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with access to modern services and infrastructure,
in a unique part of the world*

AGENDA

for the

Ordinary Meeting of Council

to be held

2PM, THURSDAY 19th OCTOBER 2017

Shire of Cuballing
Council Chambers
Campbell Street, Cuballing

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1. DECLARATION OF OPENING:

2. ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE:

2.1.1 Attendance

Cr Mark Conley
Cr Eliza Dowling
Cr Scott Ballantyne
Cr Roger Newman
Cr Dawson Bradford

President
Deputy President

Mr Gary Sherry
Ms Tonya Williams
Mr Bruce Brennan

Chief Executive Officer
Deputy Chief Executive Officer
Manager of Works & Services

2.1.2 Apologies

Nil at this time.

2.1.3 Leave of Absence

Cr Tim Haslam

3. STANDING ORDERS:

OFFICER'S RECOMMENDATION:

That Standing Orders be suspended for the duration of the meeting to allow for greater debate on items.

4. PUBLIC QUESTION TIME:

4.1 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE:

Nil

4.2 WRITTEN QUESTIONS PROVIDED IN ADVANCE:

Nil

4.3 PUBLIC QUESTIONS FROM THE GALLERY:

Nil at this time.

5. APPLICATIONS FOR LEAVE OF ABSENCE:

Nil at this time

6. CONFIRMATION OF MINUTES:

6.1.1 Ordinary Meeting of Council held on Thursday 21st September 2017

OFFICER'S RECOMMENDATION:

That the minutes of the Ordinary Meeting of Council held on Thursday 21st September 2017 be confirmed as a true record of proceedings.

**7. PETITIONS/DEPUTATIONS/PRESENTATIONS/
SUBMISSIONS:**

Nil

8. DISCLOSURE OF FINANCIAL INTEREST:

DISCLOSURE OF FINANCIAL INTEREST AND PROXIMITY INTEREST

Members must disclose the nature of their interest in matters to be discussed at the meeting.

Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting.

DISCLOSURE OF INTEREST AFFECTING IMPARTIALITY

Members and staff must disclose their interest in matters to be discussed at the meeting in respect of which the Member or employee has given or will give advice.

Nil at this time.

9. REPORTS OF OFFICERS AND COMMITTEES:

9.1 DEPUTY CHIEF EXECUTIVE OFFICER:

9.1.1	List of Accounts Submitted for Council Approval and Payment – September 2017
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File Ref. No:	NA
Disclosure of Interest:	Nil
Date:	8 th October 2017
Author:	Nichole Gould
Attachments:	9.1.1A List of September 2017 Trust Accounts 9.1.1B List of September 2017 Municipal Accounts

Summary

Council is to consider the September 2017 List of Accounts.

Background – Nil

Comment

Council is provided at Attachments 9.1.1A and 9.1.1B with a list of payments made from each of Council's bank accounts during the month of September 2017.

Strategic Implications – Nil

Statutory Environment – Nil

Policy Implications – Nil

Financial Implications – Nil

Economic Implication – Nil

Environmental Considerations – Nil

Consultation – Nil

Options

Council may resolve:

1. the Officer's Recommendation; or
2. to not note the list of accounts.

Voting Requirements – Simple Majority

OFFICER'S RECOMMENDATION:

That Council receives the List of Accounts for August 2017 paid under delegated authority in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996 payments including payments from Council's:

1. **Trust Fund in September 2017 totalling \$9,308.65 included at Attachment 9.1.1A; and**
2. **Municipal Fund in September 2017 totalling \$358,636.17 included at Attachment 9.1.1B.**

**LIST OF TRUST FUND ACCOUNTS DUE AND SUBMITTED TO COUNCIL
SEPTEMBER 2017**

Chq/EFT	Name	Description	Amount
01092017	Police Licensing	Police Licensing Payments	-542.75
15092017	Police Licensing	Police Licensing Payments	-1687.95
20092017	Police Licensing	Police Licensing Payments	-333.90
21092017	Police Licensing	Police Licensing Payments	-25.70
22092017	Police Licensing	Police Licensing Payments	-305.40
26092017	Police Licensing	Police Licensing Payments	-2045.25
27092017	Police Licensing	Police Licensing Payments	-1391.90
28092017	Police Licensing	Police Licensing Payments	-15.00
29092017	Police Licensing	Police Licensing Payments	-608.75
08092017	Police Licensing	Police Licensing Payments	181.56
04092017	Police Licensing	Police Licensing Payments	-489.65
06092017	Police Licensing	Police Licensing Payments	-326.50
08092017	Police Licensing	Police Licensing Payments	-181.56
08092017	Police Licensing	Police Licensing Payments	-210.35
11092017	Police Licensing	Police Licensing Payments	-66.85
12092017	Police Licensing	Police Licensing Payments	-371.15
13092017	Police Licensing	Police Licensing Payments	-59.50
14092017	Police Licensing	Police Licensing Payments	-828.05
			-9308.65

**LIST OF MUNICIPAL FUND ACCOUNTS DUE AND SUBMITTED TO COUNCIL
SEPTEMBER 2017**

Chq/EFT	Name	Description	Amount
18092017	14 - Rent On Forrest Street	Rent On Forrest Street	-600.00
20092017	15 - Rent For Grader Driver House	Rent For Grader Driver House	-360.00
22092017	13 - ATO Clearing Account Bas	ATO Clearing Account Bas	-14796.00
02092017	14 - Rent On Forrest Street	Rent On Forrest Street	-600.00
06092017	15 - Rent For Grader Driver House	Rent For Grader Driver House	-360.00
07092017	11 - Interest On Graders	Interest On Graders	-667.46
07092017	12 - Loan Repayment No. 63 Graders	Loan Repayment No. 63 Graders	-3046.82
EFT3073	Twinkarri Tree Pruning Services	Tree Mulching & Mobilisation	-37400.00
EFT3074	Pingelly Tyre Service	2 X 23.1-26bxt Tr387 16 Ply Tyres	-2659.80
EFT3075	Air Liquide Pty Ltd	Cylinder Fee Size G & E	-142.24
EFT3076	Ampac Debt Recovery	Legal Fees - Pssso Copy Of Order, Landgate Lodgement & T/C Fees & Price Sierakowski Professional Fees	-2300.34
EFT3077	Beaurepaires	2 X 295/80r22.5 152/148m S200+ Tyres & Fitting	-1458.47
EFT3078	Bruce Brennan	50% Reimbursement Synergy - B Brennan	-166.03
EFT3079	Builders Registration Board Building Commission	August 2017 Building Forms	-283.25
EFT3080	Corsign (WA) Pty Ltd	Gal Posts With Caps, Ring Brackets With Bolts & Washers, Cone Tip Bolt	-1870.00
EFT3081	Cuby Roadhouse	Postage & Freight	-1235.99
EFT3082	Cailles Gas Services	Clean Out Blockage In Flu & Replace Gas Hot Water System To Lpg	-1766.65
EFT3083	Chedoona Gallery & Nursery	To Prepare And Supply Documentation Response To Clearing Permit Applications Cps 7524/1 & Cps 7523/1	-300.00
EFT3084	Dews Mini Excavations	Hire Of Excavator To Clean Out Drains 8hrs @ \$110 Per Hour	-968.00
EFT3085	Department Fire And Emergency Services	2017/18 Esl Levy	-50550.00
EFT3086	Edwards Motors Pty Ltd	100,000kms Service	-1124.15
EFT3087	Edge Planning & Property	Interim Invoice August 2017	-240.62
EFT3088	Great Southern Fuel Supplies	August 2017 Account - Fuel Additive Low Emission	-1495.71

