

NOTICE OF A SPECIAL MEETING OF COUNCIL

Dear Council Member

A Special Meeting of Council will be held on Thursday, **15 August 2019** in the Council Chambers Bridgetown, commencing at 5.30pm, called for the purpose of:

1. Consideration of final conceptual plans for the proposed mine access road in Greenbushes; and
2. Adoption of Council's 2019/20 budget.

Signed by T Clynch:



Date:

8 August 2019

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AGENDA

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1. Consideration of final conceptual plans for the proposed mine access road in Greenbushes; and
2. Adoption of Council's 2019/20 budget.

Acknowledgment of Country – Presiding Member

On behalf of the Councillors, staff and gallery, I acknowledge the Noongar People, the Traditional Custodians of the land on which we are gathered, and pay my respects to their Elders past, present and emerging.

Attendance, Apologies and Leave of Absence

President	- Cr A Pratico
Councillors	- J Bookless
	- J Boyle
	- D Mackman
	- J Moore
	- J Nicholas
	- P Scallan
	- A Wilson
In Attendance	- T Clynch, CEO
	- E Denniss, Executive Manager Community Services
	- M Larkworthy, Executive Manager Corporate Services
	- G Arlandoo, Executive Manager Development & Infrastructure
	- T Lockley, Executive Assistant

Attendance of Gallery

Public Question Time

Note: At Special Council Meetings questions must relate to the items on the Agenda.

Petitions/Deputations/Presentations

Comments on Agenda Items by Parties with an Interest

Notification of Disclosures of Interest

Section 5.65 or 5.70 of the Local Government Act requires a Member or Officer who has an interest in any matter to be discussed at a Committee/Council Meeting that will be attended by the Member or Officer must disclose the nature of the interest in a written notice given to the Chief Executive Officer before the meeting; or at the meeting before the matter is discussed.

A Member who makes a disclosure under Section 5.65 or 5.70 must not preside at the part of the meeting relating to the matter; or participate in; or be present during, any discussion or decision making procedure relating to the matter, unless allowed by the Committee/Council. If Committee/Council allow a Member to speak, the extent of the interest must also be stated.

Business Items

ITEM NO.	SpC.01/0819	FILE REF.	
SUBJECT	Proposed Mine Access Road		
PROPONENT	Talison Lithium Pty Ltd		
OFFICER	Chief Executive Officer		
DATE OF REPORT	7 August 2019		

Attachment 1 Detailed Alignment Plan for Mine Access Road
Attachment 2 Copy of Submission

OFFICER RECOMMENDATION that Council:

- 1. Note the submission received on the revised mine access road proposal.*
- 2. Approve the detailed alignment plans for the proposed mine access road noting that construction drawings will be required for local government approval as an operational function. At the time of submitting construction drawings the proponent is to submit an entry statement plan detailing any proposed landscaping and final details of the proposed location of the tin man sculpture and entry signage.*
- 3. Notes that in addition to its approval the approval of relevant Government agencies will be required for this proposal to proceed, including excise of land from State Forest and creation of a gazetted road reserve.*
- 4. Notes that Talison Lithium Pty Ltd is able to construct the mine access road as a mining proposal under its existing mining approvals. Until such time as the road is dedicated as a public road, public road access to the Greenbushes Sportsground and Greenbushes Pool is to be maintained.*
- 5. Reaffirms its position resolved at its January 2019 meeting, noting the potential reopening of the rail line between Greenbushes and Picton is currently being investigated by State Government agencies, the rail corridor lessee and industry, including Talison Lithium. In-principle Council supports the reopening of the rail from Greenbushes northwards but acknowledges the need for a full business case to be developed to the satisfaction of all parties for this to be progressed.*

Summary/Purpose

In 2018 Talison Lithium Pty Ltd commenced investigating options for construction of a new access road between South Western Highway and the mine site as an alternative to using Stanifer Street through Greenbushes townsite as its principal access route. The road would be created as a public road under the control of the

Shire of Bridgetown-Greenbushes and would be accessible by all licensed vehicles and not just mine traffic.

At its January 2019 meeting Council noted submissions received on the proposed mine access road and approved in-principle the proposed route subject to four areas of concern being addressed in the detailed design plans, being:

- i. Pedestrian crossings near the Greenbushes Sportsground and any walk trail crossing points;
- ii. All intersection design and treatments;
- iii. The need for fencing in proximity to Greenbushes Pool; and
- iv. Noise attenuation design especially in proximity to Greenbushes Pool and Greenbushes Sportsground.

Talison Lithium established a community reference group to assist in addressing the above issues and considering the final alignment of the proposed road.

Upon completion of the plans (refer Attachment 1) Talison Lithium placed the plans on display for a 2 week period at the Greenbushes Community Resource Centre and promoted locally the opportunity for interested members of the public to view the plans. Although no formal consultation period was undertaken by the Shire for the revised plans all previous persons that provided a submission on the original concept plans were emailed to provide those persons an opportunity to provide further comments. One person took this opportunity and lodged a submission (refer Attachment 2)

Talison Lithium is seeking endorsement of the revised the detailed alignment plans showing the alignment and conceptual design of the proposed mine access road. Subject to this approval being obtained Talison Lithium would then proceed to preparing detailed design plans and construction drawings. These plans would be approved by the CEO and/or delegated officers as an operational task, similar to any other road construction drawing.

It is recommended that Council grant approval in principle to the detailed alignment plans for the proposed mine access road noting that the approval of other agencies will be required to excise the land from its current State Forest classification and to create and dedicate the road reserve as a local road. This process is likely to take some time to occur and the intention of Talison Lithium is to proceed with construction of the road as a mining proposal. This means that until creation of the road reserve occurs the road would have the status of a private road. Maintaining public road access to the Greenbushes Sportsground and Greenbushes Pool will be necessary during this period.

Background

The current and future expansion of the Talison Lithium mine at Greenbushes will increase the production of spodumene ore and mineral concentrate from the mine which in turn will result in an increase in traffic movements to and from the mine.

The mining rate will increase to an annual average of approximately 16 million bank cubic metres (Mbcm) because of the expansion and may reach up to 25 Mbcm.

Processing of the ore is expected to produce between 2.3 and 2.7 million tonnes per annum (Mtpa) of lithium bearing mineral concentrate.

Lithium mineral concentrates from the Mine will continue to be transported to both the Ports of Bunbury and Fremantle (limited volumes) for export as per current arrangements and will also be transported to provide feedstock supply to the Tianqi Lithium Process Plant under construction in Kwinana and the Albemarle Lithium Process Plant under construction in the Kemerton Strategic Industrial Area located to the north of Bunbury.

In 2018 Talison Lithium Pty Ltd engaged a civil consultant to investigate options to provide mine access for trucks accessing the mine which did not require them to traverse through the Greenbushes townsite. Talison also engaged specialist consultants to carry out Flora, Fauna and Heritage surveys along the above routes to understand potential impacts.

The above investigations led to a route being identified for a new road commencing near the Greenbushes Sportsground and ending opposite the mine entrance on Maranup Ford Road. The new road would intersect with South Western Highway near the existing northern town entrance with a new slip lane being constructed on the highway to tie into the existing passing lane further north. The existing access road into Greenbushes Sportsground would be removed with a new entrance road into the Sportsground to run off mine access road. From the sportsground to Maranup Ford Road the new mine access road would generally follow the alignment of an existing old haul road with minor deviations/modifications to take account of geometric safety concerns, higher value vegetation and to increase separation from the Greenbushes Pool. At the Maranup Ford Road end the mine access road would intersect at the mine entrance.

A concept plan was presented to Council's January 2019 meeting where the following was resolved:

C.03/0119a That Council:

- 1. Note the submissions received on the mine access road proposal.*
- 2. Notes that in addition to its approval the approval of relevant Government agencies will be required for this proposal to proceed.*
- 3. Approve in principle the proposed route of the mine access road noting that detailed road design plans will be required for local government approval.*
- 4. Notes the potential reopening of the rail line between Greenbushes and Picton, with further upgrades to the line between Picton and the Bunbury Port, Picton and Kemerton complete with in-loading and out-loading facilities at Greenbushes, Bunbury Port, Kemerton and Kwinana, is currently being investigated by State Government agencies, the rail corridor lessee and industry, including Talison Lithium. In-principle Council supports the reopening of the rail from Greenbushes northwards but acknowledges the need for a full business case to be developed to the satisfaction of all parties for this to be progressed, and that the community impacts of the reopening of*

the line be evaluated against the potential benefits of mitigating some of the future truck movements.

