P Fraser

Q7. Can the Councillors please use the microphones?

Shire President responded

A7. Yes, thank you.

Q8. Why did a Councillor not declare an interest at the January meeting about native title?

Question taken on notice.

- Q9. Is there anything being done about the argentine ants? They were a real nuisance at the Music Festival

Manager Infrastructure responded:

- A9. Whilst the ants are not actually a responsibility of Council, Council is currently looking into the problem, including a community workshop.

- Q10. Will Council be bituminizing Beggars Road?

Manager Infrastructure responded:

- A10. Council will look at the construction works required and action if possible.

- Q11. Can Council put blue metal around the sea container at the Waste Management facility before winter?

Manager Infrastructure responded:

- A11. Council will action this item as soon as resources allow.

- Q12. Will the public toilet sign in Adam Street be reinstated?

CEO responded

- A12. Once the public consultation has taken place and the decision is final the signs can be reinstated.

Mr N Helms

- Q13. In relation to item 11.1, has each member of Council read my objection and is the reasoning clear?

Shire President responded:

- A13. Yes.

- Q14. In relation to item 11.1, has Council prepared sufficiently to deal with these objections?

Shire President responded:

- A14. This will be covered in the debate later in the meeting

- Q15. In relation to item 11.1, is it possible to find a way to implement the noise buffer zone?

CEO responded

A15. Officers have made a recommendation based on information received and it will be up to Council to decide in the debate.

Q16. Wouldn't this be an equitable way forward?

Shire President responded

A16. No, we can't make a commitment before the item is debated.

Q17. In relation to item 11.1, are you aware that this business does not have planning approval?

Shire President responded:

A17. Yes.

Mr C Dawson

Q18. When was the Shire first notified about the bike trail (item 11.1)

CEO responded

A18. Unsure of the exact details. This item was triggered by a noise complaint and then we became aware of the current situation.

Q19. In relation to item 11.1, can you please explain 8.4.1 and 8.4.2 on pages 8 and 9?

CEO responded

A19. By outlining elements of planning law. The Planner has determined that it is a lawful business and we are here to determine this issue.

5. APPLICATIONS FOR LEAVE OF ABSENCE

None.

6. PETITIONS/DEPUTATIONS/PRESENTATIONS

Cliff and Margaret Dawson – Item 11.1 Application for Planning Approval – Retrospective Planning Consent for Trail Bike Park

John and Georgina Staines – Item 11.1 Application for Planning Approval – Retrospective Planning Consent for Trail Bike Park

Nathan Helms – Item 11.1 Application for Planning Approval – Retrospective Planning Consent for Trail Bike Park

7. DECLARATIONS OF INTEREST

The Shire President will read out any declarations received relating to financial, proximity or impartiality interests and ask for any further declarations to be made.

Members should make any declarations at the start of the meeting but may declare an interest before the resolution of any agenda item.

There was 1 declaration of Interest presented.

1. Cr Dunnet. Item 11.1 impartiality.

There were 4 declaration of Interest presented during the meeting.

1. Cr Dunnet. Item 11.2 financial.
2. Cr Steer. Item 11.2 impartiality.
3. Cr Mellema. Item 11.2 impartiality.
4. Cr Dean. Item 11.2 impartiality.

8. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

8926 LONGMORE/STEER

That the Minutes of the Ordinary Council Meeting of the Shire of Nannup held in Council Chambers on 28 February 2013 be confirmed as a true and correct record.

CARRIED 8/0

9. ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

None.

10. REPORTS BY MEMBERS ATTENDING COMMITTEES

Pest management meeting
Risk Advisory committee meeting
Drift Premier
WAEMI information session
Centenary celebrations for the Town Hall
Bushfire Advisory Committee meeting

11. REPORTS OF OFFICERS

Cr Dunnet declared an impartiality interest as a result of a relationship with one of the staff who work for the business in question.

8927 CAMARRI/GILBERT

Cr Dunnet to stay, participate and vote on item 11.1 – Application for Planning Approval – Retrospective Planning Consent for Trail Bike Park.

CARRIED 8/0

AGENDA NUMBER:	11.1
SUBJECT:	Application for Planning Approval – Retrospective Planning Consent for Trail Bike Park
LOCATION/ADDRESS:	Lot 4 White Road, Cundinup
NAME OF APPLICANT:	John & Georgina Staines (West Coast Trail Bike Safaris & Riding Park)
FILE REFERENCE:	A154
AUTHOR:	Steve Thompson – Consultant Planner
REPORTING OFFICER:	Robert Jennings – Chief Executive Officer
DISCLOSURE OF INTEREST:	Edge Planning & Property receive planning fees for advice to the Shire therefore declare a Financial Interest – Section 5.70 of the Local Government Act 1995
DATE OF REPORT	18 March 2013

- Attachment:
1. Location Map
 2. Extract of information provided by applicant
 3. Submissions
 4. Supplementary advice from applicant (including letters of support)
 5. Shire of Donnybrook–Balingup Planning Approval Minutes

BACKGROUND:

Site details

The site subject to this Planning Application is Lot 4 White Road, Cundinup which is shown in Attachment 1. The site is approximately 25 kilometres north of the Nannup townsite.

The site:

- is 154.68 hectares in area;
- contains a blue gum tree plantation over nearly all of the site with native vegetation along watercourses/creek lines;
- has a mixture of slopes from gentle to steeply sloping;
- contains a large dam and smaller dams/soaks; and

- is used as a motorbike riding park with various trails using firebreaks created for the plantation.

While Lot 4 is within the Shire of Nannup, the trail bike park is predominantly within the Shire of Donnybrook-Balingup on Lot 8101 White Road, Cundinup and Lot 8991 Price Road, Balingup. The entire property subject to the riding park is approximately 470 hectares which contains approximately 80 kilometres of bike trails.

Adjoining and surrounding land is land managed by Department of Environment and Conservation (DEC) and freehold land which is predominantly used for grazing of livestock and tree plantations.

Planning Application

The applicant has lodged a Planning Application seeking retrospective approval for a trail bike park (Attachment 2). The trail bike park commenced operation three years ago.

In addition to information set out in Attachment 2, the applicant has provided a Fire Management Plan that was prepared for the blue gum tree plantation. The Fire Management Plan is available to Councillors on request.

As mentioned, most of the trail bike park is within the Shire of Donnybrook-Balingup. There are no buildings on land within the Shire of Nannup. The portion of the site within the Shire of Donnybrook-Balingup includes a registration area (site office, storeroom and toilets), a campground along with trail bike circuits.

The applicants also operate tours which extend throughout the South West. The tours are not subject to this Planning Application.

Consultation

The Shire administration invited public comment on the Planning Application for a four week period by writing to adjoining/nearby landowners and relevant State Government agencies and having details available at the Shire office.

The Shire received 13 submissions on the Planning Application and these are provided in full in Attachment 3. Six submissions have been received from adjoining/nearby landowners and seven submissions have been received from State Government agencies, service providers and the Shire's Community Emergency Services Manager. The submissions from adjoining and nearby landowners generally oppose the application, while submissions from other agencies raise no objection but provide a range of advice.

The five submissions which oppose the application (4 landowners plus a leaseholder) raise a number of matters including:

- noise impacts on amenity/lifestyle including a loss of tranquility;

- bushfire risks – the site is fire prone and the riding park will add to the risks;
- logistical challenges given the site’s relatively isolated location, including the availability of medical, ambulance and fire fighting services; and
- detrimental impact on property values.

Supplementary advice from applicant

In accordance with standard practice, the Shire provided the applicant with the submissions and the opportunity to respond to the objections, and issues. Attachment 4 sets out the applicant’s response along with three letters of support. The letters of support highlight:

- safety and environment benefits of commercial ride parks;
- the facility reduces Shire resources in managing off-road areas; and
- the riding park is well managed including in relation to soil, water, noxious weed management and fire protection.

Planning framework

The site is zoned “Priority Agriculture 2” in the *Shire of Nannup Local Planning Scheme No. 3* (LPS3).

Sub-clause 4.13.3 of LPS3 titled “specific objectives of the Zone” states:

- “(a) To conserve the productive potential of the land and support the continued development of large scale agricultural establishments;
- (b) To preserve the rural character and setting of the zone; and
- (c) To ensure that any non-agricultural development is complementary to the predominant agricultural use and capability of the land”.

The use is best defined as “recreation - private” which means “premises used for indoor and outdoor leisure, recreation and sport which are not usually open to the public without charge.” Recreation - Private is included within “Recreation and Leisure” in sub-clause 4.3.4. Recreation and Leisure is a “D” use in the Agriculture Priority 2 zone as set out in the Zoning Table. Sub-clause 4.3.2 states “‘D’ means that the use is not permitted unless the local government has exercised its discretion by granting planning approval.”

Clause 10.2 of LPS3 titled “Matters to be considered by local government” in part states:

“The local government in considering an application for planning approval shall have due regard to such of the following matters as are in the opinion of the local government relevant to the use or development subject of the application:

- (a) the aims and provisions of this Scheme and any other relevant town planning scheme(s) operating within the Scheme Area;
- (b) the Local Planning Strategy;
- (c) the requirements of orderly and proper planning including any relevant proposed new town planning scheme or amendment, or region scheme or amendment, which has been granted consent for public submissions to be sought;
- (j) the compatibility of a use or development within its setting;
- (k) any social issues that have an effect on the amenity of the locality;
- (m) the likely effect of the proposal on the natural environment and any means that are proposed to protect or to mitigate impacts on the natural environment;
- (n) whether the land to which that application relates is unsuitable for the proposal by reason of it being, or likely to be, subject to flooding, inundation, subsidence, landslip, bush fire or any other risk;
- (o) the preservation of the amenity of the locality;
- (p) the relationship of the proposal to development on adjoining land or on other land in the locality including but not limited to, the likely effect of the height, bulk, scale, orientation and appearance of the proposal;
- (q) whether the proposed means of access to and egress from the site are adequate and whether adequate provision has been made for the loading, unloading, manoeuvring and parking of vehicles;
- (r) the amount of traffic likely to be generated by the proposal, particularly in relation to the capacity of the road system in the locality and the probable effect on traffic flow and safety;
- (w) whether adequate provision has been made for the landscaping of the land to which the planning application relates and whether any trees or other vegetation on the land should be preserved;
- (z) any relevant submissions received on the application;
- (za) the comments or submissions received from any authority consulted under sub-clause 10.1.1; and
- (zb) any other planning consideration the local government considers relevant.

Clause 8.4 titled, “unauthorised existing developments” states:

“8.4.1 The local government may grant planning approval to a use or development already commenced or carried out regardless of when it was commenced or carried out, providing the development conforms to the provisions of the Scheme.

8.4.2 Development which was unlawfully commenced is not rendered lawful by the occurrence of any subsequent event except the granting of planning

approval, and the continuation of the development unlawfully commenced is taken to be lawful upon the grant of planning approval.”

The site is located in Precinct NR6 in the *Shire of Nannup Local Planning Strategy*. Precinct objectives include to:

- Provide for the sustainable use of land within the agricultural zones for a range of rural pursuits.
- Protection of Agriculture Priority area from potential land use conflict with tourism developments.