Chq/EFT	Name	Description	Amount
EFT3089	Great Southern Waste Disposal	Rubbish Removal 26/07/17 To 29/08/17 - Household Service X 256	-6158.09
EFT3090	Hancocks Home Hardware	Plaster Paris & Spray Paint	-98.65
EFT3091	J & E Mobile Wheel Alignments	Wheel Alignment	-600.00
EFT3092	JR & A Hersey P/L	Guide Posts, Red & White Delineaters And Freight	-2894.98
EFT3093	Knightline Computers	Wireless Keyboard - Ceo Office	-29.00
EFT3094	Landgate	Uv Scheduled No G2017/6 Dated 01/07/17 To 28/07/17	-65.50
EFT3095	Lawn Doctor	1 X 250g Destiny Herbicide For Guilford Grass / Onion Grass Control	-616.00
EFT3096	Makit Narrogin Hardware	Nyloc Nuts & Holesaw	-83.70
EFT3097	Mechanical And Diesel Services	Supply Fuel Filter	-60.50
EFT3098	Market Creations	Backup In The Cloud	-518.73
EFT3099	Narrogin Agricultural Repairs	Chainsaw File Holder	-29.50
EFT3100	Narrogin Earthmoving And Concrete	Roller Hire August 2017	-12980.00
EFT3101	Narrogin Senior High School	Year 12 2017 Graduation Presentation Awards - Prize Donation	-100.00
EFT3102	Neat (Narrogin Electrical Appliance Testing)	Portable Electricial Appliance Testing & Tagging September 2017	-1026.76
EFT3103	Narrogin Country Fresh Meats	Council Meeting - 12 X Scotch Fillet Steaks & 12 X Hoy Soy Chicken Sticks	-106.42
EFT3104	Narrogin Guardian Pharmacy	Vaccinations Hep A & B - Tom Cook	-130.20
EFT3105	Narrogin Packaging	Toilet Rolls	-140.10
EFT3106	Narrogin Panel Beating Service	Excess For Insurance Claim No 63-3563225	-1000.00
EFT3107	Ozlite Pty Ltd	25 X 4ft Glass Led Frosted Tube Lights	-490.99
EFT3108	Primaries - Narrogin	Roundup Ultra Max 20lts X 6, Simagranz 15kg X 2 & Anon 600wg 1kg X 5	-4143.04
EFT3109	Perfect Computer Solutions	Perform Mapping Update 13/09/17	-170.00
EFT3110	Ray White Real Estate	Water Consumption - 1 Forrest St Cuballing 11/06/17 To 14/08/17	-44.39
EFT3111	Shire Of Narrogin	Attendance At General Pruning & Tree Health Training 14/08/17 - Tim Bradford & David Thompson	-649.75
EFT3112	SOS Office Equipment	Photocopier Meter Reading Dcvc4475 - 24/07/17 To 30/08/17	-832.28

Chq/EFT	Name	Description	Amount
EFT3113	Shire Of Wickepin	Long Service Leave Liability Reimbursement - Allan Ramsay	-838.14
EFT3114	Steele's Guns And Outdoors	3 X Keys Cut	-21.00
EFT3115	Sunny Brushware Supplies	Brushes For Tractor Broom	-2200.00
EFT3116	Toll Ipec (Courier Australia)	Freight Charges - Corsign Pty Ltd	-189.27
EFT3117	Twinkarri Tree Pruning Services	Tree Pruning & Mulching	-26015.00
EFT3118	Tonya Williams	50% Reimbursement Synergy - T Williams	-65.40
EFT3119	Tutt Bryant Equipment	Purchase Of 2017 Bomag Bw25rh Multi Tyred Roller	-137500.00
EFT3120	WA Local Government Association	Council Connect Dns Management (Annual) 2017/18	-55.00
EFT3121	Whitford Fertilisers Narrogin	Use Of Weighbridge - August 8 X Rubbish Truck Weighs	-44.00
EFT3122	Winc Australia Pty Limited	Laminting Pouches & 7 X Boxes A4 White Paper	-323.33
DD1384.1	Hostplus Super	Superannuation Contributions	-216.77
DD1384.2	WA Local Government Super Plan	Payroll Deductions	-5344.44
DD1384.3	Hesta	Superannuation Contributions	-118.07
DD1384.4	Australian Super	Superannuation Contributions	-710.81
DD1384.5	Westscheme Superannuation	Superannuation Contributions	-256.31
DD1384.6	Matrix Superannuation	Superannuation Contributions	-93.47
DD1384.7	DJ Superannuation	Superannuation Contributions	-186.47
DD1387.1	Bigair Cloud Managed Services Pty Ltd	Internet Service September 2017	-137.18
DD1387.2	linet Limited	Nbn Wireless Limitless Boost Internet Inc Lnm Calls	-90.29
DD1392.1	Hostplus Super	Superannuation Contributions	-216.77
DD1392.2	WA Local Government Super Plan	Payroll Deductions	-5319.51
DD1392.3	Hesta	Superannuation Contributions	-422.01
DD1392.4	Australian Super	Superannuation Contributions	-710.81
DD1392.5	Westscheme Superannuation	Superannuation Contributions	-234.34
DD1392.6	Matrix Superannuation	Superannuation Contributions	-76.58
DD1392.7	DJ Superannuation	Superannuation Contributions	-186.47
DD1394.1	Westscheme Superannuation	Superannuation Contributions	234.34
DD1396.1	Westscheme Superannuation	Superannuation Contributions	-256.31
DD1409.1	Commonwealth Bank	CEO Credit Card - Tour Of Wheatbelt Shires - Accommodation & Food	-6635.43
14576	Commonwealth Bank	CEO Credit Card - Building Suverying Practitioner Renewal 3 Years Darryle Baxter	-1839.70
14577	Shire Of Cuballing	Groceries & Cleaning Products	-726.07

Chq/EFT	Name	Description	Amount
14578	Building & Construction Industry Training	BCITF Forms August 2017	-151.75
14579	Cuby Tavern	Salads Council Meeting 14/08/17 & 1 X Carton Carlton Dry	-165.00
14580	D & H Sivyer	6 X Southern Star Shiraz & 1 X Autumn Red Nose Wine Bottles Gifts For Tour	-108.00
14581	Department Of Transport	Vehicle Registration 6 Months	-2499.80
14582	Synergy	Electricity Charges - U 3 22 Campbell St Cuby	-4489.85
14583	Shire Of Irwin	2017 LGIS Inter Municipal Golf Tournament	-65.00
14584	Shire Of Cuballing	Building Services - August 2017 - Labour 13.5hrs @ \$110.00 & Travel 132kms @ \$0.95	-1610.40
14585	Telstra	Service Charge - Office 365 Business	-1335.05
14586	Water Corporation	Water Charges - Standpipe Cuballing East Road	-56.60
			-358636.17

9.1.2 Statement of Financial Activity

Applicant:	N/A
File Ref. No:	ADM214
Disclosure of Interest:	Nil
Date:	5 th October 2017
Author:	Tonya Williams, Deputy Chief Executive Officer
Attachments:	9.1.2A Statement of Financial Activity

Summary

Council is to consider the Statement of Financial Activity for September 2017.

Background

As per the Financial Management Regulation 34 each Local Government is to prepare each month a statement of financial activity reporting on the sources and applications of funds, as set out in the annual budget under regulation 22(1) (d), for that month with the following detail

- The annual budget estimates,
- The operating revenue, operating income, and all other income and expenses,
- Any significant variations between year to date income and expenditure and the relevant budget provisions to the end of the relevant reporting period,
- Identify any significant areas where activities are not in accordance with budget estimates for the relevant reporting period,
- Provide likely financial projections to 30 June for those highlighted significant variations and their effect on the end of year result,
- Include an operating statement, and
- Any other required supporting notes.

Comment

Governance

Computer upgrades were budgeted for and are not yet expended. Profit on asset disposal has gone here, but will be moved when asset is created and run through the Asset Register after the Annual Financials have been completed.

Law, Order & Public Safety

An advance was paid in June for the Quarter 1 payment of the Emergency Services Levy Grant (\$6,875).

Vehicle maintenance is under budget and depreciation is not yet run creating a timing difference.

Community Amenities

Local Planning Strategy has no expenditure recorded against it, though it was budgeted to have spent some. Tip maintenance costs are slightly under budget.

Transport

Permanent difference due to changes in Main Roads Direct Grant from budgeted \$99,902 to \$57,535. Budgeted to receive in July, not yet received.

Road maintenance is over budget. Depreciation journals have not yet been run, creating a timing difference on expenditure.

Economic Services

Building expenses are lower than budgeted.

Other Property and Services

Private Works income is under budget, balanced by expenditure also coming in under budget.

Capital Expenditure

Dryandra Regional Equestrian Shelter project still has some funds to expend, contributions will be sought as the expenditure is completed.

Detailed breakdown of all variances provided in Note 2 of the Statement of Financial Activity.

Administration Allocations done to September 2017.

Depreciation expenses calculated to June 2017. No asset transaction will be run for 2017/18 until the Audit Report has been approved.

Strategic Implications - Nil

Statutory Environment – Nil

Policy Implications – Nil

Financial Implications – Nil

Economic Implication - Nil

Environmental Considerations - Nil

Consultation - Nil

Options

Council may resolve:

1. the Officer's Recommendation; or
2. not to receive the Statement of Financial Activity

Voting Requirements – Simple Majority

OFFICER'S RECOMMENDATION:

That the Statement of Financial Activity, as included at Attachment 9.1.2A for the Shire of Cuballing for period ending 30th September 2017 be received.