5. *Requests the CEO to liaise with the proponent to ensure that the following areas of concern are addressed in the detailed design plans:*
- i. Pedestrian crossings near the Greenbushes Sportsground and any walk trail crossing points;*
 - ii. All intersection design and treatments;*
 - iii. The need for fencing in proximity to Greenbushes Pool; and*
 - iv. Noise attenuation design especially in proximity to Greenbushes Pool and Greenbushes Sportsground.*

Following the above decision Talison Lithium created a community reference group to assist with development of the final alignment plans. In addition to representatives from Talison Lithium and its consultants the community reference group had two representatives from Grow Greenbushes (Mr Terry Cooper and Mr Trevor Eaton) and the Shire (CEO).

The following changes have been made to the concept plans considered in January:

- Pedestrian crossing has been added to the design at the sports ground;
- Inclusion of wildlife crossing points into the design at strategic points;
- Plans include screening at the Greenbushes Pool;
- Improved access onto the Spring Gully Road;
- Addition of a parking bay at a location near the mine site;
- Redesign works to improve the access to the sports ground; and
- Revised and re-modelled drainage works along the road section.

A plan of this proposed alignment forms an attachment to this agenda item (Attachment 1).

The proposed mine access road is proposed to be a public road and would not be restricted to mine trucks/vehicles only. After construction the road would be created as a public road reserve under the care and control of the Shire noting however that construction of the road would be fully funded by Talison Lithium Pty Ltd.

Upon completion of the plans Talison Lithium placed the plans on display for a 2 week period at the Greenbushes Community Resource Centre and promoted locally the opportunity for interested members of the public to view the plans. Talison staff were in attendance on Wednesday 17 July 2019 and Wednesday 24 July 2019 at the Greenbushes Community Resource Centre to discuss the plans with interested members of the public. The Shire CEO attended the CRC on Wednesday 24 July 2019 for the same purpose.

Although no formal consultation period was undertaken for the revised plans the Shire did email all previous persons that provided a submission on the original concept plans to provide those persons an opportunity to provide further comments. One person took this opportunity and lodged a submission (refer Attachment 2).

The points raised in the submission and responses to those points are detailed below.

Summary of Submission	Response
<p>Talison has indicated the current plans drawn and submitted are for this road to be initially utilised as 'mine traffic only'. However, Talison also state it is highly likely to become a public road and therefore Shire owned. Therefore, shouldn't these plans reflect how to minimise the impact of the <i>greater potential traffic flow</i> that was stated at the Shire meeting as 1500 vehicles per day – not just a few hundred trucks per day?</p>	<p>The road is being planned and designed to function as a public road.</p> <p>Talison Lithium has advised that the estimated traffic volume on the proposed access road is 1,360 light vehicles and 199 trucks per day by 2027. The road design can cater for the estimated number of vehicle movements.</p>
<p>Talison's efforts to readjust the alignment of the access road to slightly increase the distance from the Greenbushes Pool and to include on their plans the sound walls to reduce the noise pollution are appreciated.</p> <p>Talison could have included a planting plan of what they will plant on these sound walls and how they will maintain them to ensure that they function to their greatest capacity as well as serve as beautifying the area. This extra information would show their commitment to reducing their impacts on this popular recreation spot.</p>	<p>Noted.</p> <p>No planting of the sound walls is proposed. In addition to the proposal for the sound wall the alignment of the road has also been moved further away from the Greenbushes Pool in order to protect the amenity of that area.</p>
<p>Talison have made no efforts on their plans to show how they will minimise and reduce the road pollution runoff into the conservation water-shed area for the Schwenkes wetlands. Taking into account that this was a Federally funded 3-year effort with 1 million dollars from the federal government and substantial in-kind support and efforts from Talison, the local and wider communities and Blackwood Basin Group in creating this conservation area, I expected to see on their plan much more considered care & moral obligations to protect it.</p> <p>There are many ways road pollution runoff can be intercepted and thereby minimising any environmental impacts of potential gross pollutants, sediment, nutrients, heavy metals and hydrocarbons entering the wetlands water-shed area.</p> <p>Suggestion:</p> <p>a) Compensating basins and swales with</p>	<p>The distance from the proposed road to Schwenkes Dam is approximately 400 metres in which vegetation, albeit degraded vegetation exists. This is seen as being a suitable separation distance without the need for compensating basins or swales. If the Shire was constructing a road in the same circumstances it is unlikely that compensating basins or swales would be included in the design.</p>

<p>extensive reed plantings to help bio-filter the water at the very least.</p>	
<p>The inclusion of a wildlife underpass on the plan is helpful. Adding some rope ladder crossings for possums, phascogales and other nocturnal tree climbing marsupials would enhance these efforts. A study on efforts near Busselton has shown remarkably quick habituation and high use of rope bridges.</p>	<p>Wildlife crossings would only be effective if both sides of the road were to be fenced so that wildlife would be limited to using the crossings only. Noting that no other roads in the vicinity, including South Western Highway are fenced, there doesn't seem a need to impose such a requirement.</p> <p>Whilst it isn't recommended this be made a condition of approval the installation of rope ladder crossings can be considered by the proponent as part of its environmental management of its mining area.</p>
<p>All habitat clearing for road purposes should have an offset plan. No details are given about how Talison and the Shire will offset the clearing of such a huge area of bushland for road construction. The area is regularly referred to as being rehabilitated land with many weedy species, but it is also bushland with abundant native species, wildflowers, watering holes and is therefore still important habitat for endemic flora and fauna. These impacts should be addressed with an offset plan.</p>	<p>It is acknowledged that some clearing will be required for construction of the road but taking into account the length of the road, width of the proposed road carriageway, width of the proposed road reserve and existing cleared areas the extent of clearing is estimated at around 3.5ha in area.</p> <p>Local Government approval is only required for the proposed road and any clearing associated with mining activities doesn't require local government approval. Clearing for the road would be around 3.5ha in area taking into account the length of the road (approximately 2.8km) and the width of the road reserve less any existing cleared areas.</p> <p>The Shire is aware that Talison have some requirements for offset plantings under its environmental approvals. Those approvals include the area proposed for the mine access road.</p> <p>It is noted that approximately 30% of the length of the proposed mine access road will follow existing tracks thereby minimising clearing on those sections. The proposed road reserve would have a width of 20 metres and it is expected that a significant portion of the road reserve would be cleared to accommodate construction of the road. Talison has engaged consultants to undertake flora and fauna surveys of its proposed infrastructure corridors, including the route of the proposed mine access road.</p>

	No threatened or protected flora was identified within the study area with vegetation condition typically being rated as “degraded”, reflecting a high proportion of the area having been disturbed and rehabilitated as part of historical mining activities. A significant amount of introduced species were identified.
<p>a) Over the past few years Greenbushes residents have aimed to beautify both entrances into town with native plantings, the heritage signage upgrade and tinmen installations. The new access road goes directly over the area where the North tinman, picnic gazebo and upgraded heritage sign sit. No efforts are made in the road plan to assure our community that retaining entry beautification is high on their agenda. No elevation plans were supplied to show where the tinman and sign will be reinstalled, or how the native vegetation will be enhanced after clearing or if the gazebo will be rebuilt in another place nearby.</p> <p>b) There will be new turning lane installed into Blackwood Rd from the southern-end, removing the 5-year-old native plantings. No details are given about replacing them.</p> <p>c) There were also no details of how they will beautify the new T-section off the road access mine which is the new entry into Blackwood Rd and therefore part of the new entry into our town.</p>	<p>The plan states that the tin man sculpture and entry signage is to be relocated with the exact location to be determined. A condition is contained in the officer recommendation requiring the submittal of an entry statement plan including any proposed landscaping and final details of the proposed location of the tin man and entry signage.</p> <p>Refer comments above.</p> <p>Refer comments above.</p>
<p>Will the maintenance to the mine access road be financed fully or partly by Talison once it becomes a public Shire owned road?</p> <p>With the potential 1500 vehicle movements per day and excessively heavy trucks traversing it a couple hundred times per day, this road will require a lot of maintenance.</p> <p>Will this increase the yearly rates of Greenbushes residents?</p>	<p>The road will be constructed to the standards of a public road and once the construction is complete and the road reserve created the road will come under the care and control of the Shire. This is no different to roads constructed by subdividers.</p> <p>The Shire doesn't rate by ward. If there is an increased maintenance cost to ratepayers because of this road it will be borne by all ratepayers, just like all other public roads in the Shire.</p>

Whilst Council could refuse the proposal and could make suggestions such as the use of rail or investigation of alternative road alignments Talison wouldn't be obliged to consider those alternatives and could instead simply decide to retain Stanifer Street as its access route from South Western Highway to the mine site.