Planning consent issued by the Shire of Donnybrook-Balingup

The Donnybrook-Balingup Council, at its meeting on 27 February 2013, granted conditional planning approval for the retrospective use of a trail bike park on Lot 8101 White Road, Cundinup and on Lot 8991 Price Road, Balingup.

COMMENT:

Overview

It is recommended that Council approve the Planning Application subject to conditions. This follows assessment against LPS3, the Local Planning Strategy, Local Planning Policies, State Planning Policies, the submissions, supplementary advice from the applicant, and noting the recent decision of the Donnybrook-Balingup Council.

While noting opposition from some adjoining/nearby landowners, it is concluded that the riding park is conditionally appropriate for this site for reasons including:

- the predominant use of the site is the Blue Gum Plantation and not the Riding Park;
- it provides an important recreational facility, in a controlled environment, which is ideally located away from dwellings and “sensitive” uses;
- it appears to be well managed in addressing land management and other considerations;
- State Government agencies raise no objection; and
- it assists in diversifying the local economy.

Consistency with LPS3

The use of the land (4 White Road, Cundinup) for a trail bike park is deemed to be consistent with the aims and objective of the Priority Agricultural 2 Zone in LPS3. The dominant use of the land is the existing Blue Gum plantation and that the use of the land for a trail bike park (recreation – private) is incidental to the main use.

The use is best described as “recreation - private” which is a “D” use in the Agricultural Priority 2 Zone. This means the Council has the discretion to approve the use without requiring a Scheme Amendment. Accordingly, a Scheme Amendment of the land is not required. It is therefore recommended that the Council dismiss this particular matter raised by Mr Olde.

Noise impacts

It is suggested that excessive noise is the most frequent reason people have concerns regarding trail bikes. Accordingly, it is suggested that noise is the key issue with this Planning Application.

At this stage, the applicant has not commissioned a noise impact assessment to confirm that measures will be sufficient to ensure that there are no unacceptable noise impacts to neighbouring properties. To provide technical evidence to the matter, the officer recommendation includes a condition requiring that a noise impact assessment be prepared. Subject to the outcomes of the noise impact assessment, this may limit portions of the site e.g. along the boundary of the site, for trail bikes at all times or certain times e.g. subject to prevailing winds.

The *Environmental Protection (Noise) Regulations 1997* apply to the site (and throughout Western Australia) regardless of whether a Planning Application is lodged or a planning approval is given. Should written complaints on noise be received in the future, the Shire will separately investigate.

While noting the above, it is highlighted that the site is located in a sparsely populated area of the municipality and there are, currently, limited sensitive land uses (residences) located near the site. Based on aerial photography, the closest dwelling appears to be located over 1 km west of the riding park. It is suggested that noise from much of the riding park can be controlled due to the topography, buffers of blue gums and prevailing winds.

It is recommended that if the Council grants (retrospective) planning consent for the trail bike park, a condition be included in any approval advising that customer use of motorbikes on the tracks is only permitted between the hours of 9.00am and 6.00pm.

Fire management

The site has an extreme bushfire hazard. Further, it also adjoins State Forest. A Fire Management Plan (FMP) was prepared for the site as part of the establishment of the blue gum plantation. It is recommended that an updated FMP be prepared which addresses the additional fire risks and required implementation measures for the trail bike park and associated uses e.g. camping. The Department of Fire and Emergency Services, the Shire's Community Emergency Services Manager and other submissions highlighted the need for an updated FMP.

The FMP should in part identify the procedures in the event of an emergency. Should the Council resolve to grant Planning Approval, it is recommended that the FMP should be periodically reviewed by the operator to ensure it remains current.

On-going management

There are on-going issues relating to the safety, security and management of riders/visitors, along with logistical challenges including the availability of medical,

ambulance and fire fighting services. While noting the site's relatively isolated location, it is suggested that many of these safety, security and management issues primarily relate to duty of care considerations for the operator.

Effective on-going management is a critical issue. Significantly, the responsibility for appropriate on-going management rests with the landowner/operator to ensure that riders and visitors are responsible and do not create inappropriate impacts, including noise, fire, litter etc. to adjoining/nearby properties.

To minimise land use impacts and encourage appropriate neighbourly relations, a recommended condition requires the applicant to prepare and gain approval for an appropriate Management Plan. It is suggested that the Management Plan, amongst other matters, should:

- address the responsibility for rider/visitor behaviour and management measures to be implemented to minimise adverse impact on the amenity of the locality;
- outline the approach to maximise the safety and security of riders/visitors;
- seek the operation to be a good neighbour and be considerate including noise, litter and the approach to reducing fire risks;
- acknowledge that the riding park is located in an agricultural area and that the impacts of agricultural pursuits should be expected and tolerated; and
- highlight the requirement to not enter adjoining privately owned or DEC managed land.

It is also noted that adjoining/nearby landowners have a common law right that addresses trespass.

Detrimental impact on property values

No professional evidence has been provided to verify this claim.

DEC advice

The support of DEC is noted. DEC advise the riding park provides a controlled off-road facility and assists to reduce uncontrolled off-road riding within DEC managed land. DEC also note amongst other matters that:

- the site contains remnant vegetation;
- the site contains potential Black Cockatoo habitat;
- the site is adjacent to DEC managed land;
- there are opportunities to minimise environmental impacts;
- there is a need for appropriate fire fighting equipment; and
- the use must comply with Noise Regulations.

STATUTORY ENVIRONMENT:

Planning and Development Act 2005 and LPS3.

POLICY IMPLICATIONS: None

FINANCIAL IMPLICATIONS: None

STRATEGIC IMPLICATIONS:

The trail bike park is used by people from the Shire of Nannup, South West, Perth and from other parts of Western Australia. It has potential to support local business.

VOTING REQUIREMENTS: Simple Majority

RECOMMENDATION:

That Council approve the Planning Application for the Trail Bike Park (recreation – private) at Lot 4 White Road, Cundinup received on 13 December 2012 subject to the following conditions:

1. The development hereby approved is to be carried out in accordance with the plans and specifications submitted with the application, addressing all conditions, or otherwise amended by the local government and shown on the approved plans and these shall not be altered and/or modified without the prior knowledge and written consent of the local government.
2. A Fire Management Plan is to be submitted to the local government and the Department of Fire and Emergency Services by 30 September 2013. The Fire Management Plan is to be prepared to the satisfaction of the local government and the Department of Fire and Emergency Services. Following this, measures and recommendations in the approved Fire Management Plan are to be implemented by 31 March 2014 and maintained to the satisfaction of the local government.
3. The applicant must have commissioned a suitably qualified acoustic consultant with the resulting acoustic assessment submitted to the local government by 30 September 2013. The acoustic assessment is to incorporate a series of noise tests, measured at appropriate locations, to the satisfaction of the local government. The results of the noise tests should confirm that the trail bike park use is being conducted in a manner so that noise emissions do not exceed the levels cited in the *Environmental Protection (Noise) Regulations 1997*. The recommendations arising from the acoustic assessment must be carried out to the satisfaction of the Shire of Nannup by 31 March 2014.

4. The proponent is to submit and gain local government acceptance of a Management Plan, prior to 30 September 2013, which addresses the responsibility for the behaviour of riders, clients and visitors and the management measures to be implemented to minimise adverse impacts on the amenity of the locality.
5. Customer motorcycle use on the site shall be confined between 9.00am to 6.00pm.
6. The trails and fire protection areas are to be located within existing cleared areas in order to avoid impacts on native vegetation.
7. Fencing to restrict rider, vehicle and walking access to the adjoining State Forest and freehold land is to be maintained to the satisfaction of the local government.
8. The operator of the trail bike park shall take all necessary steps to ensure the safety of persons visiting and working at the site at all times.
9. The operator to develop, in consultation with the Department of Environment and Conservation, a management plan to control the spread of noxious weed, dieback and other harmful diseases by 31 December 2014.
10. The applicant retaining adequate public liability insurance to the satisfaction of the local government.

Advice

- A) In relation to Condition 2, the Fire Management Plan is required to be relevant to the trail bike park use in addition to the tree plantation and to address matters including evacuation. The Fire Management Plan should be regularly reviewed to ensure it complies with best practice to assist in managing risk. Additionally, the development is to comply with the Shire of Nannup's Fuel Reduction Order and observance of the Restricted and Prohibited Season.
- B) In relation to Condition 3, noise emissions must comply with the *Environmental Protection (Noise) Regulations 1997*. The *Environmental Protection Act 1986* contains penalties where the assigned levels prescribed by the *Environmental Protection (Noise) Regulations 1997* are exceeded.
- C) In relation to Condition 4, the Management Plan is to:
 - address the responsibility for rider/visitor behaviour and management measures to be implemented to minimise adverse impact on the amenity of the locality;
 - outline the approach to maximise the safety and security of riders/visitors;
 - seek the operation to be a good neighbour and be considerate including noise, litter and the approach to reducing fire risks;

- acknowledge that the riding park is located in an agricultural area and that the impacts of agricultural pursuits should be expected and tolerated; and
 - highlight the requirement to not enter adjoining Department of Environmental and Conservation or private land.
- D) In relation to Condition 10 it is understood that West Coast Trail Bike Safaris & Riding Park have public liability cover of not less than \$10,000,000 in respect of any one event to provide indemnity to both injury to persons and damage to property.
- E) The applicant is advised that the Council reserves the right to cancel this approval where it is of the view that any or all of the conditions of approval are not being appropriately complied with.
- F) The Department of Environment and Conservation advises that:
- the clearing of native vegetation is prohibited, unless the clearing is authorised by a clearing permit obtained from DEC, or is a kind that is exempt in accordance with Schedule 6 or Regulation 5 (*Clearing of Native Vegetation Regulations*) under the *Environmental Protection Act 1986*;
 - the site contains several water courses;
 - the site is adjacent to the Jarrahwood and Mullalyup State Forests managed by DEC advising that approval of the development should not result in impositions being placed upon the management of DEC managed lands;
 - that any discharges associated with the proposed riding park must comply with the *Environmental Protection (Unauthorised Discharges) Regulations 2004* and that the proponent may consider the inclusion of designated bike repair/maintenance areas to reduce the risk of hydrocarbon discharge to the land and/or streams; and
 - waterways and major drainage crossings should be managed with suitable bridging, piping and hardening of approaches.
- G) Creek crossings should be designed in accordance with the Department of Water's creek crossing brochure.
- H) It is recommended that:
- written policies and procedures on injury management and the transfer of injured people to medical care are developed and regularly reviewed;
 - appropriate evacuation resources are provided and maintained;
 - the applicant/operator has suitably trained personnel on-site whenever there are clients using the trails; and
 - the applicant/operator informs St Johns Ambulance (Donnybrook and Nannup) prior to events and informs the local hospitals (Donnybrook and Nannup) prior to significant events.