SHIRE OF CUBALLING

MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the Period Ended 30 September 2017

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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**Shire of Cuballing
Information Summary
For the Period Ended 30 September 2017**

Key Information

Report Purpose

This report is prepared to meet the requirements of *Local Government (Financial Management) Regulations 1996, Regulation 34*.

Overview

Summary reports and graphical progressive graphs are provided on pages 2 - 3.

Statement of Financial Activity by reporting program

Is presented on page 6 and shows a surplus as at 30 September 2017 of \$1,610,352.

Items of Significance

The material variance adopted by the Shire of Cuballing for the 2016/17 year is \$5,000 or 10% whichever is the greater. The following selected items have been highlighted due to the amount of the variance to the budget or due to the nature of the revenue/expenditure. A full listing and explanation of all items considered of material variance is disclosed in Note 2.

Capital Expenditure

Land and Buildings	-\$	1,429	No material variance
Infrastructure - Roads	▲ \$	61,644	No material variance
Plant and Equipment	▼ -\$	160,000	No material variance

Capital Revenue

Grants, Subsidies and Contributions	▼	(\$16,368)	Final contributions to
Proceeds from Disposal of Assets	▲	\$35,000	No material variance.

	Collected / Complete	Annual Budget	YTD Budget	YTD Actual
Significant Projects				
DREC Weather Shelter	106%	\$ 21,182	\$ 21,182	\$ 22,384
Cuballing Transfer Station	1%	\$ 28,711	\$ -	\$ 227
RRG - Wandering Narrogin Road 16/17	0%	\$ 140,072	\$ 21,238	\$ 550
Grants, Subsidies and Contributions				
Operating Grants, Subsidies and Contributions	27%	\$ 588,375	\$ 99,902	\$ 159,459
Non-operating Grants, Subsidies and Contributions:	20%	\$ 686,271	\$ 121,851	\$ 136,275
	23%	\$ 1,274,646	\$ 221,753	\$ 295,734
Rates Levied	100%	\$ 1,070,995	\$ 1,070,994	\$ 1,072,161

% Compares current ytd actuals to annual budget

Financial Position

		Prior Year	Current Year
Adjusted Net Current Assets	121%	\$ 1,331,299	\$ 1,610,352
Cash and Equivalent - Unrestricted	129%	\$ 1,027,203	\$ 1,321,486
Cash and Equivalent - Restricted	99%	\$ 1,308,821	\$ 1,295,692
Receivables - Rates	74%	\$ 339,581	\$ 250,609
Receivables - Other	191%	\$ 14,784	\$ 28,207
Payables	33%	\$ 36,751	\$ 12,012

% Compares current ytd actuals to prior year actuals at the same time

Note: The Statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary due to transactions being processed for the reporting period after the date of

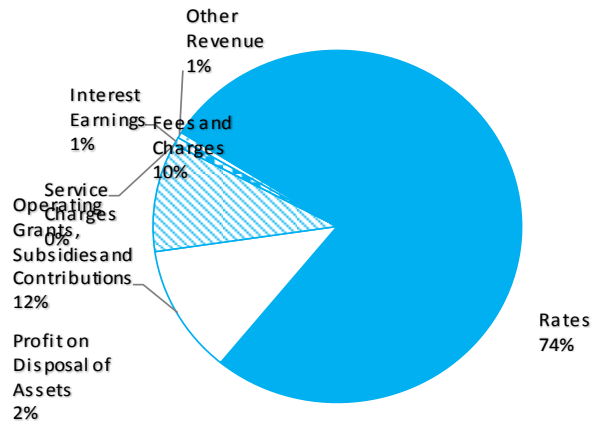
Preparation

Prepared by: Tonya Williams, DCEO

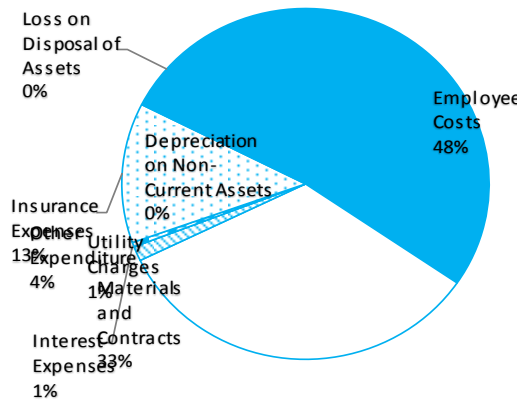
Reviewed by: Gary Sherry, CEO

Shire of Cuballing
Information Summary
For the Period Ended 30 September 2017

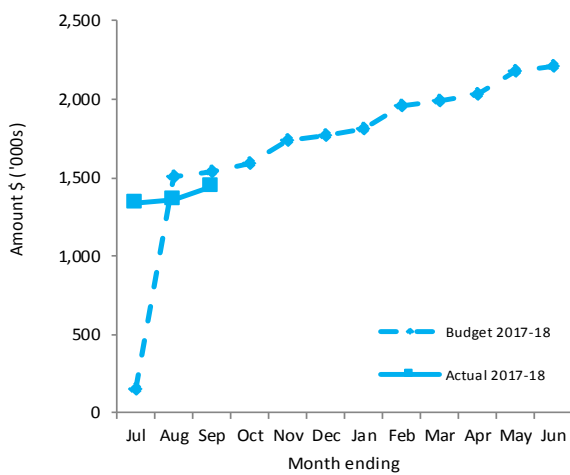
Operating Revenue



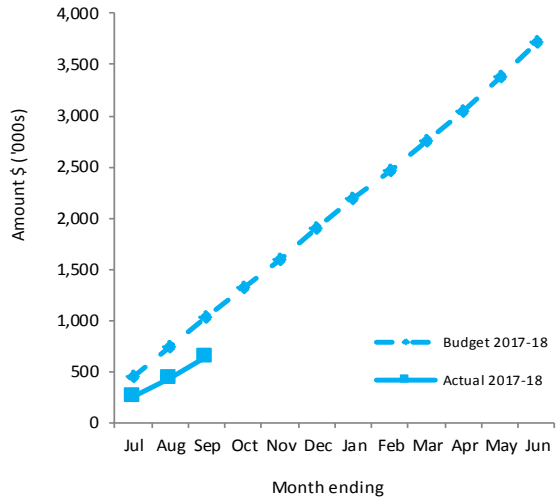
Operating Expenditure



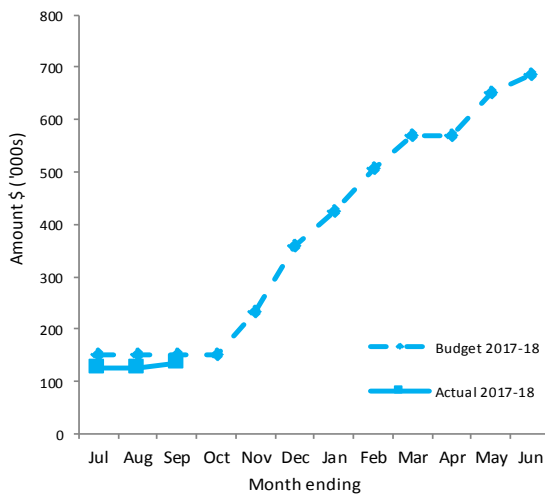
Budget Operating Revenues -v- Actual (Refer Note 2)



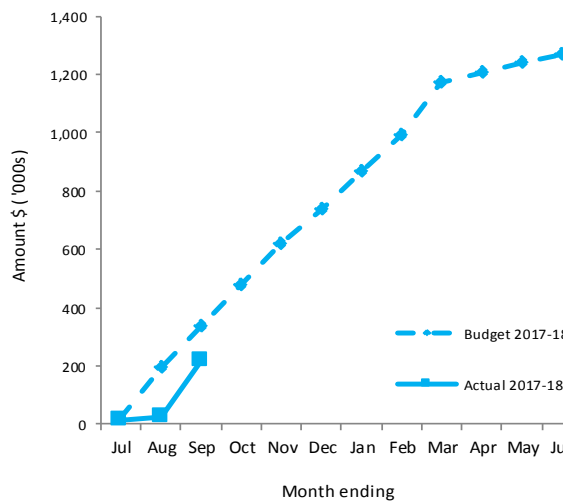
Budget Operating Expenses -v- YTD Actual (Refer Note 2)



Budget Capital Revenue -v- Actual (Refer Note 2)



Budget Capital Expenses -v- Actual (Refer Note 2)



This information is to be read in conjunction with the accompanying Financial Statements and Notes.