At this point in time the plan submitted by the proponent is conceptual (albeit detailed) in nature and if Council and relevant State Government agencies were to support the proposal construction drawings would be prepared. Construction drawings are an operational document and are approved at officer level. The CEO can keep Council informed of the status of the detailed design process via reports or briefings when necessary to Council's monthly concept forum.

Statutory Environment

For this current consideration there are no statutory implications as it is only Council's approval in principle for creation of the mine access road that is being sought. The approval of other agencies will be required to excise the land from its current State Forest classification and to create a new road reserve. If these approvals are obtained the approval of Council would be necessary for dedication of the road as a local road.

Integrated Planning

➤ Strategic Community Plan

Key Goal 1 - Our economy will be strong, diverse and resilient

Objective 1.1 - A diverse economy that provides a range of business and employment opportunities

Strategy 1.1.1 - Encourage long term growth in the district in order to retain and enhance services

Strategy 1.1.5 - Pursue improvements to infrastructure and services, including utilities

Objective 1.2 - A proactive approach to business development

Strategy 1.2.2 - Design and implement business retention strategies and initiatives for support of existing and potential new businesses

Key Goal 2 - Our natural environment is valued, conserved and enjoyed

Objective 2.1 - Value, protect and enhance our natural environment

Strategy 2.1.1 - Support and promote sound environmental management practices

Key Goal 3 - Our built environment is maintained, protected and enhanced

Objective 3.3 - Maintain an appropriate standard of transport networks, roads and pathways

Strategy 3.3.3 - Provide and maintain a safe and efficient transport system

Key Goal 5 - Our leadership will be visionary, collaborative and accountable

Objective 5.1 - Our community actively participates in civic life

Strategy 5.1.1 - The community is involved in local decision making

➤ Corporate Business Plan - Nil

➤ Long Term Financial Plan

The road would be funded by Talison Lithium. If approvals are granted for the proposal cost estimates for construction of the road would be prepared and the income and expenditure and timing for the project would be inserted into the Long Term Financial Plan at the subsequent annual review of the document.

- Asset Management Plans
The road would become a local government asset and would be recognised in asset management planning.
- Workforce Plan - Nil
- Other Integrated Planning - Nil

Policy

Policy M.21 - Community Engagement/Consultation: The framework for conducting community consultation/engagement in 2018 on the mine access road proposal was developed in line with this policy.

Policy O.10 – Managing the Natural Environment: The objectives of this policy include:

- Within planning decisions promote conservation of ecological systems and the biodiversity they support including ecosystems, habitats, species and genetic diversity;
- Within planning decisions assist in the conservation and management of natural resources, including air quality, energy, waterways and water quality, landscape, agriculture and minerals to support both environmental quality and sustainable development over the long term;
- Within planning decisions adopt a risk-management approach that aims to avoid or minimize environmental degradation and hazards;
- Prevent or minimise environmental problems that might arise as a result of siting incompatible land uses together;

Council will have to determine if the proposed mine access road meets the objectives of the policy whilst at the same time assessing the social and public safety consequences of mine traffic continuing to use Stanifer Street as its access between the mine site and South Western Highway. Talison has engaged consultants to undertake flora and fauna surveys of its proposed infrastructure corridors, including the route of the proposed mine access road. No significant environmental impacts have been identified.

Budget Implications

There are no budget implications associated with the current assessment of the proposal and the decision making process.

Fiscal Equity – Not Applicable

Whole of Life Accounting – Not Applicable

Social Equity – Not Applicable

Ecological Equity

The road proposal will be subject to some form of environmental assessment by Government agencies. There will be clearing to accommodate the proposed road and the clearing and the presence of the road will have some impacts upon local fauna. Some of these impacts can be potentially mitigated through the detailed

design process for the road however as with any development proposal or road construction project there will be impacts on the environment.

Cultural Equity – Not Applicable

Risk Management – Not Applicable

Continuous Improvement – Not Applicable

Voting Requirements – Simple Majority

ITEM NO.	SpC.02/0819	FILE REF.	133
SUBJECT	Adoption of 2019/20 Budget		
PROPONENT	Council		
OFFICER	Chief Executive Officer and Executive Manager Corporate Services		
DATE OF REPORT	6 August 2019		

Attachment 3 Draft 2019/20 Budget (separate Attachment)

OFFICER RECOMMENDATION

1. That in the 2019/20 financial year, Council impose the following rates in the dollar and minimum rates in the district:

Category	Rate in \$	Minimum Rate
Gross Rental Value (GRV) Properties	8.7045 cents	\$942.00
Rural Unimproved Value (UV) Properties	0.6317 cents	\$1,168.00
Mining Unimproved Value (UV) Properties	7.5684 cents	\$523.00

[Absolute Majority Required]

2. That in the 2019/20 financial year, Council imposes Rubbish Collection Charges as follows:

- \$79.00 per annum per 120 litre or 140 litre rubbish bin (noting a 240 litre rubbish bin represents two 120 litre services); and
- \$69.00 per annum per 240 litre recycling bin.

and that these charges be included in the 2019/20 Schedule of Fees & Charges.

[Absolute Majority Required]

3. That in the 2019/20 financial year, Council, under Section 66 of the Waste Avoidance and Recovery Act 2007, imposes a Landfill Site Maintenance Rate (for the purpose of funding all its waste services other than kerbside rubbish and recycling collection services). Furthermore Council sets the following rates in the dollar for the Landfill Site Maintenance Rate however noting that under Section 6.35 of the Local Government Act and Regulation 52A of the

Local Government (Financial Management) Regulations all rateable properties will be charged the minimum rate only:

GRV - \$0.00023779

UV - \$0.00006278

Minimum Rate - \$195.00

[Absolute Majority Required]

4. *That for the Landfill Site Maintenance Rate the following concessions will be applicable:*

“Where more than one assessment is held in identical name or names, no more than one charge will apply, except in the following situations:

- (i) A habitable dwelling house or commercial rented premises is situated on the additional property; or*
- (ii) The additional properties are separated by more than 10 kilometres as measured cadastrally on an appropriate map”.*

[Absolute Majority Required]

5. *That a concession of 10% of the rates raised be granted to properties previously rated in the ‘UV Urban Farmland’ differential rating category. This concession is in recognition of the higher values applied to properties within the townsite as opposed to land outside of the townsite. The concession be granted to the following rate assessments:*

A29624

A39009

A41717

[Absolute Majority Required]

6. *That in the 2019/20 financial year, Council nominate due dates for the payment of rates and service charges as follows:*

<i>Payment in Full</i>	<i>Payment in Instalments</i>
<i>27 September 2019</i>	<i>27 September 2019</i>
	<i>27 November 2019</i>
	<i>28 January 2020</i>
	<i>30 March 2020</i>

7. *That in the 2019/20 financial year, Council impose penalty interest at 11% per annum, calculated daily, on rates and service charges remaining unpaid (excluding eligible pensioners opting to defer the payment of their rates), after the due dates identified in Part 5 above.*

[Absolute Majority Required]

8. *That in the 2019/20 financial year, Council impose instalment plan administrative fees and interest for the payment of rates and service charges as follows:*

- \$8.35 per instalment (not including the first instalment); and*

- 5.5%.*

[Absolute Majority Required]

9. *That Council note that pursuant to Section 6.16 of the Local Government Act 1995, it has already adopted at its May 2019 meeting the Fees and Charges included in the draft 2019/20 Budget document noting that revised kennel fees for impounded dogs and cats were adopted at its June 2019 meeting.*
[Absolute Majority Required]
10. *That for the financial year ending 30 June 2020, Council transfer funds to and from the Reserve Funds, as is specified in the 2019/20 Draft Budget.*
11. *That the Romans Reserve be amalgamated with the Assets & GRV Valuations Reserve with the latter to remain the name of the Reserve Fund.*
[Absolute Majority Required]
12. *That for the financial year ending 30 June 2020, Council transfer funds to and from the Trust Account, as is specified in the 2019/20 Draft Budget.*
13. *That Council adopt the balanced 2019/20 Draft (Statutory) Annual Budget, including the Rate Setting Statement which indicates that \$4,667,928 in rates is to be raised, as presented.*
[Absolute Majority Required]
14. *That in accordance with Policy F7 (Reporting Forecast Budget Variations Policy), for the financial year ending 30 June 2020 Council adopt a percentage of plus or minus 10% up to \$50,000 at sub-program level, and 5% over \$50,000 at sub-program level, to be used for reporting material variances of actual revenue and expenditure in the monthly reports of financial activity. The exception being that material variances of \$1,000 or less are non-reportable.*
15. *That Council approves the following incentive prize for the early payment of rates in full by the due date of 27 September 2019:*
 - \$600 Community Cash Vouchers*[Absolute Majority Required]*
16. *That Council note the updated information provided by Blues at Bridgetown Inc. regarding that organisation's compliance to the Associations and Incorporations Act 2015 and provision of grant acquittals and accordingly confirms the allocation of \$11,892 in the 2019/20 budget as a community grant towards facility hire and road closure costs for the 2019 Blues at Bridgetown Festival.*

Summary/Purpose

Local Governments must prepare annual budgets in the format as prescribed in the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996. This report is for Council to consider:

- Adopting the 2019/20 Annual Budget;
- Confirming its current policy for setting a level of reporting material variances so as to satisfy Council that the annual budget is being implemented satisfactorily;

- Setting fees for kerbside rubbish collection and kerbside recycling collection services.
- Setting the Landfill Site Maintenance Rate under the Waste Avoidance and Resource Recovery Act 2007
- Setting due dates for payment of rates and service charges, either in full or by instalments;
- Setting interest rates for outstanding rates after the due date and for rates paid by instalments and the administrative fee for setting up an instalment plan.
- Transfer of reserve account funds.
- Transfer of trust funds.
- Determining the prize to be provided in the 'early payment of rates' competition.