- I) The proponent is advised that development of the subject property in accordance with this Planning Approval may result in the method of rating for the property being reviewed.
- J) It is the responsibility of the proponent/landowner to advise the local government when all conditions relating to the development have been satisfied.
- K) Part 14 of the *Planning and Development Act 2005* provides the right to apply to the State Administrative Tribunal for review of some planning decisions and you may wish to take professional advice to determine whether or not such a right exists in the present instance. The *State Administrative Tribunal Rules 2004* require that any such applications for review be lodged with the Tribunal within 28 days of the date on which notice of the decision is given.

CAMARRI/DUNNET

That Council approve the Planning Application for the Trail Bike Park (recreation – private) at Lot 4 White Road, Cundinup received on 13 December 2012 subject to the following conditions as amended:

1. The development hereby approved is to be carried out in accordance with the plans and specifications submitted with the application, addressing all conditions, or otherwise amended by the local government and shown on the approved plans and these shall not be altered and/or modified without the prior knowledge and written consent of the local government.
2. A Fire Management Plan is to be submitted to the local government and the Department of Fire and Emergency Services by 30 September 2013. The Fire Management Plan is to be prepared to the satisfaction of the local government and the Department of Fire and Emergency Services. Following this, measures and recommendations in the approved Fire Management Plan are to be implemented by 31 March 2014 and maintained to the satisfaction of the local government.
3. Removed.
4. The proponent is to submit and gain local government acceptance of a Management Plan, prior to 30 September 2013, which addresses the responsibility for the behaviour of riders, clients and visitors and the management measures to be implemented to minimise adverse impacts on the amenity of the locality.
5. Customer motorcycle use on the site shall be confined between 9.00am to 6.00pm.

6. The trails and fire protection areas are to be located within existing cleared areas in order to avoid impacts on native vegetation.
7. Fencing to restrict rider, vehicle and walking access to the adjoining State Forest and freehold land is to be maintained to the satisfaction of the local government.
8. The operator of the trail bike park shall take all necessary steps to ensure the safety of persons visiting and working at the site at all times.
9. Deleted.
10. Moved to Advice.

Advice

- A) In relation to Condition 2, the Fire Management Plan is required to be relevant to the trail bike park use in addition to the tree plantation and to address matters including evacuation. The Fire Management Plan should be regularly reviewed to ensure it complies with best practice to assist in managing risk. Additionally, the development is to comply with the Shire of Nannup's Fuel Reduction Order and observance of the Restricted and Prohibited Season.
- B) Deleted.
- C) In relation to Condition 4, the Management Plan is to:
 - address the responsibility for rider/visitor behaviour and management measures to be implemented to minimise adverse impact on the amenity of the locality;
 - outline the approach to maximise the safety and security of riders/visitors;
 - seek the operation to be a good neighbour and be considerate including noise, litter and the approach to reducing fire risks;
 - acknowledge that the riding park is located in an agricultural area and that the impacts of agricultural pursuits should be expected and tolerated; and
 - highlight the requirement to not enter adjoining Department of Environmental and Conservation or private land.
- D) In relation to Condition 10 it is understood that West Coast Trail Bike Safaris & Riding Park have public liability cover of not less than \$10,000,000 in respect of any one event to provide indemnity to both injury to persons and damage to property.
- E) The applicant is advised that the Council reserves the right to cancel this approval where it is of the view that any or all of the conditions of approval are not being appropriately complied with.

- F) The Department of Environment and Conservation advises that:
- the clearing of native vegetation is prohibited, unless the clearing is authorised by a clearing permit obtained from DEC, or is a kind that is exempt in accordance with Schedule 6 or Regulation 5 (*Clearing of Native Vegetation Regulations*) under the *Environmental Protection Act 1986*;
 - the site contains several water courses;
 - the site is adjacent to the Jarrahwood and Mullalyup State Forests managed by DEC advising that approval of the development should not result in impositions being placed upon the management of DEC managed lands;
 - that any discharges associated with the proposed riding park must comply with the *Environmental Protection (Unauthorised Discharges) Regulations 2004* and that the proponent may consider the inclusion of designated bike repair/maintenance areas to reduce the risk of hydrocarbon discharge to the land and/or streams; and
 - waterways and major drainage crossings should be managed with suitable bridging, piping and hardening of approaches.
- G) Creek crossings should be designed in accordance with the Department of Water's creek crossing brochure.
- H) It is recommended that:
- written policies and procedures on injury management and the transfer of injured people to medical care are developed and regularly reviewed;
 - appropriate evacuation resources are provided and maintained;
 - the applicant/operator has suitably trained personnel on-site whenever there are clients using the trails; and
 - the applicant/operator informs St Johns Ambulance (Donnybrook and Nannup) prior to events and informs the local hospitals (Donnybrook and Nannup) prior to significant events.
- I) The proponent is advised that development of the subject property in accordance with this Planning Approval may result in the method of rating for the property being reviewed.
- J) It is the responsibility of the proponent/landowner to advise the local government when all conditions relating to the development have been satisfied.
- K) Part 14 of the *Planning and Development Act 2005* provides the right to apply to the State Administrative Tribunal for review of some planning decisions and you may wish to take professional advice to determine whether or not such a right exists in the present instance. The *State Administrative Tribunal Rules*

2004 require that any such applications for review be lodged with the Tribunal within 28 days of the date on which notice of the decision is given.

- L) The applicant retaining adequate public liability insurance to the satisfaction of the local government.

LOST 3/5

Voting for the motion: Dunnet, Camarri and Lorkiewicz.

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

8928 MELLEMA/LONGMORE

That Council approve the Planning Application for the Trail Bike Park (recreation – private) at Lot 4 White Road, Cundinup received on 13 December 2012 subject to the following conditions as amended:

1. The development hereby approved is to be carried out in accordance with the plans and specifications submitted with the application, addressing all conditions, or otherwise amended by the local government and shown on the approved plans and these shall not be altered and/or modified without the prior knowledge and written consent of the local government.
2. A Fire Management Plan is to be submitted to the local government and the Department of Fire and Emergency Services by 30 September 2013. The Fire Management Plan is to be prepared to the satisfaction of the local government and the Department of Fire and Emergency Services. Following this, measures and recommendations in the approved Fire Management Plan are to be implemented by 31 March 2014 and maintained to the satisfaction of the local government.
3. The applicant must have commissioned a suitably qualified acoustic consultant with the resulting acoustic assessment submitted to the local government by ~~30 September 2013~~ 30 June 2013. The acoustic assessment is to incorporate a series of noise tests, measured at appropriate locations, to the satisfaction of the local government. The results of the noise tests should confirm that the trail bike park use is being conducted in a manner so that noise emissions do not exceed the levels cited in the *Environmental Protection (Noise) Regulations 1997*. The recommendations arising from the acoustic assessment must be carried out to the satisfaction of the Shire of Nannup by 31 March 2014.
4. The proponent is to submit and gain local government acceptance of a Management Plan, prior to 30 September 2013, which addresses the responsibility for the behaviour of riders, clients and visitors and the management measures to be implemented to minimise adverse impacts on the amenity of the locality.

5. Customer motorcycle use on the site shall be confined between 9.00am to 6.00pm.
6. The trails and fire protection areas are to be located within existing cleared areas in order to avoid impacts on native vegetation.
7. Fencing to restrict rider, vehicle and walking access to the adjoining State Forest and freehold land is to be maintained to the satisfaction of the local government.
8. The operator of the trail bike park shall take all necessary steps to ensure the safety of persons visiting and working at the site at all times.
9. Moved to Advice.
10. Moved to Advice.

Advice

- A) In relation to Condition 2, the Fire Management Plan is required to be relevant to the trail bike park use in addition to the tree plantation and to address matters including evacuation. The Fire Management Plan should be regularly reviewed to ensure it complies with best practice to assist in managing risk. Additionally, the development is to comply with the Shire of Nannup's Fuel Reduction Order and observance of the Restricted and Prohibited Season.
- B) In relation to Condition 3, noise emissions must comply with the Environmental Protection (Noise) Regulations 1997. The Environmental Protection Act 1986 contains penalties where the assigned levels prescribed by the Environmental Protection (Noise) Regulations 1997 are exceeded.
- C) In relation to Condition 4, the Management Plan is to:
- address the responsibility for rider/visitor behaviour and management measures to be implemented to minimise adverse impact on the amenity of the locality;
 - outline the approach to maximise the safety and security of riders/visitors;
 - seek the operation to be a good neighbour and be considerate including noise, litter and the approach to reducing fire risks;
 - acknowledge that the riding park is located in an agricultural area and that the impacts of agricultural pursuits should be expected and tolerated; and
 - highlight the requirement to not enter adjoining Department of Environmental and Conservation or private land.
- D) In relation to Condition 10 it is understood that West Coast Trail Bike Safaris & Riding Park have public liability cover of not less than \$10,000,000 in respect of

any one event to provide indemnity to both injury to persons and damage to property.

E) The applicant is advised that the Council reserves the right to cancel this approval where it is of the view that any or all of the conditions of approval are not being appropriately complied with.

F) The Department of Environment and Conservation advises that:

- the clearing of native vegetation is prohibited, unless the clearing is authorised by a clearing permit obtained from DEC, or is a kind that is exempt in accordance with Schedule 6 or Regulation 5 (*Clearing of Native Vegetation Regulations*) under the *Environmental Protection Act 1986*;
- the site contains several water courses;
- the site is adjacent to the Jarrahwood and Mullalyup State Forests managed by DEC advising that approval of the development should not result in impositions being placed upon the management of DEC managed lands;
- that any discharges associated with the proposed riding park must comply with the *Environmental Protection (Unauthorised Discharges) Regulations 2004* and that the proponent may consider the inclusion of designated bike repair/maintenance areas to reduce the risk of hydrocarbon discharge to the land and/or streams; and
- waterways and major drainage crossings should be managed with suitable bridging, piping and hardening of approaches.

G) Creek crossings should be designed in accordance with the Department of Water's creek crossing brochure.

H) It is recommended that:

- written policies and procedures on injury management and the transfer of injured people to medical care are developed and regularly reviewed;
- appropriate evacuation resources are provided and maintained;
- the applicant/operator has suitably trained personnel on-site whenever there are clients using the trails; and
- the applicant/operator informs St Johns Ambulance (Donnybrook and Nannup) prior to events and informs the local hospitals (Donnybrook and Nannup) prior to significant events.

I) The proponent is advised that development of the subject property in accordance with this Planning Approval may result in the method of rating for the property being reviewed.

J) It is the responsibility of the proponent/landowner to advise the local government when all conditions relating to the development have been satisfied.

- K) Part 14 of the *Planning and Development Act 2005* provides the right to apply to the State Administrative Tribunal for review of some planning decisions and you may wish to take professional advice to determine whether or not such a right exists in the present instance. The *State Administrative Tribunal Rules 2004* require that any such applications for review be lodged with the Tribunal within 28 days of the date on which notice of the decision is given.

- L) The operator to develop, in consultation with the relevant authorities and the WAPRES management plan to control the spread of noxious weeds, dieback and other harmful diseases by 31 December 2014.

- M) The applicant retaining adequate public liability insurance to the satisfaction of the local government.