SHIRE OF CUBALLING
STATEMENT OF FINANCIAL ACTIVITY
(Statutory Reporting Program)
For the Period Ended 30 September 2017

	Note	Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening Funding Surplus(Deficit)	3	916,109	916,109	907,867	(8,242)	(1%)	
Revenue from operating activities							
Governance		1,845	62	37,695	37,633	60222%	▲
General Purpose Funding	9	1,397,106	1,154,338	1,149,767	(4,571)	(0%)	
Law, Order and Public Safety		35,000	6,875	300	(6,575)	(96%)	▼
Health		1,200	300	340	40	13%	
Education and Welfare		0	0	0	0		
Housing		4,680	1,170	1,080	(90)	(8%)	
Community Amenities		59,100	58,988	60,142	1,154	2%	
Recreation and Culture		8,795	8,795	20,578	11,783	134%	▲
Transport		282,561	145,566	86,885	(58,681)	(40%)	▼
Economic Services		47,500	11,375	12,065	690	6%	
Other Property and Services		309,757	74,473	69,892	(4,582)	(6%)	
		2,147,545	1,461,943	1,438,744			
Expenditure from operating activities							
Governance		(134,068)	(52,332)	(46,394)	5,938	11%	▲
General Purpose Funding		(70,759)	(16,102)	(10,217)	5,886	37%	▲
Law, Order and Public Safety		(128,909)	(43,055)	(18,006)	25,050	58%	▲
Health		(48,935)	(12,609)	(9,125)	3,483	28%	▲
Education and Welfare		(53,073)	(3,143)	(2,871)	273	9%	
Housing		(55,115)	(13,779)	(10,390)	3,389	25%	▲
Community Amenities		(316,955)	(77,989)	(62,506)	15,483	20%	▲
Recreation and Culture		(278,481)	(68,370)	(46,022)	22,348	33%	▲
Transport		(2,219,575)	(554,769)	(419,205)	135,564	24%	▲
Economic Services		(167,639)	(41,939)	(29,102)	12,837	31%	▲
Other Property and Services		(251,711)	(127,465)	18,773	146,239	115%	▲
		(3,725,220)	(1,011,552)	(635,063)			
Operating activities excluded from budget							
Add back Depreciation		1,429,950	357,487	0	(357,487)	(100%)	▼
Adjust (Profit)/Loss on Asset Disposal	8	(11,863)	(11,863)	(35,000)	(23,137)	195%	
Adjust Provisions and Accruals		0	0	0	0		
Amount attributable to operating activities		(159,587)	796,016	768,681			
Investing Activities							
Non-operating Grants, Subsidies and Contributions	11	686,271	152,643	136,275	(16,368)	(11%)	▼
Proceeds from Disposal of Assets	8	32,000	0	35,000	35,000		▲
Land Held for Resale		0	0	0	0		
Land and Buildings	13	(241,131)	(21,182)	(22,611)	(1,429)	(7%)	
Infrastructure Assets	13	(864,211)	(95,898)	(34,254)	61,644	64%	▲
Plant and Equipment	13	(170,000)	0	(160,000)	(160,000)		▼
Furniture and Equipment	13	0	0	0	0		
Amount attributable to investing activities		(557,071)	35,563	(45,589)			
Financing Activities							
Proceeds from New Debentures		0	0	0	0		
Proceeds from Advances		0	0	0	0		
Self-Supporting Loan Principal		0	0	0	0		
Transfer from Reserves	7	152,210	152,210	0	(152,210)	(100%)	▼
Advances to Community Groups		0	0	0	0		
Repayment of Debentures	10	(71,146)	(17,424)	(17,424)	0	0%	
Transfer to Reserves	7	(280,515)	(3,183)	(3,183)	0	0%	
Amount attributable to financing activities		(199,451)	131,603	(20,607)			
Closing Funding Surplus(Deficit)	3	0	1,879,292	1,610,352			

Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold. Refer to Note 2 for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying Financial Statements and notes.

SHIRE OF CUBALLING
STATEMENT OF FINANCIAL ACTIVITY
(By Nature or Type)
For the Period Ended 30 September 2017

	Note	Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening Funding Surplus (Deficit)	3	916,109	916,109	907,867	(8,242)	(1%)	
Revenue from operating activities							
Rates	9	1,070,995	1,070,994	1,072,161	1,167	0%	
Operating Grants, Subsidies and Contributions	11	611,525	225,909	169,700	(56,209)	(25%)	▼
Fees and Charges		394,161	148,790	144,240	(4,551)	(3%)	
Service Charges		0	0	0	0		
Interest Earnings		31,000	8,500	9,831	1,331	16%	
Other Revenue		28,000	7,750	7,811	61	1%	
Profit on Disposal of Assets	8	11,863	11,863	35,000			
		2,147,544	1,473,806	1,438,744			
Expenditure from operating activities							
Employee Costs		(902,102)	(232,848)	(305,828)	(72,979)	(31%)	▼
Materials and Contracts		(1,150,360)	(298,734)	(211,296)	87,438	29%	▲
Utility Charges		(40,508)	(10,077)	(8,523)	1,554	15%	▲
Depreciation on Non-Current Assets		(1,429,950)	(357,487)	0	357,487	100%	▲
Interest Expenses		(8,968)	(2,242)	(2,616)	(374)	(17%)	
Insurance Expenses		(118,762)	(101,879)	(81,920)	19,959	20%	▲
Other Expenditure		(74,570)	(20,147)	(24,881)	(4,733)	(23%)	
Loss on Disposal of Assets	8	0	0	0			
		(3,725,219)	(1,023,415)	(635,063)			
Operating activities excluded from budget							
Add back Depreciation		1,429,950	357,487	0	(357,487)	(100%)	▼
Adjust (Profit)/Loss on Asset Disposal	8	(11,863)	(11,863)	(35,000)	(23,137)	195%	
Amount attributable to operating activities		(159,588)	796,016	768,681			
Investing activities							
Grants, Subsidies and Contributions	11	686,271	152,643	136,275	(16,368)	(11%)	▼
Proceeds from Disposal of Assets	8	32,000	0	35,000	35,000		▲
Land Held for Resale		0	0	0	0		
Land and Buildings	13	(241,131)	(21,182)	(22,611)	(1,429)	(7%)	
Infrastructure Assets	13	(864,211)	(95,898)	(34,254)	61,644	64%	▲
Plant and Equipment	13	(170,000)	0	(160,000)	(160,000)		▼
Furniture and Equipment	13	0	0	0	0		
Amount attributable to investing activities		(557,071)	35,563	(45,589)			
Financing Activities							
Proceeds from New Debentures		0	0	0	0		
Proceeds from Advances		0	0	0	0		
Self-Supporting Loan Principal		0	0	0	0		
Transfer from Reserves	7	152,210	152,210	0	(152,210)	(100%)	▼
Advances to Community Groups		0	0	0	0		
Repayment of Debentures	10	(71,146)	(17,424)	(17,424)	0	0%	
Transfer to Reserves	7	(280,515)	(3,183)	(3,183)	0	0%	
Amount attributable to financing activities		(199,451)	131,603	(20,607)			
Closing Funding Surplus (Deficit)	3	(0)	1,879,292	1,610,352	(268,940)	(14%)	▼

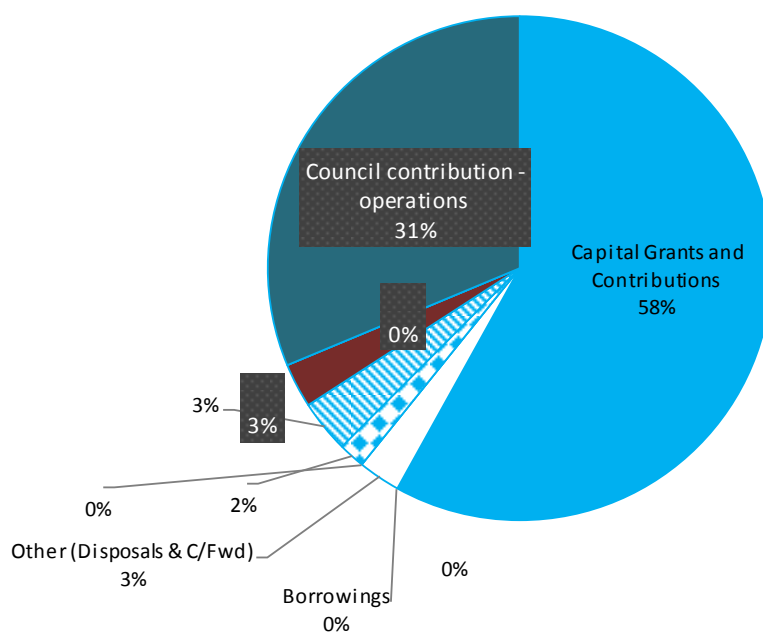
Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.
Refer to Note 2 for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying Financial Statements and notes.