Background

The 2019/20 budget process commenced in December 2018 with the opening of the application process for new community grants in 2019/20 and service agreement applications for up to 3 years from 2019/20.

Council's Corporate Business Plan is the key informing document for the annual budget. The Corporate Business Plan is an internal business planning tool that translates Council priorities into operations within the resources available. The plan details the services, operations and projects a local government will deliver within a defined period. It also includes the processes for delivering these.

The Corporate Business Plan contains forecasts of funding, additional operating activities/expenditure (over and above current operating activities) and capital program expenditure. The forecasts for Year 1 of the Corporate Business Plan have been fed directly into the 2019/20 budget.

Over the course of two Council Concept Forums held on 9 May 2019 and 13 June 2019 and a Council Workshop on 23 May 2019 Council considered a number of aspects or informing strategies of the draft budget, being:

- Progressing the annual review of the Corporate Business Plan
- Deferring a comprehensive review of its 10 Year Strategic Works Program Council limited its considerations to one year (2019/20) only. The review of the 10 Year Strategic Works Program is scheduled for September 2019 and will feed the 2020/21 budget and beyond.
- Review of the 2019/20 Building Maintenance/Capital Works Plan.
- Annual review of 10 Year Plant Replacement and Light Fleet Replacement Plans.
- Review of fees and charges
- 2019/20 rating strategy

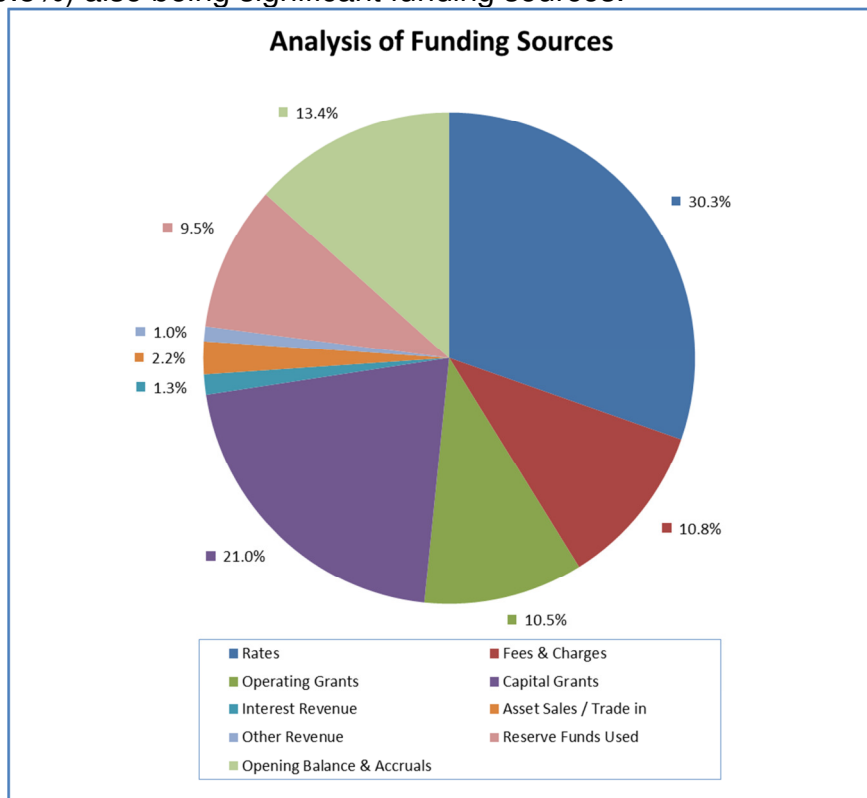
Since March 2019, on a monthly basis a standing item at the monthly Council Concept Forum has been the identification of potential operational cost savings. Items considered over this period, the results having been fed to the 2019/20 budget were costs associated with the holding of Council Meetings/Concept Forums/Council Workshops, stationery purchasing and chlorination options at the aquatic centre.

Officer Comment

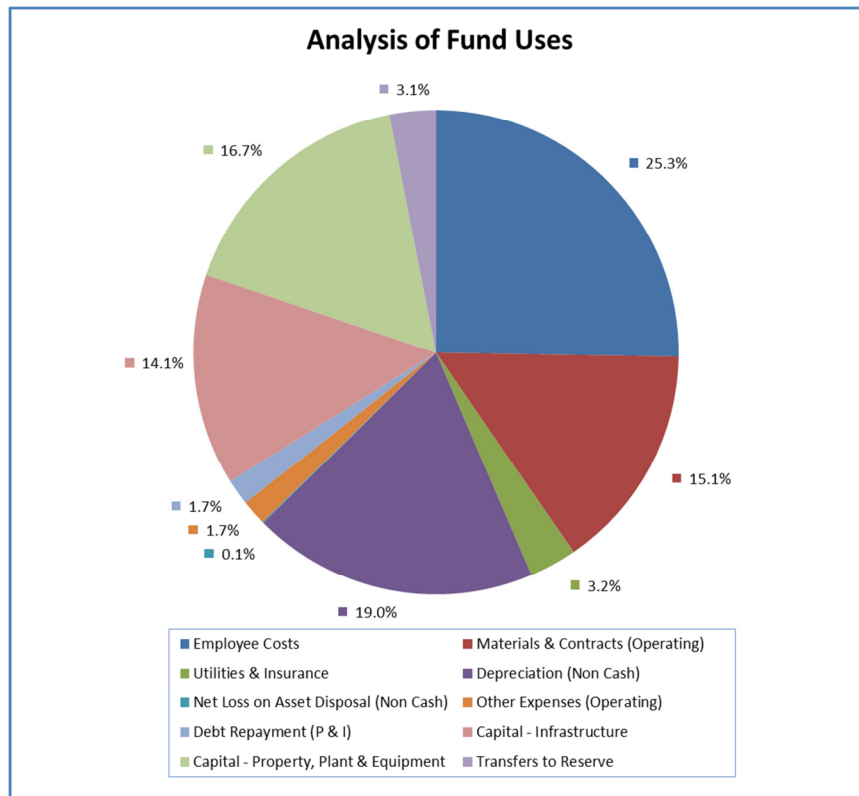
The draft budget is a balanced budget with a 2.5% rate increase.

The graphs below provide an analysis of various funding sources and expenditure areas as contained in the draft 2019/20 budget.

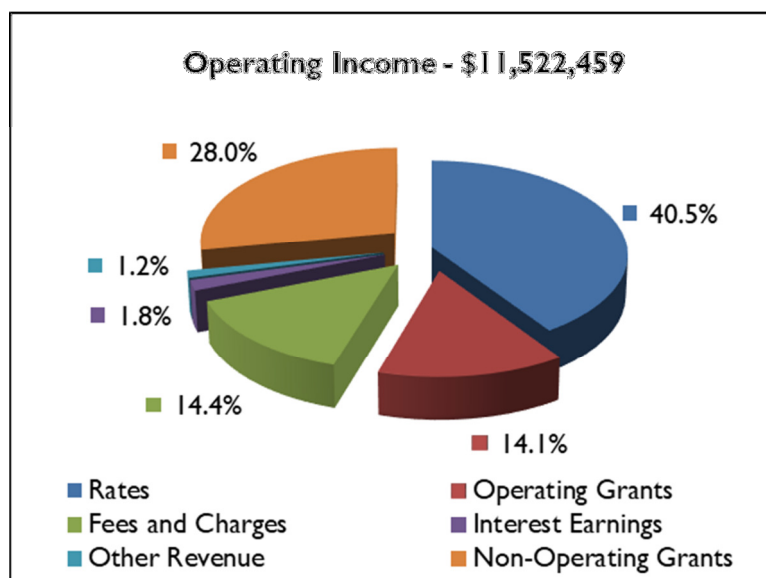
Rates make up 30.3% of budgeted revenue with operating grants (10.5%), capital grants (21.0%), transfers from reserve accounts (9.5%) and revenue from fees and charges (10.8%) also being significant funding sources.