CARRIED 5/3

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

Voting against the motion: Gilbert, Camarri and Lorkiewicz

Reason for the change:

The control of noxious weeds is not the sole responsibility of the applicant and it would be unreasonable to include it as a planning condition.

Cr Steer declared an impartiality interest as a member of the RSL.

Cr Dunnet declared a financial interest as a member of the Scott River Growers.

Cr Mellema declared an impartiality interest as a member of the Nannup District High School.

Cr Dean declared an impartiality interest as a life member of the Arts Council.

8929 CAMARRI/LONGMORE

Cr Steer, Dunnet, Mellema and Dean to stay, participate and vote on item 11.2 – Community Group Grants 2013.

CARRIED 3/1

Voting for the motion: Camarri, Gilbert and Longmore

Voting against the motion: Lorkiewicz

Cr Dunnet left the meeting at 17.35 hours.

AGENDA NUMBER:	11.2
SUBJECT:	Community Group Grants 2013
LOCATION/ADDRESS:	Nannup
NAME OF APPLICANT:	N/A
FILE REFERENCE:	FNC 9
AUTHOR:	Louise Stokes, Community Development Officer
REPORTING OFFICER:	Robert Jennings, Chief Executive Officer
DISCLOSURE OF INTEREST:	Member of Nannup Garden Village and Nannup Arts Council
DATE OF REPORT	16 March 2013

BACKGROUND:

The Shire Community Grants for 2013/14 were advertised for a period of six weeks. A total of five applications were received.

The Nannup Music Club is currently negotiating a three year service agreement with the Shire and therefore not included in this program.

COMMENT

Below is a summarised list of applications.

Organisation	Reason For Request	Requested \$
Nannup Garden Village Inc	Hire fees and associated costs for the Nannup Flower and Garden festival, assistance with coordinator fees to reduce the administration load on volunteers.	\$6,000
Nannup District High School	Graduation prizes	\$200
RSL Hall	Concrete area at rear of RSL Town Hall to improve safety and accessibility to toilets	\$1,000
Scott River Growers Association	8.7m x 9m verandah extension to Scott River Fire Shed	\$15,000
Nannup Arts Council	Hire fees for the Arts Festival and associated festival costs	\$3,000
Total		\$25,200

All of the applications, with the exception of the Scott River Growers Association, have been identified for consideration as part of the 2013/14 Budget approval process as Community Grants. This would mean a total allocation of \$10,200 to Community Grants with the Nannup Music Festival service agreement being considered separately.

It is recommended that the application from the Scott River Growers Group should be treated as an addition to the Shire of Nannup assets and be included in the capital section of the 2013/14 Budget deliberations. This would be consistent with the previous decisions of Council on the Carlotta Fireshed.

A selection committee was not activated based on the value of grants being equal in value to previous year's approved allocations.

STATUTORY ENVIRONMENT: None

POLICY IMPLICATIONS: None

FINANCIAL IMPLICATIONS:

If endorsed by Council, a \$10,200 allocation to Community Organisations in the financial year 2013/14

STRATEGIC IMPLICATIONS: None

VOTING REQUIREMENTS: Simple Majority

RECOMMENDATION:

That an amount of \$10,200 for the identified community groups be considered as part of the Shire of Nannup 2013/14 Budget approval process for the Community Group Grants.

8930 LONGMORE/MELLEMA

That an amount of \$10,200 for the identified community groups be considered as part of the Shire of Nannup 2013/14 Budget approval process for the Community Group Grants.

CARRIED 5/2

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

Voting against the motion: Camarri and Lorkiewicz

Cr Dunnet returned to the meeting at 17.41 hours.

Cr Longmore left the meeting at 17.41 hours.

Cr Longmore returned to the meeting at 17.42 hours.

AGENDA NUMBER:	11.3
SUBJECT:	Deputy Chief Bushfire Control Officer
LOCATION/ADDRESS:	N/A
NAME OF APPLICANT:	Shire of Nannup
FILE REFERENCE:	FRC 1
AUTHOR:	Robert Jennings – Chief Executive Officer
REPORTING OFFICER:	Robert Jennings - Chief Executive Officer
DISCLOSURE OF INTEREST:	N/A
DATE OF REPORT	15 March 2013

Attachment: Minutes Bush Fire Advisory Meeting March 2013

BACKGROUND:

At the March 2013 Bush Fire Brigade meeting, Council's Chief Bushfire Control Officer (CBFCO) put a motion to the meeting that Mr C Wade be nominated as a Deputy Chief Bush Fire Control Officer. Mr Wade has indicated his willingness to carry out the role of Deputy Chief Bushfire Control Officer. The following is an excerpt of the minutes of that meeting (attached):

6.1 Chief Bush Fire Control Officer – Mr John Patman

- *Thanks to brigades attending recent fire Prohibited burning season.*
- *Extend by 14 days Information on proposed new permit system trial*
- *Chris Wade – Manager Infrastructure nominated as Deputy Chief Bushfire Control Officer.*

*Moved J Patman
Seconded M Cole
Carried*

COMMENT:

Advice from Department of Fire and Emergency Service strongly encourages the use of two Deputy Chief Bushfire Control Officers. In the case of the Shire of Nannup, the position of a second Deputy Chief Bushfire Control Officer has been vacant for some time.

With Mr Wade's role in Council as Infrastructure Manager and responsible for Emergency Management, it would appear that this role fits comfortably with a role as Deputy Bush Fire Control Officer once the relevant training has been completed.

STATUTORY ENVIRONMENT: None

POLICY IMPLICATIONS: None

FINANCIAL IMPLICATIONS: None

STRATEGIC IMPLICATIONS: Emergency Management Preparedness and Response

VOTING REQUIREMENTS: Simple Majority

RECOMMENDATION:

That Council endorse Mr Chris Wade as a Deputy Chief Bushfire Control Officer as per the Bush Fire Advisory Committee recommendation.

8931 MELLEMA/CAMARRI

That Council endorse Mr Chris Wade as a Deputy Chief Bushfire Control Officer as per the Bush Fire Advisory Committee recommendation.

CARRIED 8/0

AGENDA NUMBER:	11.4
SUBJECT:	Rates Equalisation Options
LOCATION/ADDRESS:	Nannup
NAME OF APPLICANT:	Shire of Nannup
FILE REFERENCE:	RAT 9
AUTHOR:	Vic Smith – Manager Corporate Services
REPORTING OFFICER:	Vic Smith – Manager Corporate Services
DISCLOSURE OF INTEREST:	None
DATE OF REPORT	11 March 2013

BACKGROUND:

A key consideration in preparing the annual budget is the balance to be struck between Gross Rental Valuation (GRV) and Unimproved Valuation (UV) properties in raising rates. A budget workshop held with councillors on 21 February 2013 identified the following alternative approaches:

1. Equalisation of minimum rates
2. Equalisation of yield
3. Equalisation by Grant Commission Assessment
4. Equalisation by ratepayer/assessment

Council's current resolutions concerning rate modelling remain unchanged from resolutions C1, C2 and C2a of minute number 8243 of the Council meeting of 27 August 2009, which reads as follows:

- C1 *That the Council adopt the principle that future rate increases should be at or above CPI and more closely linked to the LGCI (Local Government Cost Index) given that the latter has more relevance to local governments' costs, and that Council actively seek to achieve the Grants Commission overall assessed rate capacity by reasonable incremental rate increases.*
- C2 *That the Council review the relativities in rate contributions from the GRV and UV sectors to bring these more in line with the Local Government Grants Commission's assessment of the Shire's rating capacity and with rates levied by neighbouring and regional local governments.*
- C2a *Council also analyse and assess the minimum rate against operating revenue to achieve the required benchmark for a local government of this size.*

The rate model for 2012/13 is:

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.091602	\$675	\$657,642	49.16%
UV	0.003280	\$885	\$578,549	49.60%
			\$1,236,191	

COMMENT:

Current Policy

The report to Council on 23 August 2012 that set the rate in the dollar for 2012/13 pointed out that Resolution 8243 was no longer relevant for considering future rate increases for the following reasons:

- C1 The element of the resolution that refers to the Grants Commission assessment has been achieved; the budgeted rate yield for 2012/13 of \$1,236,189 exceeds the Grant Commission assessed capacity of \$1,148,900 (source: Grants Commission presentation 14 February 2013). The element relating to LGCI remains relevant.
- C2 The wording of this resolution is interpreted differently by different people. On the one hand it is argued that the use of the word “review” in the first line does not indicate a commitment to equalise rates in this way, while on the other hand the whole paragraph seems to indicate an intention to achieve this balance over time. The meaning becomes less clear by the reference to neighbouring and regional governments.
- C2a Resolution C2a cannot be assessed at the current time as there is no data upon which to base an assessment.

The recommendation which follows therefore seeks to revoke Resolution 8243 and to replace it with something that provides greater clarity.

Equalisation Options

In order to evaluate the potential impact of the alternative equalisation options identified in the workshop the following assumptions have been made:

1. An increase of 5% is required in the rate yield for 2013/14 (i.e. an additional \$61,811)
2. Valuations used are those currently in force and take no account of any revisions from the Valuer General that will apply from 1 July 2013.

Equalisation of Minimum Rates Charge

Council could take the view that every ratepayer should pay a uniform minimum rate irrespective of the type of property. Currently there are two minimum rates based on property type; these are \$675 for GRV properties and \$885 for UV properties.

This objective can be achieved by either reducing the sum raised from UV minimum rated properties or by increasing the sums raised from GRV minimum rated properties, or by a combination of both.

The least complex alternative would be to freeze the UV minimum and raise any additional rates from non-minimum UV properties and all GRV properties. In this scenario the GRV minimum would increase to \$730 (+8.1%), other GRV rated properties would increase by 8.3% and non-minimum UV properties would increase by 1.1%. The model would be as follows:

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.099200	\$730	\$710,116	49.23%
UV	0.003315	\$885	\$587,912	49.74%
			\$1,298,027	

In this scenario it would take more than two years for the minimums to be equalised.

The alternative approach would be to reduce the minimum for UV properties and raise the required rates from non-minimum UV and all GRV properties. Under this scenario the UV minimum would reduce to \$710 (i.e. the GRV minimum +5%) and the GRV minimum would increase to the same figure. The rate in the dollar for the remaining properties would need to increase by 10.1% for non minimum GRV properties and 7.3% for non minimum UV properties to fund the reduction in the UV minimum. The model would be as follows:

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.100860	\$710	\$711,241	43.93%
UV	0.003520	\$710	\$586,784	34.55%
			\$1,298,025	

In this scenario the number of UV minimums would reduce by 61 properties.

Between these two extremes there would be a range of other options.

Equalisation of Yield

To equalise the yield from UV and GRV properties it would be necessary to increase the rate for UV properties at a higher rate than GRV properties. At the extreme there would be a rate freeze for GRV properties, with the rate increase being funded entirely by UV properties.