SHIRE OF CUBALLING
STATEMENT OF CAPITAL ACQUISITIONS AND CAPITAL FUNDING
For the Period Ended 30 September 2017

Capital Acquisitions

	Note	YTD Actual New /Upgrade (a)	YTD Actual (Renewal Expenditure) (b)	YTD Budget (d)	Annual Budget	YTD Actual Total (c) = (a)+(b)	Variance (d) - (c)
		\$	\$	\$	\$	\$	\$
Land and Buildings	13	0	0	21,182	241,131	22,611	1,429
Infrastructure Assets	13	0	0	95,898	864,211	34,254	(61,644)
Plant and Equipment	13	0	0	0	170,000	160,000	160,000
Capital Expenditure Totals		0	0	117,080	1,275,342	216,864	99,785
Capital acquisitions funded by:							
Capital Grants and Contributions				121,851	686,271	136,275	
Borrowings				0	0	0	
Other (Disposals & C/Fwd)				0	32,000	35,000	
Council contribution - Cash Backed Reserves				0	93,695	0	
Plant and Equipment Reserve				0	0	0	
Administration Building and Office Equipment Reserve				0	19,985	0	
Housing Reserve				0	40,000	0	
Recreation and Community Facility Reserve				0	0	0	
Refuse Site Reserve				0	33,710	0	
Grain Freight Reserve				0	0	0	
Equestrian Reserve				0	0	0	
Council contribution - operations				(4,771)	369,681	45,589	
Capital Funding Total				117,080	1,181,647	216,864	

Budgeted Capital Acquisitions Funding

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

Note 1: Significant Accounting Policies**(a) Basis of Accounting**

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this statement are presented below and have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in this statement. In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 12.

(c) Rounding Off Figures

All figures shown in this statement are rounded to the nearest dollar.

(d) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

(g) Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

(h) Inventories**General**

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs

Land Held for Resale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed. Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point. Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

(i) Fixed Assets

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined

(j) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation rates and periods are:

Asset	Years
Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
bituminous seals	20 years
asphalt surfaces	25 years
Gravel Roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years

(k) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

(l) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Shire has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Shire expects to pay and includes related on-costs.

(ii) Annual Leave and Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the project unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Shire does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(m) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

(n) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

(o) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for

(p) Nature or Type Classifications**Rates**

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on

Operating Grants, Subsidies and Contributions

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

Non-Operating Grants, Subsidies and Contributions

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies,

Profit on Asset Disposal

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under

Fees and Charges

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

Service Charges

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations 1996 identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest

Interest Earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Other Revenue / Income

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

Employee Costs

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax,

Materials and Contracts

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information

Utilities (Gas, Electricity, Water, etc.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

Insurance

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

Loss on asset disposal

Loss on the disposal of fixed assets.

Depreciation on non-current assets

Depreciation expense raised on all classes of assets.

Interest expenses

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

Other expenditure

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

(r) Program Classifications (Function/Activity)

City/Town/Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

GOVERNANCE**Objective:**

To provide a decision making process for the efficient allocation of scarce resources.

Activities:

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING**Objective:**

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY**Objective:**

To provide services to help ensure a safer and environmentally conscious community.

Activities:

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH**Objective:**

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal

EDUCATION AND WELFARE**Objective:**

To provide services to disadvantaged persons, the elderly, children and youth.

Activities:

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

HOUSING**Objective:**

To provide and maintain elderly residents housing.

Activities:

Provision and maintenance of elderly residents housing.

COMMUNITY AMENITIES**Objective:**

To provide services required by the community.

Activities:

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery

RECREATION AND CULTURE**Objective:**

To establish and effectively manage infrastructure and resource which will help the social well being of the

Activities:

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other

TRANSPORT**Objective:**

To provide safe, effective and efficient transport services to the community.

Activities:

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES**Objective:**

To help promote the shire and its economic wellbeing.

Activities:

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

OTHER PROPERTY AND SERVICES**Objective:**

To monitor and control City/Town/Shire overheads operating accounts.

Activities:

Private works operation, plant repair and operation costs and engineering operation costs.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

Note 2: Explanation of Material Variances

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date budget materially.

The material variance adopted by Council for the 2016/17 year is \$5,000 or 10% whichever is the greater.

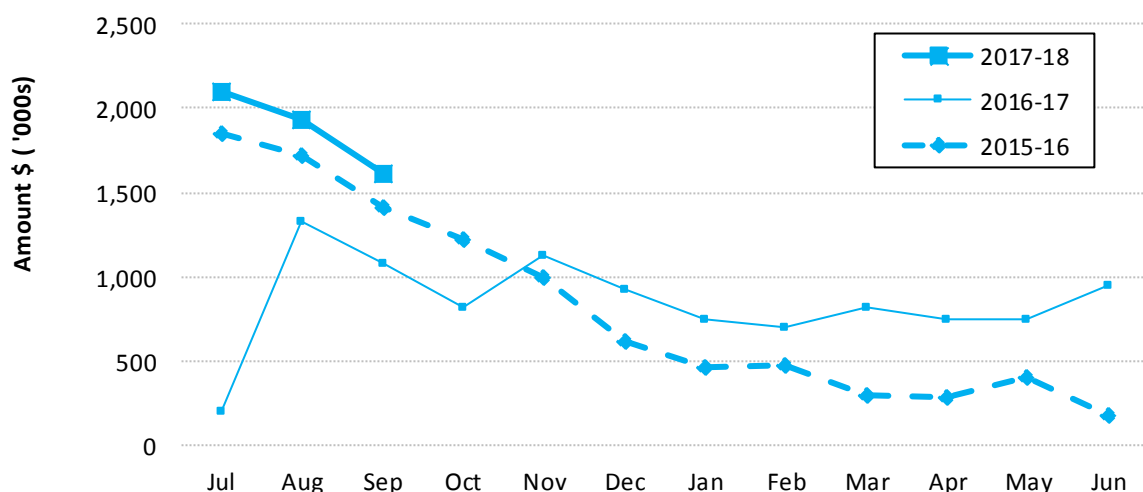
Reporting Program	Var. \$	Var. %	Variance	Timing/ Permane	Explanation of Variance
Operating Revenues					
General Purpose Funding	\$ (4,571)	(0%)			No material variance. Profit on asset disposal runs through this account, will be moved to correct place (Roller, \$35,000) once Asset Register is updated. Permanent difference due to an incorrectly paid account that was ireimbursed for \$2,659.80.
Governance	37,633	60222%	▲	Timing	\$2,659.80.
Law, Order and Public Safety	(6,575)	(96%)		Timing	(\$6,875).
Health	40	13%	▼		No material variance.
Housing	(90)	(8%)			No material variance.
Community Amenities	1,154	2%			No material variance.
Recreation and Culture	11,783	134%	▲		No material variance. Permanent difference due to changes in Main Roads Direct Grant from budgetd \$99,902 to \$57,535. Budgeted to receive in July, not yet received.
Transport	(58,681)	(40%)	▼		LGIS Broking refund paid, not budgeted.
Economic Services	690	6%		Permanent	Private Works income slightly under Budget, diesel fuel rebate not yet claimed. Roller expected to traded in August, done in September.
Other Property and Services	(4,582)	(6%)		Timing	
Operating Expense					
General Purpose Funding	5,886	37%	▲	Timing	Legal Fees invoice posted, not yet allocated out to Rates accounts. Computer upgrades budgeted and not yet completed (\$3,382). Depreciation not yet run.
Governance	5,938	11%	▲	Timing	Vehicle maintenance under budget, depreciation not yet run.
Law, Order and Public Safety	25,050	58%	▲	Timing	EHO Salary under budget.
Health	3,483	28%	▲		No material variance.
Education & Welfare	273	9%			No maintenance work conducted at CEO house, depreciation not yet run.
Housing	3,389	25%	▲	Timing	Local Planning strategy has not yet had any expenses against it (\$3,375 expected). Tip Maintenance costs slightly under budget. Depreciation not yet run.
Community Amenities	15,483	20%	▲	Timing	Road Maintenance is over budget. Depreciation not yet run (\$180,317).
Recreation and Culture	22,348	33%	▲	Timing	Building expenses less than budgeted. Tourism expenses less than budgeted as Event signs have not yet gone ahead. Community Functions under budget, with further expenses expected in coming months.
Transport	135,564	24%	▲	Timing	Private Works expenditure under budget, plant costs under budget with further expenditure expected as vehicle licences are corrected in the coming months. Protective clothing not yet expended (\$5,000) and depreciation not yet run.
Economic Services	12,837	31%	▲	Timing	
Other Property and Services	146,239	115%	▲	Timing	
Capital Revenues					
Grants, Subsidies and Contributions	(16,368)	(11%)	▼	Timing	Final contributions to Dryandra Equestrian Centre Weather Shelter were expected to be invoiced by the end of July, this will happen in the coming months as the project is fully acquitted. Further contributions expected to be invoiced in coming months.
Proceeds from Disposal of Assets	35,000		▲		No material variance.
Capital Expenses					
Land and Buildings	(1,429)	(7%)		Timing	No material variance
Infrastructure - Roads	61,644	64%	▲		No material variance
Plant and Equipment	(160,000)		▼		No material variance
Furniture and Equipment	0				No material variance
Financing					
Loan Principal	0	0%			No material variance