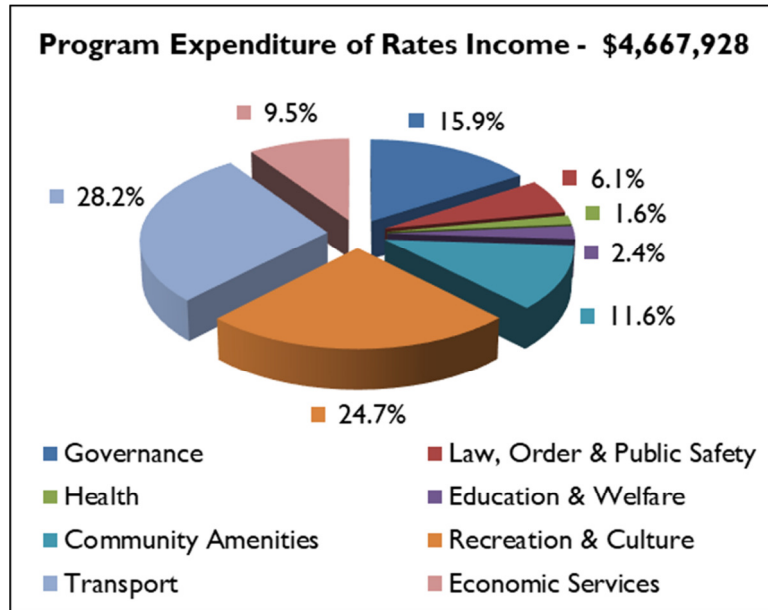
The largest expenditure areas by percentage are employee costs, depreciation (non-cash), materials & contracts and capital works.



Excluding capital grants, transfers from reserve accounts, borrowings and asset sales the graph below shows the source of operating income contained in the draft 2019/20 budget.



The table below shows where the budgeted rate revenue of \$4,667,928 is to be expended with the largest program areas of expenditure being recreation & culture and transport.



Set out below is a summary of funding for some of the key features of the draft budget and other related subjects.

1. Rates in the Dollar

In accordance with Section 6.36 of the Local Government Act 1995 (the Act) Council was required to establish the differential rates it will advertise prior to considering and adopting the budget. Accordingly at its ordinary meeting held on 30 May 2019 Council resolved (C.09/0519) to:

That Council:

1. *After consideration of its strategic community plan and corporate business plan fund the estimated budget deficiency of \$4.72m by applying differential rates when drafting the 2019/20 Annual Budget.*
2. *In accordance with section 6.36 of the Local Government Act 1995 endorses the advertising for public submissions on the proposed differential rates as set out in the table below, and makes available to the public Attachment 5 to this report setting out the objects and reasons for the differential rates:*

Category	Rate in \$	Minimum Rate
Gross Rental Value (GRV) Properties	8.8471 cents	\$942.00
Rural Unimproved Value (UV) Properties	0.6417 cents	\$1,168.00
Mining Unimproved Value (UV) Properties	8.1436 cents	\$554.00

3. *Direct the CEO to:*

- *report back to Council any public submissions in relation to the proposed differential rates;*
- *seek the approval of the Minister to impose in 2019/20 a differential Mining UV rate which is more than twice the lowest general differential UV rate.*

4. *Incorporate into the 2019/20 Budget a concession of 10% of the rate raised for properties previously rated in the 'UV Urban Farmland' differential rating category. Further, this concession be reduced by 5% in subsequent budgets i.e. 5% concession to apply in 2020/21 and no concession to apply from 2021/22.*

In accordance with Section 6.36 of the Local Government Act the differential rating proposal was advertised for public comment for a period of 22 days. An advertisement appeared in the Manjimup-Bridgetown Times edition of 5 June 2019.

Ratepayers in the Mining Unimproved Value category were notified on an individual basis of the proposed rates in the dollar and minimum payments to allow for comment.

At its June 2019 meeting Council considered the one submission received and resolved (C.10/0619):

1. *That Council considers the submission from McMahon Mining Title Services Pty Ltd regarding the proposed differential rates for Mining properties and resolves to adjust the Mining Unimproved Value rate in the dollar and minimum payment in consideration of the new valuation roll received for this differential rating category.*
2. *That following input of the new valuations for Mining Unimproved Value properties Council endorse the following proposed 2019/20 rate in dollar and minimum payments in lieu of those previously advertised:*

Category	Rate in \$	Minimum Rate
Gross Rental Value (GRV) Properties	8.8471 cents	\$942.00
Rural Unimproved Value (UV) Properties	0.6417 cents	\$1,168.00
Mining Unimproved Value (UV) Properties	7.6644 cents	\$530.00

3. *That in accordance with Regulation 23(b) of the Local Government Financial Management Regulations notice of the reason for adopting a different rate in the dollar and minimum payment than advertised for the Mining Unimproved Value properties be included in the 2019/20 budget papers and also communicated in the rating information document included with each rates notice.*
4. *That Council makes application to the Minister for Local Government, Sport and Cultural Industries to impose in 2019/20 a differential Mining UV rate which is more than twice the lowest general differential UV rate.*

In its June 2019 resolution above Council adjusted its 'rate in the dollar' down for the Mining Unimproved Value category to offset increased valuations as a result of rent rate increases imposed by the Department of Mines, Industry Regulation and Safety. The rate yield increase applied to this category was still consistent with that applied to all other rating categories.

At its July 2019 meeting held on 25 July 2019 Council considered a report providing information on a better than originally estimated surplus from 2018/19 and determined the following three resolutions:

C.10/0719a That following identification of additional surplus funds from 2018/19 and in consideration of the current economic climate Council endorse the following revised 2019/20 rate in dollar and minimum payments in lieu of those previously advertised:

<i>Category</i>	<i>Rate in \$</i>	<i>Minimum Rate</i>
<i>Gross Rental Value (GRV) Properties</i>	<i>8.7045 cents</i>	<i>\$942.00</i>
<i>Rural Unimproved Value (UV) Properties</i>	<i>0.6317 cents</i>	<i>\$1,168.00</i>
<i>Mining Unimproved Value (UV) Properties</i>	<i>7.5684 cents</i>	<i>\$523.00</i>

C.10/0719b That in accordance with Regulation 23(b) of the Local Government Financial Management Regulations notice of the reason for adopting a different rate in the dollar and minimum payment than advertised be included in the 2019/20 budget papers and also communicated in the rating information document included with each rates notice.

C.10/0719c That Council's current differential rating application is amended with the revised rating information. The revised application be forwarded to the Minister for Local Government, Sport and Cultural Industries for approval to impose in 2019/20 a differential Mining UV rate which is more than twice the lowest general differential UV rate.

The consequence of the decision by Council to revise its 2019/20 rate in dollar and minimum payments was to reduce its total rate yield from the originally intended 3.8% increase to a 2.5% increase.

Approval was obtained from the Minister on 2 August 2019 for the imposition of a differential Mining UV rate which is more than twice the lowest differential UV rate.

The increases in minimum rates from 2018/19 to 2019/20 are \$45.00 for GRV properties, \$56.00 for Rural UV properties. However for Mining UV properties a reduction of \$11.00 will occur from 2018/19 to 2019/20 to ensure compliance with the minimum rating provision of the Local Government Act 1995.

2. Community Grants, Service Agreements and Donations

At its ordinary meeting held on 30 May 2019 Council resolved to allocate \$148,108 in the 2019/20 budget for community donations as follows:

- \$10,851 New service agreements
- \$39,061 Existing service agreements to be carried forward
- \$20,500 New community group grants
- \$25,450 New non-contestable annual community contributions
- \$2,385 Chief Executive Officer donations
- \$3,500 Chief Executive Officer hall hire donations
- \$680 Rubbish and recycling collection for community events

- \$200 Rubbish and recycling collection for Shire leased facilities
- \$42,366 Landcare Officer
- \$500 South West Academy of Sport Sponsorship
- \$250 Agricultural Society School Art Prize Sponsorship
- \$1,000 Manjimup Airfield Contribution
- \$1,000 Greenbushes' Australia Day Breakfast Event
- \$365 School Awards

A further \$11,892 has been set aside in the 2019/20 budget as a community grant for the 2019 Blues at Bridgetown Festival subject to Blues at Bridgetown lodging its outstanding service agreement and grant acquittals including financial statements completed in line with the Associations and Incorporations Act 2015.