In this scenario the UV minimum would increase to by 9.2% and for non-minimum UV properties would increase by 10.4%. The model would be as follows:

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.091602	\$675	\$656,048	49.23%
UV	0.003621	\$966	\$642,049	49.74%
			\$1,298,097	

This would fall short of the objective in the first year but could be equalised in the following year with minor differences between the two rate structures. A staged approach over two or more years would lessen the impact in any single year.

Equalisation by Grant Commission Assessment

The WA Grants Commission assesses each local government's rate raising capacity using statistical techniques based on information at the State level and averaged over three years. The assessed capacity is used in the calculation of the General Purposes Grant. This is a notional calculation only and the actual decisions on rate levels do not affect the level of the grant awarded.

The presentation to Council by the Grants Commission on 14 February 2013 set out the assessed rate capacity as follows:

Sector	Actual \$	Assessed \$	Difference \$
Residential/Commercial/Industrial	464,234	460,228	-4,006
Agricultural	430,527	688,672	258,145
Mining	0	36,548	36,548
Total	894,761	1,185,448	290,687

As the actuals used by the Grants Commission are three year averages they do not represent the current position on rates raised. If the budgeted rate yields for 2012/13 were substituted for the three year averages the table would be represented as follows:

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Sector	Actual \$	Assessed \$	Difference \$
Residential/Commercial/Industrial	656,901	460,228	-196,673
Agricultural	567,953	688,672	120,719
Mining	11,335	36,548	25,213
Total	1,236,189	1,185,448	-50,741

The current rate yield is higher the Grants Commission assessed capacity. If the assessed capacity were to be used as a benchmark then the budget would have to be reduced by \$50,741, so that rates raised was equal to the assessment.

To equalise the rates raised in line with the assessed capacity the proportion raised from GRV would need to be decreased and the proportion raised from UV increased.

To achieve this in a single year would see a dramatic shift between rate levies for GRV and UV properties. This scenario would see a reduction in GRV rates of around 22% and increases in UV rates between 30% and 36%. The model would be as follows:

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.072378	\$528	\$516,503	48.26%
UV	0.004445	\$1150	\$781,497	47.38%
			\$1,298,000	

The equalisation could be achieved over a four year period by freezing the GRV rates and raising all of the additional requirement from UV properties. The impact in 2013/14 of this policy would be to raise UV rates between 8.5% and 10.5%. The model would be as follows:

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.091602	\$675	\$656,048	49.23%
UV	0.003629	\$960	\$641,927	49.48%
			\$1,297,976	

Equalisation by ratepayer/assessment

As requested at the councillor workshop on 21 February, it is possible to calculate an average rate bill per assessment by dividing the rate yield for a class of property by the number of assessments. If this is done for GRV and UV properties the results are as follows:

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	Yield (\$)	Properties (No.)	Average (\$)
GRV	656,048	717	914.99
UV	583,504	382	1,527.50
Total	1,239,553	1,099	1,127.89

To achieve a consistent average levy across all classes of property in a single year would see a dramatic shift between rate levies for GRV and UV properties. The average levy would be \$1,181.07 and would require a reduction in UV rates of around 23% and an increase in GRV rates of approximately 29%. The model would be as follows:

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.118185	\$872	\$846,827	49.23%
UV	0.002544	\$679	\$451,144	49.74%
			\$1,297,971	

The equalisation could be achieved over an eleven year period by freezing the UV rates and raising all of the additional requirement from GRV properties. The impact in 2013/14 would be a rise in non minimum UV properties of around 1% (to account for minor changes in valuations since the budget was set) and an increase of just over 8% for GRV properties. The model would be as follows:

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.099202	\$730	\$710,125	49.23%
UV	0.003315	\$885	\$587,874	49.74%
			\$1,297,999	

Conclusions

Resolution 8243 has outlived its useful purpose as a basis for rate modelling and should be revoked. This is reflected in the officer recommendation.

The current rating structure can be viewed as inequitable by either GRV ratepayers or UV ratepayers. In models where the balance between the two classes of property is based on the yield generated or the assessed rating capacity, those ratepayers with GRV properties would see themselves as shouldering more of the rate burden than those with UV properties. Conversely, where the model is based on the minimum rate paid or the average per rate paid per property those ratepayers with UV properties

would see themselves as shouldering more of the rate burden than those with GRV properties.

Changing the rating structure will mean that there will be one or more class of ratepayer that will face a disproportionate increase in their rates while others will benefit from a freeze or a reduction. If changes are introduced incrementally to reduce the impact then it will take a number of years to achieve the balance sought by Council (irrespective of the model of equalisation adopted).

One option is simply to accept that, whilst the current structure has its weaknesses, that it continues to form the basis for determining rates into the future and that the impact of increased rates is spread as evenly as possible across all classes of ratepayer.

STATUTORY ENVIRONMENT: Local Government Act 1995 Section 6.

POLICY IMPLICATIONS: None

FINANCIAL IMPLICATIONS: Potential increased rate yield.

STRATEGIC IMPLICATIONS: None

VOTING REQUIREMENTS:

Recommendation 1 requires an Absolute Majority

Recommendations 2 and 3 require a Simple Majority

PROCESS:

In terms of process a rescission motion is governed by the following statutory parameters (Local Government Administration Regulations 1996):

10 (1) If a decision has been made at a Council meeting then any motion to revoke or change the decision must be supported by at least 1/3 of the number of offices of members of Council. (In Nannup's case this means that there must be 3 members of Council indicating support for the proposed rescission motion before it is considered by the meeting).

10 (2) If a decision has been made at a Council meeting then any motion to revoke or change the first mentioned decision must be made by an absolute majority. (For Nannup this is 5).

The new motion can then be put for consideration by Councillors, and then for voting by a simple majority of Council. Additionally a decision is considered to have had effect from the time it was made unless otherwise stated.

RECOMMENDATION:

1. Council revoke Resolution 8243 of 27 August 2009.
2. Council adopt the principle that future rate increases should be at or above CPI and more closely linked to the LGCI (Local Government Cost Index) given that the latter has more relevance to local governments' costs; and
3. that Council determine which of the options outlined in this report it wishes to adopt, balancing the impact across all classes of ratepayer.

8932 CAMARRI/LONGMORE/LORKIEWICZ/STEER

That Council consider revoking Resolution 8243 of 27 August 2009.

**CARRIED 7/1
BY ABSOLUTE MAJORITY**

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

8933 LORKIEWICZ/CAMARRI

1. Council revoke Resolution 8243 of 27 August 2009.

**CARRIED 7/1
BY ABSOLUTE MAJORITY**

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

CAMARRI/LORKIEWICZ

2. Council adopt the principle that future rate increases should be at or above CPI and more closely linked to the LGCI (Local Government Cost Index) given that the latter has more relevance to local governments' costs; and
3. ~~that Council determine which of the options outlined in this report it wishes to adopt, balancing the impact across all classes of ratepayer.~~

Further investigation is undertaken into the Capping of rates, GRV being applied to all rate payers and GRV being applied to special rural properties.

TIED 4/4

Councillors voting for the motion; Camarri, Dunnet, Gilbert and Lorkiewicz
Councillors voting against the motion: Dean, Longmore, Mellema and Steer

The Shire President cast the casting vote against the motion, therefore it was lost.

8934 DEAN/GILBERT

That this item lay on the table to allow Councillors more time to consider the options.

CARRIED 7/1

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

Voting against the motion: Camarri

AGENDA NUMBER:	11.5
SUBJECT:	Rates – Categorisation of Properties
LOCATION/ADDRESS:	Nannup
NAME OF APPLICANT:	Shire of Nannup
FILE REFERENCE:	RAT 9
AUTHOR:	Tracie Bishop – Finance Officer
REPORTING OFFICER:	Vic Smith – Manager Corporate Services
DISCLOSURE OF INTEREST:	None
DATE OF REPORT	11 March 2013

BACKGROUND:

Councillors have requested that the potential for differential rating within the Shire be investigated. A workshop was held on 21 February 2013 to explore the options available. Legislation allows differential rating to be applied by either predominant use or by using the local planning scheme, or by a combination of both.

1. Predominant use – this methodology requires properties to be categorised according to their main use; these categories can then be used as a basis for differential rating.
2. Local planning scheme – this methodology requires properties to be categorised according to their geographic location as defined in the local planning scheme; these locations can be used as the basis for differential rating.

The workshop identified four categories worthy of further research:

1. Predominant Use
 - a. Vacant Land
 - b. Tourist properties
2. Local Planning Scheme
 - a. Industrial zone
 - b. Agricultural zone

This report summarises the findings and seeks Council's views on the need for further work.

COMMENT:

Vacant Land

A list of vacant land was obtained from Landgate. After discounting parcels that were not rateable, there are 236 parcels of vacant land with a rateable value of \$1,266,300; all of these parcels are valued on the Gross Rental Valuation (GRV) basis. By far the majority

of the vacant land parcels (83%) are on the minimum rate and would not be affected by any differential rating. A differential rate of one cent would therefore raise \$3,597.

The differential rating of vacant land would not be a significant source of additional income. Council could, however, consider applying differential rating to vacant land in order to encourage development. Once development has been completed the increased valuation will increase the rate base for the Shire. However, given that the majority of vacant blocks would be unaffected by this decision differential rating would have a minor impact on the incentive to develop blocks.

There have been some positive benefits from carrying out the review, as some properties have been identified on the list of vacant land that have subsequently been developed. Bringing these properties into rating will increase the rate base.

Tourist Properties

There is no simple way to classify tourist properties. The first problem to be overcome is in agreeing a definition of "tourist property"; for example, should these be confined simply to accommodation providers (e.g. Holberry House) or should it be extended to cover tourism businesses (e.g. Mythic Maze) or any business that benefits from tourism (e.g. restaurants and gift shops)?

There is also no definitive list of accommodation providers. Although each accommodation provider should have a planning approval it is apparent that this is not always the case. The list of public buildings held for health inspections is also a useful guide but on review this also has a number of gaps. Any classification of tourist properties could be subject to challenge in that there is no comprehensive list of tourism providers.

Officers have compiled a list of tourism properties based on the list of accommodation providers published on the website, the list of public buildings held for health inspections and local knowledge. There are 34 accommodation providers and three tourist attractions.

Council policy FNC4 requires that rural properties that have a predominantly tourist use should have their rating basis changed from Unimproved Value (UV) to GRV. Four of the properties listed as accommodation providers are currently valued on a UV basis and an estimate of their GRV valuation has been made for the purposes of this review. This gives a total valuation for tourism properties of \$669,404 on a GRV basis.

Council could consider applying differential rating to tourism properties in order to pass on the cost of supporting the tourism industry; there is currently \$40,000 in the budget to support visitor services and to undertake promotional activity related to tourism. If all of this cost were passed on to the properties categorised as tourism properties it would add approximately \$0.06 to their rate in the dollar (an increase of 65%).

Industrial Zone

The Local Planning Scheme lists the industrial area at Sexton Way in the Industrial Zone and omits the two properties currently classed as industrial use in the rating system. These two properties are:

1. Nannup Timber Mill – classed in the Local Planning Scheme as Special Use
2. Houghtons Winery – classed in the Local Planning Scheme as Agricultural

There are 11 properties in Sexton Way, with a rateable value of \$126,250. If the timber mill and winery were included the rateable value would rise to \$291,850. Excluding the timber mill (valued at \$150,000) the average rateable value for industrial properties is \$11,821.