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

Note 3: Net Current Funding Position

Positive=Surplus (Negative=Deficit)

		Last Years Closing	This Time Last Year	Current
	Note	30 June 2017	29 Sep 2016	30 Sep 2017
		\$	\$	\$
Current Assets				
Cash Unrestricted	4	814,001	1,027,203	1,310,917
Cash Restricted	11	0	0	0
Cash Reserves	4	1,292,509	1,308,821	1,295,692
Receivables - Rates	6	65,448	339,581	250,609
Receivables - Other	6	57,907	14,784	28,207
Interest / ATO Receivable/Trust		0	23,112	25,368
Inventories		7,262	3,619	7,262
		2,237,126	2,717,120	2,918,055
Less: Current Liabilities				
Payables and Provisions		(36,751)	(77,000)	(12,012)
		(36,751)	(77,000)	(12,012)
Less: Cash Reserves	7	(1,292,509)	(1,308,821)	(1,295,692)
Net Current Funding Position		907,867	1,331,299	1,610,352

Note 3 - Liquidity Over the Year**Comments - Net Current Funding Position**

FAGS Allocation in 16/17 is paid in quarterly installments, in 15/16 there was an advance.
 FAGS Allocation in 16/17 there was a 50% Advance of 17/18 payments in June 2017

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

Note 4: Cash and Investments

	Unrestricted	Restricted	Trust	Total Amount	Institution	Interest Rate	Maturity Date
	\$	\$	\$	\$			
(a) Cash Deposits							
Municipal Bank Account	33,454			33,454	CBA	0.00%	At Call
Investment Account	1,287,333			1,287,333	CBA	1.25%	At Call
Trust Bank Account			21,684	21,684	CBA	0.00%	At Call
Cash On Hand	700			700	N/A	Nil	On Hand
Reserves Account		2,904		2,904	CBA	0.00%	At Call
(b) Term Deposits							
Reserves Term Deposit 1		430,721		430,721	CBA	2.01%	03-Oct-17
Reserves Term Deposit 2		430,721		430,721	CBA	2.08%	01-Nov-17
Reserves Term Deposit 3		431,347		431,347	CBA	2.11%	30-Nov-17
Total	1,321,486	1,295,692	21,684	2,638,863			

Comments/Notes - Investments

Reserve Funds are on a rolling maturity schedule to maximise interest, linked to a Reserve transaction account.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

Note 5: Budget Amendments

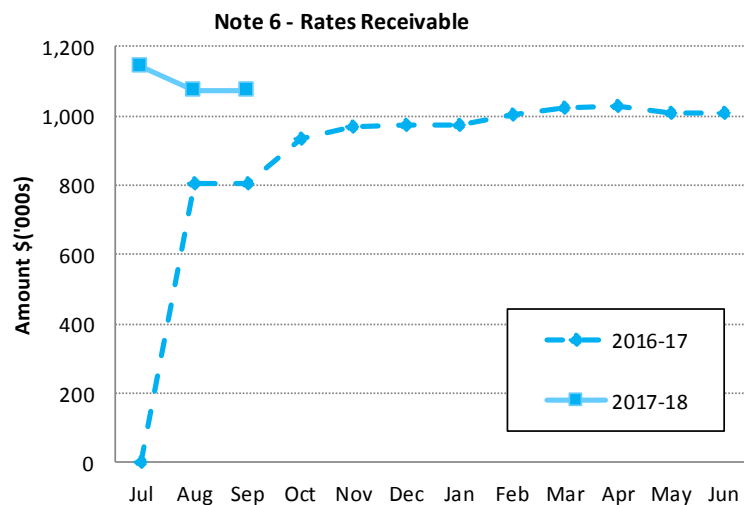
Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
				\$	\$	\$	\$
	Budget Adoption						0
	Permanent Changes						0
							0
	Changes Due to Timing						0
							0
							0
				0	0	0	

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

Note 6: Receivables

Receivables - Rates Receivable	30 Sep 2017	30 June 2017
	\$	\$
Opening Arrears Previous Years	70,590	47,139
Levied this year	1,072,125	1,031,115
Less Collections to date	(1,072,124)	(1,007,664)
Equals Current Outstanding	70,590	70,590
Net Rates Collectable	70,590	70,590
% Collected	93.82%	93.45%



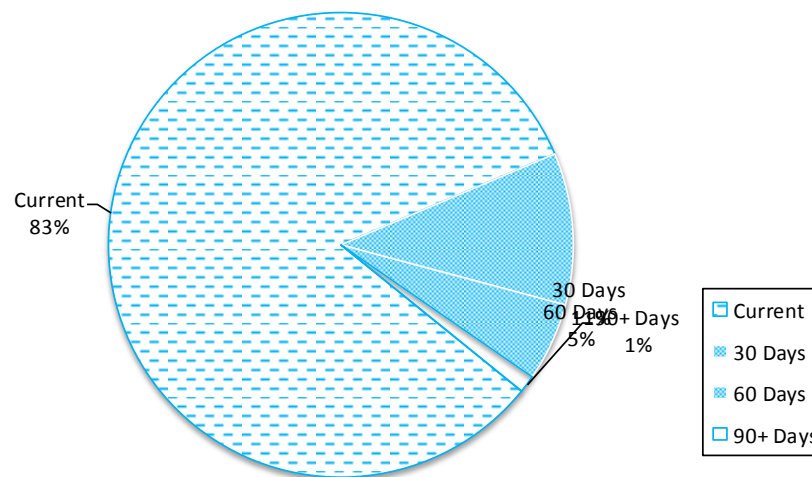
Comments/Notes - Receivables Rates

Rates Issue Date - 4 August 2016
 Discount Period Ends - 25 August 2016
 Rates Due - 8 September 2016

Receivables - General	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$
Receivables - General	23,344	2,982	1,539	342	28,207
Balance per Trial Balance					
Sundry Debtors					28,207
Receivables - Other					25,368
Total Receivables General Outstanding					53,575

Amounts shown above include GST (where applicable)

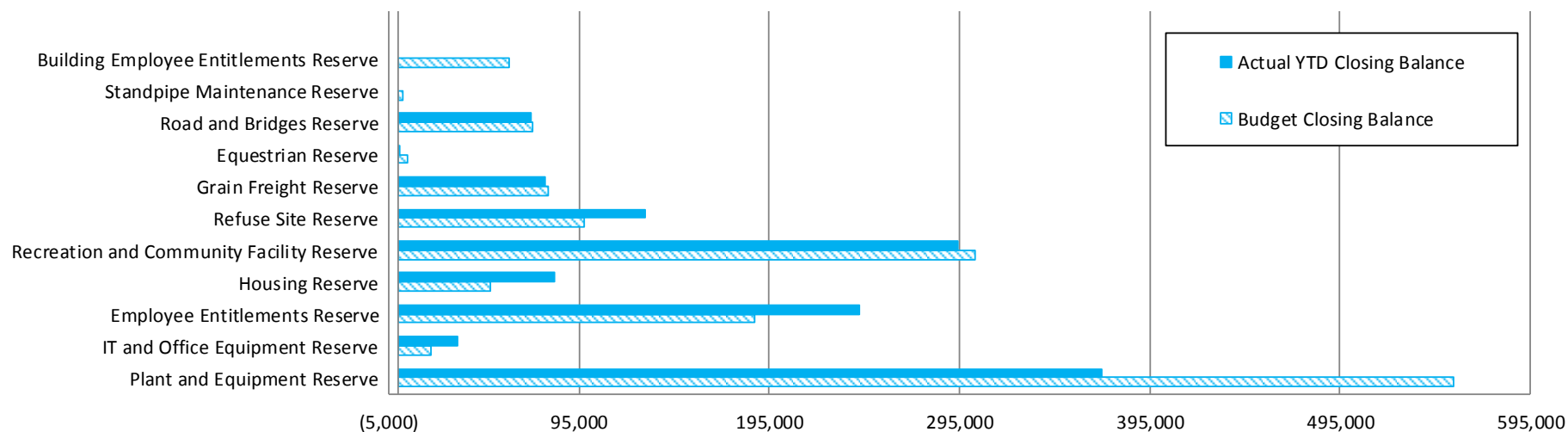
Note 6 - Accounts Receivable (non-rates)