The Shire President and CEO met with the Board of Blues at Bridgetown on 31 July 2019 to discuss concerns about potential non-compliance with the Associations and Incorporations Act 2015 and the information required from Blues at Bridgetown to enable the Council to confirm or otherwise the provision of the \$11,892 in the 2019/20 budget. At this meeting Blues at Bridgetown confirmed the following:

- 4 weeks' notice must be given by a person seeking to nominate for the Board;
- To nominate for the Board a member must have been a financial member for at least 4 weeks;
- 2 weeks' notice must be given advising of the date and place for the AGM;
- Auditing of outstanding annual financial statements is currently in progress and should be completed by mid-August 2019;
- Taking the above into account it is the intention of the Board to hold the AGM in mid to late September 2019;
- Acquittals for previous Shire service agreement or community grant funding have been provided to the Shire, excepting for the last 2 years (2017 and 2018 noting Blues of Bridgetown financial year is the calendar year) with the two outstanding acquittals to be provided once the current auditing of annual financial statements has been completed; and
- The Shire is the only external funding partner for the Blues at Bridgetown.

Taking into account the above information it is recommended Council confirm the release of the \$11,892 in the 2019/20 budget to allow Blues at Bridgetown to complete its planning for the 2019 event. Moving forward from the 2019 event it is proposed to have further discussions with Blues at Bridgetown about the Shire becoming a strategic funding partner for future festivals.

Including the yet to be confirmed Blues at Bridgetown funding the total amount to be funded for Community Grants, Service Agreements and donations in the 2019/20 budget is \$160,000.

The \$20,500 of new community grants (excluding the Blues at Bridgetown grant funding) is made up of:

- Blackwood Country Gardens - Country Garden Festival - \$5,000
- Blackwood Poetry Prize Group - Event Assistance - \$1,000
- Bridgetown Croquet Club - Purchase of equipment - \$1,000

- BGBTA - Winter Festival Opening - \$5,000
- Bridgetown Historical Society - Interpretive Project - \$1,500
- Bridgetown Repertory Club Inc. - Equipment upgrade - \$4,000
- Grow Greenbushes - Sunup Banquet Event - \$3,000

New or continuing service agreements and non-contestable funding allocations totalling \$75,362 are made up of:

- Blackwood Valley Wine Industry Association - Venue Hire - \$851
- Bridgetown Agricultural Society - Entertainment at Show - \$5,000
- Bridgetown Child Health Inc. - Rent Contribution - \$3,000
- Jubilee Singers of Bridgetown - Blackwood Rhapsody - \$2,000
- Blackwood Youth Action Group - Rubbish collection, internet and promotion costs - \$1,651
- Grow Greenbushes Inc. - Marquee hire for Greenbushes Fun Run event - \$2,745
- WA Volunteer Bush Fire Brigades Historical Group - Contribution to rental costs - \$1,500
- Bridgetown Equine - Traffic management plan for event - \$3,850
- Bridgetown Historical Society - Administration costs - \$2,735
- Bridgetown Scouts - Building operations - \$1,580
- Geegeelup Village Inc. - Contribution towards rates - \$25,000
- Bridgetown Family & Community Centre - Rates & Insurance - \$8,000
- Greenbushes Playgroup - Rent Assistance - \$450
- Henri Nouwen House - Contribution towards Administration & Wages - \$10,000
- Bridgetown Lawn Tennis Club - Easter Tournament - \$2,000
- Rotary Club of Bridgetown Inc. - Blackwood Marathon - \$5,000

3. Road Works

The draft budget provides for construction works on the following roads:

- Winnejump Road (progressive reconstruction)
- Glentulloch Road (continuation of reconstruction commenced last year)
- Mockerdillup Road (drainage and vegetation clearing)
- Dalmore Road (gravel resheeting)
- Huitson Road (gravel resheeting)
- Eastcott Road (gravel resheeting)
- Campbells Road (gravel resheeting)
- Blackwood Park Road (gravel resheeting)
- Blackwood West Terrace (Minor widening and drainage works)
- Seaton Ross Road (minor shoulder widening)
- Kangaroo Gully Road (widening at intersection of Claret Ash Drive)
- Chevis Court (asphalt overlay intersection with Turner Road)
- Ethel Street (asphalt overlay between Spencer Street and Roe Street)
- Brockman Street (asphalt overlay)
- Doust Street (asphalt overlay between Mattamattup Street and Ford Road)
- Kandalee Road (gravel sheeting and drainage works)
- Taylors Road (widening and gravel sheeting)
- Farrell Street (gravel sheet selected locations)

- Nelson Street (asphalt overlay intersection with Thornbill Road)

Following on from reconstruction works completed last year second coat bitumen seals will be laid on Brockman Highway, Winnejump Road, Tweed Road and Glentulloch Road.

Also bridge works to the value of \$1,017,000 (fully externally funded) will occur on two bridges - one located on Donnelly Mill Road and the other on Winnejump Road.

4. Footpaths

Only a small footpath program is proposed in 2019/20. Steps are to be constructed at the western end of Campbell Street to provide a safe pedestrian connection with Allnutt Street and \$5,000 is allocated for disability access improvements.

5. Drainage

The budget provides for the following drainage projects:

- Huggett Place
- Lakeview Crescent
- Whittells Road
- Eedle Terrace
- Dean Street & Apex Grove near intersection with Roe Street
- Claret Ash Drive
- Four Seasons Estate

6. Plant and Fleet Replacement

The budget provides for the following plant replacement in 2019/20:

2009 Caterpillar Multi Tyre Roller
2010 Ammann Multi Tyre Roller
2007 Hino 8 Tonne Tip Truck

The following fleet replacement is proposed in 2019/20:

Toyota Landcruiser Prado – B0100 (CEO)
Holden Colorado 7 – B16240 (Executive Manager Community Services)
Nissan Pathfinder – B0111 (Senior Engineering Technical Officer)
Holden Colorado 7 – B16117 (Principal Building Surveyor)
Ford Ranger Space Cab – B16367 (Depot General Hand)
Ford Ranger Super Cab – B15439 (Building Maintenance)

7. Recreation

- Construction of the gym extension at the Bridgetown Leisure Centre.
- Installation of a chlorine auto shut down system at the aquatic centre.
- Construction of a stage in Memorial Park. The estimated cost in the budget is \$150,000 with \$100,000 to be externally sourced.
- Staged replacement of exercise equipment in Somme Creek Parklands.
- Completion of the Warren Blackwood Stock Route, a regional bridle trail commencing in Bridgetown with two spur trails to Shannon and the Scott Coastal Plain south of Nannup. Note the Shire of Bridgetown-Greenbushes is project managing this project on behalf of the Warren Blackwood Alliance of Councils

hence all income (grants) and expenditure for the project is shown in the Shire's budget.

- Reconstruction of the boardwalk below the caravan park.
- A parkland improvement strategy is to be prepared and this will guide future development and expenditures for parkland.
- Replacement of the travelling irrigator sprinkler used at the Bridgetown Sportsground.
- Improvements to drainage in Memorial Park.

8. Fire Prevention/Emergency Management

- ESL operating grant (DFES) for bush fire brigades increased from 2018/19 by 9.3% to \$180,000. A further \$11,336 has been received for additional bush fire insurance costs.
- ESL operating grant (DFES) for the Bridgetown SES Brigade of \$21,570.
- Changeover of the general rescue vehicle for the Bridgetown SES Brigade (ESL funded).
- Four new light tankers for changeover of the existing appliance at the Hester Brook, Sunnyside, Wandillup and Winnejup Bush Fire Brigades (ESL funded).
- Replacement of the Shire owned bush fire support vehicle (Shire funded).
- ESL funding of \$242,600 for construction of a new fire station for the Greenbushes Bush Fire Brigade with Shire funding of \$10,000 for earthworks.
- ESL funding of \$271,100 for construction of a new fire station for the Wandillup Bush Fire Brigade with Shire funding of \$10,000 for earthworks and \$5,000 for survey costs to create a new reserve for siting of the fire station.
- 2019/20 is the 3rd year of funding under the State Government's Mitigation Activity Fund. The funds are to be received for mitigation activities on Shire controlled land. The actual amount of funding to be received is yet to be confirmed so a default sum of \$100,000 has been allowed for in the 2019/20 budget. Once the actual funding is announced a budget amendment will be presented to Council.