Council could consider applying a lower rate in the dollar to industrial properties to provide a boost to the economy. A one cent reduction in the rate in the dollar would reduce the average bill by \$118.21 (\$1500 for the timber mill). This reduction for industrial properties would reduce the rate yield by \$29,185 and would need to be funded by increasing the rates for other classes of ratepayer.

Agricultural Zone

All but 11 UV properties fall within the agricultural zone in the Local Planning Scheme; the only exceptions are the special use zones and alternative use zones. After deducting the special use and alternative use properties rated as UV the total rateable value devoted to agriculture is \$141,002,148.

Properties on the minimum rate would not be subject to differential rating; after deducting these properties and ex gratia properties the rateable value falls to \$100,346,000. Differential rating for all agricultural properties would have a significant impact on the rate yield; for every tenth of a cent applied \$100,346 would be gained or lost (i.e. just over 8% of the total rates raised).

Conclusions

The categorisation exercise has proved useful irrespective of whether the results are used in any differential rating proposals, since a number of inconsistencies have been identified in property records that can now be corrected. Now that the exercise is complete the council has better data on the types of property that make up the Shire.

The categorisation exercise has shown that there are problems with the classification of tourist properties because there is no existing database against which properties can be matched. There is a risk that any proposal to differentially rate these properties could be subject to challenge.

For all categories except agricultural properties, the values are too small to make differential rating a significant method of raising additional funds. Any proposals for differentially rating these properties would be for policy reasons (e.g. to encourage development or to support industry).

The application of differential rating to agricultural properties could have a significant impact on the rate yield, depending on the level proposed.

STATUTORY ENVIRONMENT: Local Government Act 1995 Section 6.

POLICY IMPLICATIONS: None

FINANCIAL IMPLICATIONS: Potential increases or decreases in the rate yield.

STRATEGIC IMPLICATIONS: None

VOTING REQUIREMENTS: Simple majority.

RECOMMENDATION:

That Council note this report and determine whether it wishes to proceed with differential rating proposals for any of the categories investigated.

8935 DEAN/LONGMORE

1. That Council note this report.
2. Council do not proceed with proposals for differential rating.

CARRIED 5/3

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

AGENDA NUMBER:	11.6
SUBJECT:	Ex Gratia Rates
LOCATION/ADDRESS:	Nannup
NAME OF APPLICANT:	Shire of Nannup
FILE REFERENCE:	RAT 9
AUTHOR:	Vic Smith – Manager Corporate Services
REPORTING OFFICER:	Vic Smith – Manager Corporate Services
DISCLOSURE OF INTEREST:	None
DATE OF REPORT	11 March 2013

Attachment: Non Rateable Properties owned by DEC

BACKGROUND:

The issue of Ex-Gratia rates has been raised on a number of occasions when considering the Council's budget. Work to identify ex-gratia properties has been undertaken and progress is summarised in this report.

There are two classes of assessment where no rates are raised:

1. Non Current Assessments – 369 cases
2. Non Rateable Assessments – 60 cases

Both of these classes have been reviewed to identify the reasons for their classification and to confirm that the classification is correct.

COMMENT:

Non Current Assessments

Non Current assessments represent land that no longer exists for rating purposes. Whilst land cannot be created or destroyed, parcels of land can be reconfigured through such activities as amalgamations and subdivisions. For example, if a parcel of land is subdivided into two blocks, two new assessments are created in the rating system and the original assessment becomes classed as Non Current.

The purpose of reviewing these assessments was:

- (a) to identify any land that had been misclassified and could be subject to rating; and
- (b) to identify any instances where amalgamations or subdivisions had resulted in land formerly rated being transferred to the Department of Environment and Conservation (DEC).

The review showed that no properties had been misclassified and that no land had been removed from rating as a result of transfer to DEC. There were, however, six instances of DEC land being classed as Non Current because the assessments were substantially duplicates of the existing Ex Gratia assessments.

Non Rateable Assessments

Non Rateable assessments represent land that is exempt from the payment of rates by statute. For example, all properties owned by the Shire and other public bodies are Non Rateable. Not all Non Rateable properties have a current value in the rating system (e.g. the Shire administration building) and some which were previously valued have subsequently been reduced to zero by the Valuer General (see examples in Attachment1).

There is some benefit in obtaining valuations for all Non Rateable properties as it would allow the amount of rates foregone in this way to be assessed. The impact on the rate base could also be shown if any of these properties were to be sold into private ownership. This issue will be taken up with Landgate.

The review of these 60 assessments showed that there were eight properties owned by DEC. The results of this review are shown in Attachment 1. One of these properties is to be transferred back into private ownership as it was part of a land swap for titanium mining. If all of the seven other properties were returned to private ownership the rate yield would increase by \$7,445.60. Officers will be seeking clarification from DEC concerning the use of these parcels and whether they are correctly shown as Non Rateable.

Ex Gratia Assessments

There are currently three assessments listed in the Council's rate records as Ex-Gratia. Investigation shows that these are pine plantations owned by DEC. In reality the term "ex gratia" is something of a misnomer; DEC is required to pay a sum equivalent to Shire rates on all properties acquired for pine planting purposes following a Cabinet decision that came into effect in July 1983.

In August 1993 DEC provided a copy of all the locations held as pine plantations and these should have been included in the assessments currently listed as Ex Gratia in the rate records. This list was matched against the parcels listed in the rating system; this showed that a significant number of land parcels were not included on the Ex Gratia assessments. Random sampling of the "missing" parcels showed that they had been transferred to other owners and in all likelihood the current assessments are correct. However, to complete the review DEC have been asked to provide an up-to-date list of their plantations and once received this will be checked against the current Ex-Gratia assessments.

Other DEC Land

Other DEC land holdings comprise State Forest and this has never been valued for rating purposes. It does however benefit from services provided by the Shire in terms of its emergency management services and these costs are not therefore being recovered from DEC.

The Council has four options in addressing this issue:

1. Approach Landgate to obtain a valuation of the land and request an ex gratia payment from DEC based on this valuation.

2. Approach DEC for an ex gratia payment without obtaining a valuation from Landgate.
3. Lobby the State Government for additional funding to compensate the Council for the costs incurred relating to the State forest (e.g. emergency management costs).
4. Accept the status quo.

There would be costs associated with Option 1 as there will be a fee charged by Landgate for this work; however, it has the benefit of producing an objective figure for DEC to consider.

Whilst Option 2 would not involve extra cost, there would be no objective figure to consider and the Council would be relying on DEC's judgement as to the appropriate sum.

It is unlikely that either Option 1 or Option 2 would result in a contribution from DEC because there is no statutory requirement to make a payment and any payment made would establish a precedent that could then be taken up by other local governments.

Option 3 requires the council to make a compelling case for submission to the State Government. The most productive route to take would be to make a submission calling for additional weight to be given in the calculation of the General Purposes Grant for the disability relating to terrain.

Option 4 has the obvious disadvantage that it will do nothing to improve the Council's rate yield from land currently not subject to rating.

STATUTORY ENVIRONMENT: Local Government Act 1995 Section 6.

POLICY IMPLICATIONS: None

FINANCIAL IMPLICATIONS: Potential increased rate yield.

STRATEGIC IMPLICATIONS: None

VOTING REQUIREMENTS: Simple majority.

RECOMMENDATION:

That Council note the progress made in the review of ex gratia rates and instruct the Chief Executive Officer to prepare a submission to the Local Government Grants Commission to increase the weighting given to the terrain disability in the calculation of the General Purposes Grant.

8936 CAMARRI/DUNNET

1. That Council note the progress made in the review of ex gratia rates and instruct the Chief Executive Officer to prepare a submission to the Local Government Grants Commission to increase the weighting given to the terrain disability in the calculation of the General Purposes Grant.

2. The Chief Executive Officer write to the Minister of Agriculture and the Minister of Forestry pointing out the value of agriculture to this Shire and that we need some redress for the 85% of the Shire constituting State Forest.

CARRIED 8/0

Reason for change: To increase the effectiveness of lobbying for change.

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AGENDA NUMBER:	11.7
SUBJECT:	Budget Review 2012/13
LOCATION/ADDRESS:	Nannup
NAME OF APPLICANT:	Shire of Nannup
FILE REFERENCE:	FNC 3
AUTHOR:	Vic Smith – Manager Corporate Services
REPORTING OFFICER:	Vic Smith – Manager Corporate Services
DISCLOSURE OF INTEREST:	None
DATE OF REPORT	11 March 2013

BACKGROUND:

Council is required by section 33A of the Local Government (Financial Management) Regulations 1996 (the Regulations) to conduct a review of its budget. This review must be completed between 1 January and 31 March each financial year. Council is also required to submit the outcome of the review to the Department of Local Government within 30 days of the acceptance of the review.

COMMENT:

The statutory requirement for the budgetary review is relatively limited and simply requires the Council to evaluate the likely position at the end of the current financial year. This report goes much further than this and presents an in depth review of the Council's finances covering:

- Performance on the previous year
- Current expectations on income and expenditure
- The longer term financial prospects
- The sustainability of reserves
- The Council's exposure to financial risk

Outturn from 2011/12 Budget

The Annual Report adopted by Council on 14 December 2012 showed a gross surplus carried forward of \$1,927,358. This was broken down as follows:

	\$
Set Aside to meet current liabilities arising in 2012/13	332,387
Unspent grants carried forward to 2012/13	841,919
Grants for 2012/13 received in 2011/12	588,227
Expenditure committed in 2011/12 carried forward to 2012/13	163,838
Uncommitted surplus carried forward	987
Total	1,927,358

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The uncommitted surplus of \$987 has been reduced significantly from the figure of \$406,805 reported for last year.

Although the methodology for calculating the uncommitted surplus carried forward has remained unchanged from that used in Nannup for many years, the Chief Executive Officer requested that the auditors review the calculation and compare it with practices adopted in other local governments. The breakdown of the surplus using the auditor's methodology is as follows:

	\$
Set Aside to meet current liabilities arising in 2012/13	247,875
Unspent grants carried forward to 2012/13	841,919
Grants for 2012/13 received in 2011/12	588,227
Expenditure committed in 2011/12 carried forward to 2012/13	163,838
Uncommitted surplus carried forward	85,499
Total	1,927,358

The main difference between the two methodologies is that the auditors do not include \$84,167 of liabilities relating to the current portion of long service leave in their calculation as this is largely backed by restricted cash.

Anticipated Outturn for 2012/13

Members will see from the budget monitoring report elsewhere on the agenda that as at 28 February 2013 a deficit on the year of \$49,237 is currently predicted. This is made up of lower income than budgeted of \$79,487 and saving expenditure of \$30,250.

Income is lower because several income streams have not reached the levels anticipated at the time the budget was set. For example, the reductions in interest rates have resulted in lower investment income and the number of planning applications being processed has not reached the same levels as last year. Although there is a large reduction in the income anticipated from the caravan park (\$42,000) as a result of the operation being taken over by the council later than expected, this is largely offset by reduced expenditure, resulting in a net cost of \$5,000. However, more work needs to be done to refine these figures and these costs will be closely monitored.

The main areas where expenditure savings are predicted relate to fuel and oils (\$90,000), insurance (9,000) and parks and gardens (\$50,000). Fuel costs are lower than predicted because of the lower distances being travelled for the current work at the junction of Mowen Road and the Vasse Highway and interest income is down because of lower interest rates.

These savings are offset by the cost of providing the accommodation for the caravan park manager. No specific budget was set for this when the 2012/13 budget was approved and subsequent discussions with Council identified that funding for this would

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be provided either from the Royalties for Regions grant for the caravan park upgrade or from the budget contribution to the Asset Management Reserve. Since the reserve is intended to fund the Council's asset costs this course of action is recommended; it will also allow the capital grant from Royalties for Regions to be devoted more fully to the caravan park upgrade.

Any variations in income and expenditure that will continue into future years will be incorporated into the 2013/14 budget.

An amendment to the budget to pick up the cost of the caravan park accommodation will therefore be required. After this adjustment has been made it is anticipated that there will be a modest surplus on the year \$42,247

Long Term Financial Position

An initial assessment of the Long Term Financial Plan was undertaken in the pre-budget planning process for 2012/13. This initial assessment showed that the Council's underlying operational budget was growing at between 2% and 3% per annum, largely as a result of inflationary pressures. Whilst this level of budget growth remains sustainable in the long term there are significant pressures arising from the capital program.

Capital grants are providing support for ongoing operational expenditure and as these projects draw to a close these costs will need to be met from the Council's own resources. Alternatively the operational budget will need to be reduced to compensate for these effects.

The projections in the initial assessment need to be updated and refined to inform the budget process for 2013/14 and to comply with the requirements of the Integrated Planning Framework. However, for the purposes of this review the initial findings from last year's exercise are shown below.

Year	Budget Projection \$	Increase Annual \$	Increase Annual %	Increase Cumulative \$	Increase Cumulative %
2013/14	1,987,987	264,364	15.34	264,364	77.94
2014/15	1,406,062	-581,925	(29.27)	-317,561	25.85
2015/16	2,937,856	1,531,794	108.94	1,214,233	162.96
2016/17	2,829,721	-108,135	(3.68)	1,106,098	153.28
2017/18	2,891,503	61,782	2.18	1,167,880	158.81
2018/19	2,924,221	32,718	1.13	1,200,598	161.74
2019/20	2,987,893	63,672	2.18	1,264,270	167.44
2020/21	3,022,539	34,646	1.16	1,289,916	170.54
2021/22	3,088,177	65,638	2.17	1,364,554	176.42

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Since this projection was prepared the 2012/13 budget has been adopted at a lower level than this initial projection showed. The capital expenditure contained in the projection was based upon the Forward Capital Works Plan and this document will be superseded by the new Asset Management Plan. Nevertheless, the main message of the projection remains that the Council will face significant cost pressures between 2015 and 2017 as capital schemes come to an end.

Further work will be undertaken on the Long Term Financial Plan as part of the Integrated Planning Framework.

Asset Management Plan

More detailed work on the draft Asset Management Plan has been undertaken since the initial findings were reported to the budget workshops for Council last year. The replacement value of all Council-owned buildings is \$17,378,000 and to replace them over their remaining asset lives would require an annual revenue contribution of \$493,316.

Over the next 10 years an investment of \$2,185,482 will be required to maintain buildings that are nearing the end of their useful lives; this will require an annual revenue contribution of \$218,482.

A detailed update of infrastructure assets remains outstanding at the time of writing this report but will be completed as part of the budget planning process.

Sustainability of Reserves

The Council maintains a number of reserves to meet recurrent capital expenditure requirements and other liabilities, such as long service leave. The budgeted position of these reserves is as follows:

Reserve	Opening Bal	Budgeted	Budgeted	Closing Bal
	1.7.12 \$	Additions \$	Payments \$	30.6.13 \$
Long Service Leave	125,825	13,371	0	139,196
Plant	414,685	340,259	289,500	465,444
Recreation Centre	791,870	10,077	359,423	442,524
Kindergarten	19,344	0	0	19,344
Office Equipment	8,887	25,202	17,450	16,639
Main Street Upgrade	330,826	2,000	0	332,826
Land Fill Site	10,000	10,000	0	20,000
Gravel Pit	8,000	0	0	8,000
Emergency Management	50,000	200	0	50,200
Aged Housing	20,000	0		20,000

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Asset Management	0	180,000	0	180,000
Total	1,779,437	581,109	666,373	1,694,173

The 2012/13 budget took action to address the problems outlined in the budget review from last year, by addressing the deficit position on the Office Equipment Reserve and creating a reserve to deal with unexpected emergencies such as the Mileyanup fire (Emergency Management Reserve).

The initial work on the Asset Management Plan as part of the budget planning exercise for 2012/13 also identified the need to establish a reserve to accommodate the expenditure necessary to maintain the Council's assets at an acceptable level. The budgeted contribution of \$180,000 represents the first stage of this process and this contribution will need to be refined in the light of the adopted Asset Management Plan.

The Council's reserves do, however, represent a strong and sustainable position going forward.

Risks

The Council's immediate financial position is relatively strong but this must be considered in the light of limited information on future expenditure needs and the impact that these would have on the rate liability. The initial work on the Long Term Financial Plan will need to be revisited and updated to address this.

The Council has taken on the administration of the Brockman Street and Riversbend caravan parks following the dissolution of the Nannup Tourism Association. At the time of compiling the 2012/13 budget the likely income and expenditure relating to these operations could not be accurately estimated. This will need to be addressed in the 2013/14 budget and remains a risk in 2012/13.

Other risks identified at last year's budget review have been mitigated and the underlying financial position remains strong. However, there is a risk that as capital projects come to a close the budget will either need to be increased to compensate for the lost income or savings will need to be found to offset this income reduction.

Budget Timetable

The timetable for compiling the 2013/14 budget will be subject to Council's expectation for implementing some form of differential rating, as this would involve additional steps in the decision making process. An indicative timetable that includes the process to set a differential rate is shown below.

Activity	Report to Council	Comment
Initial findings from rates research	28 March	Complete
Budget review	28 March	Complete
Review of fees and charges	18 April	Work started

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Long Term Financial Plan	18 April	Initial work from 2012 will need to be updated. Results from this update will be reported to the April meeting. Spreadsheet will need to be adapted to meet DLG guidance. This could delay the formal report to the May meeting.
Result of consultation on property classification (if Council has decided to pursue differential rating options)	23 May	Council will decide whether or not to pursue differential rating at this meeting (unless this is rejected at the March meeting of Council).
Adoption of Asset Management Plan	23 May	The financial implications arising from the assessments carried out in 2012 are approximately 50% complete. Buildings are 90% complete but infrastructure data requires analysis. Public consultation needs to be carried out on some aspects of the Plan.
Adoption of Community Plan	23 May	Due for completion in April.
Adoption of Corporate Plan	23 May	Work commenced
Consideration of responses to statutory consultation on differential rating (if agreed at May meeting)	27 June	Only required if Council has determined the classes of property to be subject to differential rating at its March meeting.
2012/13 Budget	27 June	Managers will be reviewing their spending needs in readiness for budget discussions in April and May. This work will determine the amount required to be raised from rates. Council will be asked to agree the total budget figure to be used in the formal adoption of the budget.
Formal Budget adoption	25 July	This is the presentation of the budget agreed by Council at the June meeting in the statutory format.
Rate in the Dollar	25 July	Rate models have been developed to allow Council to assess the impact of different options for raising the rates required. These models will inform the budget process. If the consultation processes required for differential rating have been completed without unplanned delays then the Rate in the Dollar adoption will include differential rating proposals. If delays have been experienced the formal adoption of the rate in the Dollar and the budget will need to go to Council on 22 August.

Conclusions

Performance in the first eight months of 2012/13 is expected to result in an end of year deficit of \$49,247. However, once the budget has been adjusted to account for the cost of the caravan park accommodation a modest surplus of \$42,247 is anticipated. The main risk to the final outturn remains the final costs and income relating to the caravan park and these will be closely monitored. Performance in all areas will continue to be monitored on a monthly basis and this information used to compile the 2013/14 budget.

The Long Term Financial Plan will be updated and refined to inform the 2013/14 budget and to comply with the requirements of the Integrated Planning Framework.

There are substantial additional requirements arising from the Integrated Planning Framework that need to be factored into the budget preparation timetable; this will make achieving the target of agreeing a budget by the end of July a challenging one.

The work to complete the 2013/14 budget will also be affected by any differential rating proposals that Council wishes to explore.

STATUTORY ENVIRONMENT:

Sub-section 2A of the Regulations requires the Council to:

- (a) Consider the local government's financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and
- (b) Consider the local government's financial position as at the date of the review; and
- (c) Review the outcomes for the end of that financial year that are forecast in the budget.

POLICY IMPLICATIONS: None

FINANCIAL IMPLICATIONS: a surplus of \$42,247 will be generated after the recommended budget adjustment.

STRATEGIC IMPLICATIONS: None

VOTING REQUIREMENTS: Absolute majority.

RECOMMENDATION:

Council amend the 2012/13 budget by reducing the contribution to the Asset Management Reserve by \$70,000 and allocating a capital budget of \$70,000 to the caravan park to fund the accommodation for the caravan park manager.

8937 GILBERT/LONGMORE

Council amend the 2012/13 budget by reducing the contribution to the Asset Management Reserve by \$70,000 and allocating a capital budget of \$70,000 to the caravan park to fund the accommodation for the caravan park manager.

CARRIED 6/2

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

AGENDA NUMBER:	11.8
SUBJECT:	Review of Risk Management Policies
LOCATION/ADDRESS:	Nannup
NAME OF APPLICANT:	Shire of Nannup
FILE REFERENCE:	ADM 22
AUTHOR:	Vic Smith – Manager Corporate Services
REPORTING OFFICER:	Vic Smith – Manager Corporate Services
DISCLOSURE OF INTEREST:	None
DATE OF REPORT	19 March 2013

Attachment 1: Risk Management Policies

BACKGROUND:

The Policy Manual contains five policies relating to risk management. These policies have been reviewed as part of the wider review of the Policy Manual and suggested revisions are shown at Attachment 1.

The Risk Management Advisory Committee reviewed and endorsed the proposed changes at its meeting on 14 March 2013.

COMMENT:

The proposed amendments to the policies are shown at Attachment 1. Wording which is recommended for deletion is shown as crossed through and new wording as underlined.

Various amendments are suggested as follows:

RM1 - Risk Management: On review it was noted that there are currently two similar policies relating to Risk Management. One is contained within our policy manual and the other in our Occupational Health and Safety (OHS) Management System. It is therefore proposed to combine the two policies so that there is a consistency of documentation. This has required the two policies to be combined into a single document and the old policy and suggested new policy are shown in the attachments.

RM2 – Occupational Health & Safety: No changes.