9. Community Services

- Funding for implementation of the Age Friendly Community Plan, Youth Friendly Community Plan and Access and Inclusion Plan via various programs, events and initiatives.
- Funding for the continuation of the summer evening outdoor film festival.
- Develop new ACROD parking bays in CBD to replace existing on-street infirm parking bays.
- Continuation of the Bridgetown Art Trail.

10. Governance and Administration

- The 2019/20 Financial Assistance Grants (Commonwealth Government) has been budgeted to be marginally higher (0.12% increase to \$1,204,716) than received in 2018/19. The Commonwealth Government did provide an advance payment of 50% therefore the budget only shows income for the remaining 50% over 4 quarterly payments. The 50% payment received towards the end of 2018/19 is contained in the carry-forward surplus from 2018/19 to 2019/20.
- 2019/20 Local Road funding by the Commonwealth Government Grants Commission has been estimated to be \$677,877 with a 50% payment received towards the end of 2018/19 contained in the carry-forward surplus from 2018/19 to 2019/20.

- Commonwealth Government Roads to Recovery funding of \$423,704.
- After being frozen for 4 successive years Councillor Allowances have been increased by 1.3%, as determined by Council at its May 2019 meeting.
- Council has appointed the Western Australian Electoral Commission to conduct the 2019 Local Government elections at an estimated cost of \$23,000.
- Council will be engaging professional assistance for the purpose of lobbying State and Commonwealth governments to fund infrastructure considered necessary to accommodate the population growth associated with the Talison Lithium Expansion Project.
- An allocation of \$45,293 has been carried forward from 2018/19 for implementation of the Workforce Plan. In 2018/19 a new Workforce Plan was prepared which incorporated a comprehensive review of its organizational structure. The restructure is being phased in over 2 financial years.
- The total budgeted wages for 2019/20 is \$4,231,893 which is 2.14% greater than that allocated in the 2018/19 budget. This increase includes allocations for implementation of the review of the Workforce Plan. The \$4,231,893 of budgeted wages in 2019/20 equates to 90.66% of the total to be raised by rates in 2019/20, well within the target of 100% set by Council's current Workforce Plan.

11. Major Building Improvements

The total expenditure proposed in the draft budget is \$710,593 of which \$568,732 is 'materials & contracts', noting that this includes carry-forward expenditure from 2018/19 of \$135,547 and an external contribution of \$60,000 to proposed works at the Greenbushes Golf Club.

In its workshops and discussions held as part of the budget preparation process Council indicated it wished to focus the 2019/20 building maintenance and capital budget on 3 separate sites rather than trying to spread the budget evenly over the entire building inventory.

The 3 buildings selected for significant works (and funding) in 2019/20 are the Greenbushes Golf Club, Greenbushes Hall and Bridgetown Civic Centre. A summary of the works proposed for these 3 buildings are:

Greenbushes Golf Club

- Redevelopment – demolish existing change rooms and install new transportable change rooms, repair roof beam, reclad western side of building (note the estimated cost of these works is \$120,000 and Talison Lithium has offered to fund 50% (\$60,000).
- Electrical repairs.

Greenbushes Hall

- Floor repairs – replace stumps and level floor
- Window repairs
- New septic system and leach drains
- Replace roof screws

Bridgetown Civic Centre

- Sand & oil town hall floor (follows floor repair work recently completed)
- Internal Painting
- Replace lighting and fans in town hall

- Replace blinds in Lesser Hall
- Replace roof screws

Significant works proposed in 2019/20 for other buildings include:

- Replace septic tanks and leach drains at Greenbushes Sportsground (camp area);
- Replace solar lights at Greenbushes Pool;
- Replace automatic doors at Bridgetown Leisure Centre;
- Electrical repairs at Greenbushes Roads Board office;
- Electrical repairs at River Park toilets;
- Major service required for lift in administration office;
- Improvements to ventilation and general upgrade of Hampton Street toilets;
- Replace gutters on tote building at Bridgetown Sportsground;
- Replace solar lighting at Somme Park;
- Install LED lights and fans in admin office kitchen and toilets;
- Replace in-ground lighting near library;
- Staged renovation works at 146 Hampton Street (Shire House);
- Replace BBQ at Greenbushes Pool; and
- Replace BBQ at Greenbushes Heritage Park.

12. Waste Management

For many years Council has adopted the principle that waste management should be funded on a cost recovery basis. This means that all the expenses associated with waste management are funded by the kerbside rubbish collection charge, kerbside recycling collection charge, the Landfill Site Maintenance Charge plus other waste income such as recycling subsidies and tipping fees.

Council charges on all rateable properties a landfill rate under Section 66 of the Waste Avoidance and Resource Recovery Act 2007. This section of the Act allows a local government to impose on rateable land within its district, and cause to be collected, an annual rate for the purpose of providing for the proper performance of all or any of the waste services it provides.

The annual rate must not exceed —

- (a) 12 cents in the dollar on the gross rental value; or
- (b) where the system of valuation on the basis of the unimproved value is adopted, 3 cents in the dollar on the unimproved value of the land in fee simple.

The following rates in the dollar have been set for this charge:

- GRV - \$0.00023779
- UV - \$0.00006278

Section 6.35 of the Local Government Act and Regulation 52A of the Local Government (Financial Management) Regulations allow Council to have more than 50% of rateable properties on the minimum payment if the minimum is less than \$200. On this basis all rateable properties will be charged a minimum rate of

\$195.00 with concessions for multiple properties applicable as per previous years. This minimum rate is an increase of \$2 from 2018/19.

New capital works in waste management is installation of an emergency pumping system) and crushing of the inert waste stockpile at the waste site. A development plan is also to be prepared setting out the future development of the waste site.

Rehabilitation of the former Greenbushes liquid waste facility is to occur in 2019/20.

The Kerbside rubbish and recycling collection service areas remain unchanged (last review was undertaken in 2015/16) and the relevant charges for households receiving these services are:

- Rubbish Collection Charge - \$79.00 (remains the same as 2018/19)
- Recycling Collection Charge - \$69.00 (decrease of \$2 from 2018/19)

The Shire of Bridgetown-Greenbushes is continuing to partner with the other 11 local governments of the south-west region in investigating potential regional waste initiatives. Contributions are being made by each local government based on a ratio linked to rates revenue and this contribution has been provided in the budget.

13. Other

- Funds of \$15,915 (including \$15,000 carried forward from 2018/19) have been set aside for surveying of the proposed realignment of the Nelson Street/Hampton Street intersection and partial closure of Hester Street adjacent to the Repertory Theatre.
- Continuation as a member of the Warren Blackwood Alliance of Councils and funding of regional trails website and events website.
- Funding of \$45,320 towards the 2nd year operations of the Southern Forest Blackwood Valley Tourism Association.
- A wastewater dump point is being constructed in the railway carpark in Bridgetown at an estimated cost of \$56,000.
- Funding of \$5,000 to assist with preparation of a Local Health Plan.
- Funding, the majority which is a carry forward from 2018/19 is provided for completion of the new Local Planning Strategy including a review of bush fire planning policy.
- Funding for progressive acquisition of land adjacent to Geegelup Brook.
- Funding has been allocated to progress the design and land acquisition for car parking proposals in the Bridgetown and Greenbushes town centres.
- Review directional signage to car parking.
- Funding has been carried forward from 2018/19 for the upgrade of the northern information bay in Bridgetown.
- An electrical capacity assessment of the Bridgetown Sportsground Precinct (encompassing sportsground buildings & infrastructure, Shire Depot and Incident Control Centre) is to be carried out in 2019/20 in order to determine capacity for additional electrical connections and/or development within the Precinct.

14. Loans

No new loans are proposed in the budget for 2019/20.

As at 1 July 2019 the Shire's loan liability was \$2,063,582 and under the 2019/20 budget this liability will decrease to \$1,810,366 at 30 June 2020.

15. Reserve and Trust Account Transfers

The budget proposes to transfer \$577,558 into reserve, including \$250,550 into Plant Replacement Reserve, \$92,570 into Light Fleet Vehicle Reserve, \$40,588 into the Assets & GRV Valuations Reserve, \$40,000 into the Strategic Projects Reserve, \$5,000 into the Refuse Site Post Closure Reserve, \$10,000 into the Recreation Centre Floor & Solar Reserve, \$10,000 into the Matched Grants Reserve, \$10,000 into the Blackspot Works Reserve, \$10,000 into the Drainage Reserve, \$10,000 into the Bush Fire Reserve, \$5,000 into the Community Bus Replacement Reserve and \$5,000 into the Trails Reserve. Estimated annual interest of \$75,000 is to be distributed across all the specific reserve accounts.

In the budget an amount of \$1,466,412 is to be transferred from reserves, including:

- \$311,228 from Unspent Grants Reserve (grants received in 2018/19 or earlier but unspent before 30 June 2019).
- \$507,000 from Plant and Light Fleet Reserves for changeover of plant and fleet in accordance with the Plant/Fleet Replacement Plan.
- \$174,410 from Land and Buildings Reserve for expansion of the gym at the Bridgetown Leisure Centre
- \$4,000 from the Land and Buildings Reserve to progress the design and land acquisition for car parking in the Greenbushes CBD.
- \$191,969 from the Subdivision Reserve for funding of various roadworks.
- \$43,000 from the Refuse Site Post Closure Reserve for costs of rehabilitating the former Greenbushes liquid waste site and crushing of inert waste.
- \$50,000 from the Sanitation Reserve to fund preparation of a development plan for the waste site and installation of an emergency pump system for the leachate pond.
- \$25,000 from the Strategic Projects Reserve to fund preparation of plans for parking behind the shops and beautification of the adjacent Geegelup Brook.
- \$5,000 from the Strategic Projects Reserve to partly fund the costs of installing new ACROD parking bays in Bridgetown.
- \$15,000 from the Strategic Projects Reserve to fund preparation of a plan for development of a playground in Highland Estate.
- \$10,363 from the Bridgetown Leisure Centre Reserve for installation of shade sails over the alfresco area and replacement pole for shade sail over pool.
- \$50,000 from the Bridgetown Leisure Centre Reserve for expansion of the gym at the Bridgetown Leisure Centre.
- \$27,500 from the Assets & GRV Valuations Reserve to fund the costs for obtaining updated plant, equipment and infrastructure fair values.

The Romans Reserve that was in the former budget is recommended to be discontinued with its balance (\$4,721) transferred to the Assets & GRV Valuations Reserve as these funds are used for valuation of road assets. This transfer is reflected in the draft budget.

16. Early Payment of Rates Incentive Prizes

Once again it is proposed to offer an incentive for the early payment of rates. Property owners that pay their rates in full by the due date are able to lodge an entry into a draw. The draw will be conducted by the Shire President after the closing date for early payment. The prize to be offered this year is \$600 in Community Cash Vouchers.

Statutory Environment

Sections 6.2 Local Government Act 1995 - Local Government to Prepare Annual Budget.

During the period from 1 June in a financial year to 31 August in the next financial year, or such extended time as the Minister allows, each local government is to prepare and adopt*, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the 30 June next following that 31 August.

*Absolute Majority required

- (1) In the preparation of the annual budget the local government is to have regard to the contents of the plan for the future of the district made in accordance with section 5.56 and to prepare a detailed estimate for the current year of –
 - (a) the expenditure by the local government; and
 - (b) the revenue and income, independent of general rates, of the local government; and
 - (c) the amount required to make up the deficiency, if any, shown by comparing the estimated expenditure with the estimated revenue and income.

Other Sections of Local Government Act 1995 and Regulations:

- 6.47 Local Government Act - Concessions.
- Clauses 64 of the Local Government (Financial Management) Regulations 1996 – Set the due date(s) for the payment of rates.
- Section 6.45(3) of the Local Government Act 1995 and Clauses 67 and 68 of the Local Government (Financial Management) Regulations 1996 – Setting instalment plan administration charges and an interest rate for outstanding rates and charges.
- Section 6.51(1) of the Local Government Act 1995 and Clause 70 of the Local Government (Financial Management) Regulations 1996 – Setting an interest rate for the late payment of rates and charges.
- Section 6.11 of the Local Government Act 1995 – Create Reserve Funds.
- Sections 6.16 to 6.19 of the Local Government Act 1995 – Setting of fees and charges. Fees imposed as part of the budget adoption process do not require public notice to be given.
- Section 6.47 of the Local Government Act – Concessions (applicable to the Landfill Site Maintenance Rate).

- Regulation 34(5) of the Local Government (Financial Management) Regulations requires a local government, each financial year, to adopt a percentage or value, calculated in accordance with the Australian Accounting Standards, to be used in statements of financial activity for reporting material variances.

Section 66 of the Waste Avoidance and Resource Recovery Act 2007 allows a local government to impose on rateable land within its district, and cause to be collected, an annual rate for the purpose of providing for the proper performance of all or any of the waste services it provides.

Section 67 of the Waste Avoidance and Resource Recovery Act 2007 allows a local government to impose a receptacle charge such as for a kerbside rubbish collection service and/or a kerbside recycling collection service.

Integrated Planning

➤ Strategic Community Plan

- Key Goal 5 - Our leadership will be visionary, collaborative and accountable
- Objective 5.1 - Our community actively participates in civic life
- Strategy 5.1.4 - People receive Shire information, services and opportunities according to their needs
- Objective 5.2 - We maintain high standards of governance, accountability and transparency
- Strategy 5.2.3 - Ensure organisational capability
- Strategy 5.2.6 - Ensure the future financial sustainability of the organisation
- Strategy 5.2.8 - Ensure all legislative responsibilities and requirements are met
- Objective 5.3 - We operate within the Integrated Planning Framework
- Strategy 5.3.1 - Implement the Shire's Integrated Planning Review Cycle
- Strategy 5.3.2 - Apply best practice asset management principles

➤ Corporate Business Plan

The preparation of the annual budget is structured around the Corporate Business Plan which is reviewed annually. Where actions of the Corporate Business Plan identified for implementation in 2019/20 required specific funding this funding has been included in the draft budget.

➤ Long Term Financial Plan

The contents of the Long Term Financial Plan were a determinant in developing the 2019/20 budget.

➤ Asset Management Plans

The principles outlined in Council's various asset management plans have been referred to when developing the budget.

➤ Workforce Plan

In 2018/19 Council endorsed a new Workforce Plan which incorporated a comprehensive review of its organizational structure.

A workforce plan identifies and reports on the internal capacity to meet current and future needs of the goals and objectives of the Shire and the community, both in capacity and capability. It identifies the gaps or surplus in human, assets or financial resources and identifies strategies to ensure there are the right people in the right place and at the right time to deliver on objectives and realistic expectations. The plan is to address gaps between current and future workforce capability, identify areas of skill or capacity shortage, and outline strategies to address them.

The recommendations in the workforce Plan have been funded in the 2019/20 budget.

➤ Other Integrated Planning

The Strategic Works Program, Plant/Fleet Replacement Plan, Furniture & Equipment plans and Building Capital and Maintenance Plan are major informing documents in the development of the annual budget.

Policy

Council Policy F.7 – ‘Reporting Forecast Budget Variations’ sets out the level of material variances to the budget that must be reported to Council. Although Council has adopted this policy, Regulation 34(5) of the Local Government (Financial Management) Regulations requires Council to annually adopt a percentage or value for reporting of budget variations, hence this matter has been included in the officer recommendation.

Budget Implications

The annual budget identifies how funds will be sourced and allocated in the forthcoming year, and allows for the imposition of rates which is a primary income stream from which services and upcoming projects may be funded.

Fiscal Equity

Whilst the budget contains a number of projects that have an impact on individuals and groups, this item concerns the adoption of the budget and the allocation of funds towards a large number of activities, functions and projects of the Council.

Whole of Life Accounting

The budget proposes the allocation of funds towards a large number of activities, functions and projects of the Council. Where required for specific projects the concept of whole of life accounting will be investigated and if necessary reported on to the Council.

Social Equity

Whilst the budget contains a number of projects that have an impact on the social fabric of the community, this item concerns the adoption of the budget and the allocation of funds towards a large number of activities, functions and projects of the Council.

Ecological Equity

Whilst the budget contains a number of projects that have an impact on the environment, this item concerns the adoption of the budget and the allocation of funds towards a large number of activities, functions and projects of the Council.

Cultural Equity – Not Applicable

Risk Management – Not Applicable

Continuous Improvement

The budget will provide funds for a number of tasks or projects that will result in improvements to the functions and processes of the Shire.

Delegated Authority - Nil

Voting Requirements

Simple Majority other when requirement for Absolute Majority is noted for specific recommendations.

Matters Behind Closed Doors (Confidential Items)

Closure

The President to close the Meeting

List of Attachments

Attachment	Item No.	Details
1	SpC.01/0819	Detailed Alignment Plan for Mine Access Road
2	SpC.01/0819	Copy of Submission
3	SpC.01/0818	Draft 2019/20 Budget (separate Attachment)

Agenda Papers checked and authorised by T Clynych, CEO		8.8.19
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