RM3 – Outdoor Clothing: Whilst there is a Council policy on outdoor clothing it would make sense to expand this to include the policy on personal protective equipment contained within the OHS Management System. It is proposed to combine the two to standardise the approach and achieve consistency. Both the old Outdoor Clothing Policy and the new combined policy are shown in the attachments.

RM4 – Fitness for Work: Minor amendments are suggested to improve the clarity of the document. There is an inaccuracy at point (ii) in the section on Instant Dismissal and after discussion at the Risk Management Advisory Committee it was agreed that this should be deleted as it was covered in greater detail within the body of the document.

RM5 - Threats, Intimidation or Physical Assault Against Employees: Minor amendments are suggested to improve the clarity of the document.

STATUTORY ENVIRONMENT: None.

POLICY IMPLICATIONS:

Where there is cross reference to a delegation from a Council Policy the delegation is noted as such.

FINANCIAL IMPLICATIONS: None

STRATEGIC IMPLICATIONS: None

VOTING REQUIREMENTS: Simple Majority.

RECOMMENDATION:

That Council approve the suggested revisions to the Risk Management policies as outlined in Attachment 1.

8938 STEER/DUNNET

That Council approve the suggested revisions to the Risk Management policies as outlined in Attachment 1.

CARRIED 7/1

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

Voting against the motion: Camarri

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AGENDA NUMBER:	11.9
SUBJECT:	Budget Monitoring – January and February 2013
LOCATION/ADDRESS:	Nannup Shire
NAME OF APPLICANT:	N/A
FILE REFERENCE:	FNC 8
AUTHOR:	Tracie Bishop – Finance Officer
REPORTING OFFICER:	Vic Smith – Manager Corporate Services
DISCLOSURE OF INTEREST:	None
DATE OF REPORT	20 March 2013

Attachment 1: Table Showing Detailed Variances for 2012/13

Attachment 2: Monthly Financial Statements - period ending 31 January 2013

Attachment 3: Monthly Financial Statements - period ending 28 February 2013

BACKGROUND:

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

The report format does not reflect the detailed requirements as set out in Section 34(1) of the Local Government (Financial Management) Regulations 1996. In order to comply with legislation these statements are provided in attachments 2 and 3. This covering report identifies all of the major variations; other variations as shown in the statutory statements are due to timing differences.

COMMENT:

The anticipated outturn report is shown at Attachment 1. It has been broken down showing over and underspends in both operating and capital divisions. Column 1 shows the 2012/13 budget and column 2 shows the actual expenditure. The fourth column shows the variance as at the end of February and the last column shows the anticipated position at the end of the year.

Income is currently projected to be \$19,487 lower than expected, largely because a full year's income was included in the estimates for the caravan park and the council did not take over responsibility for this until October 2012. The full value is masked somewhat by additional income of \$60,000 from the supervision fee for the Mowen Road project. Council policy requires that this sum is transferred to the Plant Replacement Reserve.

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There is a substantial saving on expenditure of \$1,030,250. The vast majority of this saving relates to capital projects funded by Royalties for Regions; these projects cannot be substantially committed until the funding has been secured and expenditure therefore lags the receipt of the income to fund the project. The expenditure relating to these types of projects will therefore be carried forward into 2013/14.

The gross saving is therefore \$1,010,763. However, this must be reduced by the expenditure carried forward into 2013/14 and the additional income to be transferred into the Plant Replacement Reserve. After deducting these amounts from the overall savings we anticipate that the actual outturn for this year will be and overspend of \$49,237. This is shown in the table below.

	<i>Savings</i> \$
Gross saving expected for the year	
Income – under received	19,487
Expenditure – savings made	-1,030,250
Total Gross Saving	-1,010,763
Less: Savings to be carried forward income	60,000
Less: Savings to be carried forward expenditure	1,000,000
Net overspend at end of the year	49,237

There are significant expenditure savings found within fuels and oils (\$90,000), parks and gardens (\$50,000) and insurances (\$9,000). These are primarily the result of efficiency savings achieved during the year and the shorter distances travelled as a result of the construction of Mowen Road has saved on fuel expenditure. The savings returned on insurance is a result of anticipated costs within this industry not reaching the levels expected. These savings are lower than they would otherwise be because they are offset by the cost of providing accommodation for the manager of the caravan park, estimated to be \$70,000; the funding for this is recommended in the report on the statutory budget review elsewhere on today's agenda

Aside from the income from the caravan park being lower, income variances are primarily as a result of funding from grants being received later than expected and investment interest being lower as a result of interest rate reductions. In other areas transaction volumes have been lower than expected for example, commission received from Department of Transport, town planning income and venue hire. There have also been income reductions from mobile bin fees; this is as a result of a bin audit conducted this year which revealed less bins in use than previously estimated.

The figures for the caravan park still need to be refined. As this project is only in its first year of operation projections were based on very little information about likely performance. These costs will continue to be closely monitored and updated. Overall, it is anticipated that on an operational level the net cost of the park will be approximately \$5,000 higher than estimated.

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

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

STATUTORY ENVIRONMENT:

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

POLICY IMPLICATIONS: None

FINANCIAL IMPLICATIONS: None

STRATEGIC IMPLICATIONS: None

VOTING REQUIREMENTS: Simple Majority

RECOMMENDATION:

That Council receive the Monthly Financial Statements for the periods ending 31 January and 28 February 2013.

8939 GILBERT/STEER

That Council receive the Monthly Financial Statements for the periods ending 31 January and 28 February 2013.

CARRIED 8/0

AGENDA NUMBER:	11.10
SUBJECT:	Month Accounts for Payment
LOCATION/ADDRESS:	Nannup Shire
NAME OF APPLICANT:	N/A
FILE REFERENCE:	FNC 8
AUTHOR:	Tracie Bishop – Finance Officer
REPORTING OFFICER:	Vic Smith – Manager Corporate Services
DISCLOSURE OF INTEREST:	None
DATE OF REPORT	Date 20 March 2013

Attachment 1: Schedule of Accounts for Payment

BACKGROUND:

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

COMMENT:

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

Municipal Account

Accounts paid by EFT	4531 - 4678	\$ 927,657.35
Accounts paid by cheque	19097 - 19122	\$ 33,722.22
Accounts paid by direct debit	99368 - 99374	\$56,185.64

Trust Account

Accounts Paid by Cheque	Nil	\$0.00
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STATUTORY ENVIRONMENT:

LG (Financial Management) Regulation 13

POLICY IMPLICATIONS: None

FINANCIAL IMPLICATIONS:

As indicated in Schedule of Accounts for Payment

STRATEGIC IMPLICATIONS: None

VOTING REQUIREMENTS:

Simple majority

RECOMMENDATION:

That the List of Accounts for Payment for the Nannup Shire Municipal Account fund totalling \$1,017,565.21 in the attached schedule be endorsed.

8940 GILBERT/DUNNET

That the List of Accounts for Payment for the Nannup Shire Municipal Account fund totalling \$1,017,565.21 in the attached schedule be endorsed.

CARRIED 8/0

11.11 Confidential Item

Note: *Local Government Act 1995 s5.23 applies:*

(2) If a meeting is being held by a council or by a committee referred to in subsection (1)(b), the council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following —

(c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting;

(e) a matter that if disclosed, would reveal —

(ii) information that has a commercial value to a person; or

(iii) information about the business, professional, commercial or financial affairs of a person

8941 CAMARRI/DUNNET

That Council close the meeting to the public.

CARRIED 7/1

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

Voting against the motion: Gilbert

The meeting was closed to the public at 18:50 Hours.

The public left the meeting.

AGENDA NUMBER:	11.11
SUBJECT:	Appointment of Auditor
LOCATION/ADDRESS:	Nannup
NAME OF APPLICANT:	Shire of Nannup
FILE REFERENCE:	FNC 1
AUTHOR:	Vic Smith – Manager Corporate Services
REPORTING OFFICER:	Vic Smith – Manager Corporate Services
DISCLOSURE OF INTEREST:	N/A
DATE OF REPORT	15 March 2013

Attachment 1: Proposal from AMD Chartered Accountants

BACKGROUND:

The Council's current auditor, AMD Chartered Accountants (AMD), have completed the last of the audits required under the current arrangement.

The Local Government Act 1995 provides that:

"on the recommendation of the audit committee a local government is to from time to time appoint, by absolute majority, a person to be its auditor."

COMMENT:

AMD, based in Bunbury, is the Council's current auditor and has carried out the work over the last five year term with no concerns expressed by officers, Council or the Department of Local Government and Regional Development.

A full tendering exercise was carried out prior to the appointment of AMD for the previous audit term. At that time three firms bid for the service and AMD were the most competitive. They remain the only regionally based firm specialising in Local Government in the South West and currently service 11 other local governments in the region.

In considering whether to undertake a full tendering exercise officers have concluded that this would not be the most effective option for this appointment. The main reasons for this are:

- AMD have carried out their work effectively over the last five year term and have built up an intimate knowledge of the Shire of Nannup and its finances over that time.
- They are able to provide a local service and are readily able to respond to issues as they arise.
- The finance team at the Shire has undergone significant change and are developing effective relationships with the auditors. A period of continuity at this point is therefore desirable.
- The fees in AMD's proposal are at the lowest point of their fee range compared to the other Local Government audits they undertake. This reflects the fact that AMD have always had a very good working relationship with the Nannup team, who historically have been very competent in preparing year end information based on the Audit Information Checklist request ready for audit, and have been responsive to any requests for additional information. The fee is within the budget for 2012/13.

All the requirements for an auditor as specified in the Local Government Act 1995 are met by AMD, as detailed in their proposal.

The Audit Advisory Committee considered the proposal at its meeting on 28 February 2013 and resolved:

DUNNET/MELLEMA

That the Audit Advisory Committee recommend to Council the appointment of AMD Chartered Accountants as Council's auditors for the five years 1 July 2012 through 30 June 2017 on the terms as set out in their proposal at Attachment 1.

CARRIED 7/1

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

Voting against the motion: Camarri

STATUTORY ENVIRONMENT:

Local Government Act 1995 Section 7.3(1) details the requirements of an audit appointment and Section 7.6(3) refers to the audit term.

POLICY IMPLICATIONS: None

FINANCIAL IMPLICATIONS: Quoted fee is within the adopted 2012/13 budget.

STRATEGIC IMPLICATIONS: None

VOTING REQUIREMENTS: Absolute Majority

RECOMMENDATION:

That Council appoint AMD Chartered Accountants as the Council's auditors for the five years from 1 July 2012 through to 30 June 2017 on the terms as set out in their proposal at Attachment 1.

8942 DUNNET/MELLEMA

That Council appoint AMD Chartered Accountants as the Council's auditors for the five years from 1 July 2012 through to 30 June 2017 on the terms as set out in their proposal at Attachment 1.

CARRIED 8/0

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

(a) OFFICERS

None.

(b) ELECTED MEMBERS

None.

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

None.

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

None.

15. CLOSURE OF MEETING

There being no further business to discuss the Shire President declared the meeting closed at 18:53 hours.