Note 7: Cash Backed Reserve

Name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment Reserve	368,717	5,719	908	180,000	0	0	0	554,436	369,625
IT and Office Equipment Reserve	31,339	486	77	5,000	0	(19,985)	0	16,840	31,417
Employee Entitlements Reserve	241,665	3,750	595	0	0	(58,515)	0	186,900	242,260
Housing Reserve	81,720	1,267	201	5,000	0	(40,000)	0	47,987	81,922
Recreation and Community Facility Reserve	293,306	4,548	722	5,000	0	0	0	302,854	294,029
Refuse Site Reserve	129,255	1,952	318	0	0	(33,710)	0	97,497	129,573
Grain Freight Reserve	77,219	1,196	190	0	0	0	0	78,415	77,409
Equestrian Reserve	26	8	0	5,000	0	0	0	5,034	26
Road and Bridges Reserve	69,261	1,074	171	0	0	0	0	70,335	69,431
Standpipe Maintenance Reserve	0	0	0	2,000	0	0	0	2,000	0
Building Employee Entitlements Reserve	0	0	0	58,515	0	0	0	58,515	0
	1,292,509	20,000	3,183	260,515	0	(152,210)	0	1,420,814	1,295,692

Note 7 - Year To Date Reserve Balance to End of Year Estimate



SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

Note 8: Disposal of Assets

Asset Number	Asset Description	YTD Actual				Amended Budget			
		Net Book Value	Proceeds	Profit (Loss)		Net Book Value	Proceeds	Profit (Loss)	
		\$	\$	\$	\$	\$	\$	\$	\$
	Plant and Equipment								
10,054	CN151 Multipac Mutli Tyre Roller	47,254	35,000	(12,254)	20,137	32,000	11,863		
		47,254	35,000	0 (12,254)	20,137	32,000	11,863	0	0

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

Note 9: Rating Information

	Rate in	Number of Properties	Rateable Value	YTD Actual			Amended Budget				
				Rate Revenue	Interim Rates	Back Rates	Total Revenue	Rate Revenue	Interim Rate	Back Rate	Total Revenue
RATE TYPE	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
Differential General Rate											
GRV	7.0866	166	2,138,942	151,578	0	0	151,578	151,578	0	0	151,578
UV	0.7142	186	103,070,000	736,126	0	0	736,126	736,126	0	0	736,126
Sub-Totals		352	105,208,942	887,704	0	0	887,704	887,704	0	0	887,704
Minimum Payment	\$										
GRV	690.00	161	805,991	111,090	0	0	111,090	111,090	0	0	111,090
UV	900.00	158	14,017,700	142,200	0	0	142,200	142,200	0	0	142,200
Sub-Totals		319	14,823,691	253,290	0	0	253,290	253,290	0	0	253,290
		671	120,032,633	1,140,994	0	0	1,140,994	1,140,994	0	0	1,140,994
Discount							(68,854)				(70,000)
Write Off							(15)				0
Amount from General Rates							1,072,125				1,070,994
Ex-Gratia Rates							0				0
Specified Area Rates							0				0
Totals							1,072,125				1,070,994

Comments - Rating Information

All land except exempt land in the Shire of Cuballing is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above for the 2016/17 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also bearing considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

Note 10: Information on Borrowings

(a) Debenture Repayments

Particulars	Loan Date	Years	Principal at 1/07/2017	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
					Actual	Amended Budget	Actual	Amended Budget	Actual	Amended Budget
					\$	\$	\$	\$	\$	\$
Transport										
Loan 62 - Loader	11/08/2008	10	34,109		8,317	34,109	25,792	0	569	1,434
Loan 63 - Graders	7/02/2014	8	187,681		9,107	37,037	178,574	150,644	2,036	7,534
			221,790	0	17,424	71,146	204,366	150,644	2,605	8,968

All debenture repayments were financed by general purpose revenue.

(b) New Debentures

No new debentures were raised during the reporting period.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

Note 11: Grants and Contributions

	Grant Provider	Type	Opening Balance (a)	Budget Operating	Capital	YTD Budget	Annual Budget (d)	Post Variations (e)	Expected (d)+(e)	YTD Actual Revenue	
				\$	\$	\$				\$	
General Purpose Funding											
	Grants Commission - General	WALGGC	Operating	0	292,191	0	0	292,191	292,191	65,009	
	Grants Commission - Roads	WALGGC	Operating	0	174,657	0	0	174,657	174,657	36,915	
Law, Order and Public Safety											
	DFES Grant - Operating Bush Fire Brigade	Dept. of Fire & Emergency Serv.	Operating	0	20,625	0	0	20,625	20,625	0	
Recreation and Culture											
	Grants - Kidsport	Dept. of Communities	Operating	0	0	0	0	0	0	0	
	DREC Weather Shelter	R4R, Lotterywest, Contributions	Non-operating	0	0	26,369	26,369	26,369	26,369	10,000	
	Yornaning Dam Upgrades		Non-operating	0	0	34,723	0	34,723	34,723	0	
Transport											
	Direct Grant - Main Roads	Main Roads WA	Operating	0	99,902	0	99,902	99,902	99,902	57,535	
	Roads To Recovery Grant - Cap	Roads to Recovery	Non-operating	0	0	243,253	0	243,253	243,253	0	
	RRG Grants - Capital Projects	Regional Road Group	Non-operating	0	0	381,926	95,482	381,926	381,926	126,275	
Economic Services											
	Youth Day Grant	Dept. of Communities	Operating	0	1,000	0	0	1,000	1,000	0	
	Volunteer Day Grant	Dept. of Communities	Operating	0	1,000	0	0	1,000	1,000	0	
TOTALS				0	589,375	686,271	221,753	1,275,646	0	1,275,646	295,734
SUMMARY											
	Operating	Operating Grants, Subsidies and Contributions		0	588,375	0	99,902	588,375	0	588,375	159,459
	Operating - Tied	Tied - Operating Grants, Subsidies and Contributions		0	0	0	0	0	0	0	
	Non-operating	Non-operating Grants, Subsidies and Contributions		0	0	686,271	121,851	686,271	0	686,271	136,275
TOTALS				0	588,375	686,271	221,753	1,274,646	0	1,274,646	295,734

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017












Note 12: Trust Fund

Funds held at balance date over which the Shire has no control and which are not included in this statement are as follows:










Description	Opening Balance 01 Jul 2016	Amount Received	Amount Paid	Closing Balance 30 Sep 2017
	\$	\$	\$	\$
Bonds - Building	14,389	0	0	14,389
Bonds - Hall Hire	1,050	0	0	1,050
Commodine Tennis Club	3,090	0	0	3,090
Cuballing Country Festival	1,099	0	0	1,099
Cuballing Cricket Club	200	0	0	200
Yornaning Dam	0	0	0	0
Cuballing Football Association	566	0	0	566
Environment and Townscape Trust Fund	5,713	0	0	5,713
Police Licensing	5,148	56,320	(50,643)	10,825
Swipe Cards	1,545	0	0	1,545
Reimbursements	0	240	0	240
	32,800	56,560	(50,643)	38,717


SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

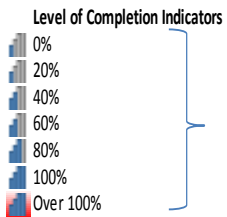
Note 13: Capital Acquisitions

Assets	Account	YTD Actual			Budget			Strategic Reference / Comment
		New/Upgrade	Renewal	Total YTD	Annual Budget	YTD Budget	YTD Variance	
		\$	\$	\$	\$	\$	\$	
 <i>Level of completion indicator, please see table at the end of this note for further detail.</i>								
Land & Buildings								
Recreation And Culture								
	Building Renewal - Cuballing Town Hall	11048	0	0	0	(10,190)	0	0 C162
	Building Renewal - Cuballing CWA Hall	11048	0	0	0	(6,090)	0	0 C164
	Building Renewal - Cuballing Memorial Park	11230	0	0	0	(52,948)	0	0 C176
	Building Renewal - Cuballing Recreation Centre	11230	0	0	0	(9,985)	0	0 C165
	Building Renewal - Yornaning Dam	11230	0	0	0	(80,951)	0	0 C187
	DREC Weather Shelter	11310	(22,384)	0	(22,384)	(21,182)	(21,182)	(1,202) Final works from 2016/17
Recreation And Culture Total			(22,384)	0	(22,384)	(181,346)	(21,182)	(1,202)
Community Amenities								
	Cuballing Transfer Station	10742	0	0	(227)	(28,711)	0	(227) J601
	Cuballing Transfer Station	10742	0	0	0	(31,074)	0	0 C158
Community Amenities Total			0	0	(227)	(59,785)	0	(227)
	Land & Buildings Total		(22,384)	0	(22,611)	(241,131)	(21,182)	(1,429)
Other Infrastructure								
Economic Services								
	Standpipe Upgrades	13605	0	0	0	(7,356)	0	0
Economic Services Total			0	0	0	(7,356)	0	0
	Other Infrastructure Total		0	0	0	(7,356)	0	0
Plant, Equip. & Vehicles								
Transport								
	Multipac Roller	12405	0	0	(160,000)	(170,000)	0	(160,000) Budget - purchase Aug
Transport Total			0	0	(160,000)	(170,000)	0	(160,000)
	Plant, Equip. & Vehicles Total		0	0	(160,000)	(170,000)	0	(160,000)

Roads

Transport									
	RRG - Wandering Narrogin Road 16/17	12115	(21,238)	0	(550)	(140,072)	(21,238)	20,688	J600
	RRG - Wandering Narrogin Road	12115	(46,409)	0	(27,867)	(324,865)	(46,409)	18,542	R129
	RRG - Stratherne Road	12115	0	0	(5,636)	(148,664)	0	(5,636)	R001
	R2R - Popanyinning West Road Widening	12120	(2,177)	0	(200)	(169,721)	(2,177)	1,977	R002
	R2R - Popanyinning West Road Reseal	12120	0	(1,828)	0	(40,418)	(1,828)	1,828	R002C
	R2R - Yornaning West Road Reseal	12120	0	0	0	(15,239)	0	0	R005A
	R2R - Cuballing East Road Reseals	12120	0	0	0	(5,080)	0	0	R006
	R2R - Victoria Road Reseal	12120	0	(24,246)	0	(12,796)	(24,246)	24,246	R122
Transport Total			(69,824)	(26,074)	(34,254)	(856,855)	(95,898)	61,644	
	Roads Total		(69,824)	(26,074)	(34,254)	(856,855)	(95,898)	61,644	

	Capital Expenditure Total		(92,208)	(26,074)	(216,864)	(1,267,986)	(117,080)	(99,785)	
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Percentage YTD Actual to Annual Budget
Expenditure over budget highlighted in red.

9.1.3 Annual Report 2016/2017

Applicant:	N/A
File Ref. No:	ADM106
Disclosure of Interest:	Nil
Date:	6 th October 2017
Author:	Tonya Williams, Deputy CEO
	9.1.3A 2016/2017 Management Report
Attachments:	9.1.3B 2016/2017 Audit Report
	9.1.3C 2016/2017 Annual Report – Included separately

Summary

Council is to consider the recommendations of the Audit Committee from their meeting to be held at 1pm on Thursday 19th October 2017 that will consider the Auditors 2016/2017 Management Report, the 2016/2017 Audit Report and the 2016/2017 Annual Report.

Background

The Audit has been conducted in accordance with the Australian Audit Standards to ensure that during the reporting period the Shire of Cuballing complied with all statutory requirements, including the Local Government Act 1995 and associated Regulations. Butler Settineri completed their final Audit of Council's functions and operations for the 2016/2017 Financial Year in October 2017.

The Annual Report has been compiled and is provided for adoption by Council.

Comment

Cr Conley and Ms Williams will report to the Committee meeting on their meeting with Council's Auditor, Mr Maurius van der Merwe on Wednesday 11th October 2017 at the offices of the Shire of Cuballing. Cr Conley, Ms Williams and Chief Executive Officer Mr Sherry attended this meeting in person. Cr Ballantyne spoke to Mr van der Merwe by telephone separately.

The Auditor has provided a report of their findings and it is included separately in Councillor information Packs.

Strategic Implications - Nil

Statutory Environment

Local Government Act 1995

5.27 Electors' general meetings

- (1) A general meeting of the electors of a district is to be held once every financial year.
- (2) A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.
- (3) The matters to be discussed at general electors' meetings are to be those prescribed.

5.29 Convening electors' meetings

- (1) The CEO is to convene an electors' meeting by giving —
 - (a) at least 14 days' local public notice; and
 - (b) each council member at least 14 days' notice, of the date, time, place and purpose of the meeting.

- (2) The local public notice referred to in subsection (1)(a) is to be treated as having commenced at the time of publication of the notice under section 1.7(1)(a) and is to continue by way of exhibition under section 1.7(1)(b) and (c) until the meeting has been held.

5.53 Annual reports

- (1) The local government is to prepare an annual report for each financial year.
- (2) The annual report is to contain —
- (a) a report from the mayor or president;
 - (b) a report from the CEO;
 - [(c), (d) deleted]*
 - (e) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year;
 - (f) the financial report for the financial year;
 - (g) such information as may be prescribed in relation to the payments made to employees;
 - (h) the auditor's report for the financial year;
 - (h(a)) a matter on which a report must be made under section 29(2) of the *Disability Services Act 1993*;
 - (h(b)) details of entries made under section 5.121 during the financial year in the register of complaints, including —
 - (i) the number of complaints recorded in the register of complaints;
 - (ii) how the recorded complaints were dealt with; and
 - (iii) any other details that the regulations may require; and
 - (i) such other information as may be prescribed.

5.54 Acceptance of annual reports

- (1) Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.

* Absolute majority required.

- (2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

5.55 Notice of annual reports

The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

Policy Implications - Nil

Financial Implications - Nil

Economic Implication - Nil

Environmental Considerations - Nil

Consultation - Nil

Options

At this time, it is anticipated that the Audit Committee will adopt the Officer's Recommendation. Any changes in this recommendation will be provided to Council.

The Officer Recommendation to the Audit Committee allows for Council to:

1. Accept the 2016/2017 Management Report
2. Accept the 2016/2017 Audit Report;
3. Accept the 2016/2017 Annual Report;
4. Hold the Annual Electors Meeting on Thursday 16th November 2017 at 6.30pm in the Shire of Cuballing Council Chambers.

Voting Requirements – Absolute Majority

OFFICER'S RECOMMENDATION:

That Council

1. **Accept the Management Report for the financial year ended 30th June 2017;**
2. **Accept the Audit Report for the financial year ended 30th June 2017;**
3. **Accept the Annual Report for the financial year ended 30th June 2017;**
4. **Hold the Annual Electors Meeting on Thursday 16th November 2017 at 6.30pm in the Shire of Cuballing Council Chambers.**

9.1.4 Draft 2017 - 2032 Strategic Resource Plan

Applicant:	N/A
File Ref. No:	ADM96
Disclosure of Interest:	Nil
Date:	2 nd October 2017
Author:	Tonya Williams
Attachments:	9.1.4A Draft Shire of Cuballing 2017 - 2032 Strategic Resource Plan

Summary

Council is to consider the adoption of the draft Shire of Cuballing 2017 - 2032 Strategic Resource Plan.

Background

The Shire of Cuballing is required to comply with the Integrated Planning and Reporting Framework (IPRF).

The IPRF is designed to ensure more effective delivery of the local government's strategic intentions, and to provide a process to:

- Ensure community input is explicitly and reliably generated;
- Provide the capacity for location specific planning where appropriate;
- Inform the long term objectives of the local government with these inputs;
- Identify the resourcing required to deliver against the long term objectives; and
- Clearly articulate long term financial implications and strategies

The IPRF will deliver:

- A long term strategic plan that clearly links the community's aspirations with the Council's vision and long term strategy;
- A corporate business plan that integrates resourcing plans and specific Council plans with the strategic plan; and
- A clearly stated vision for the future of the local government area.

Comment

The Strategic Resource Plan is a strategy and planning document that has been developed to provide a consolidated document for Long Term Financial Planning and Asset Management. The Plan is informed by current spending trends and expected major projects over the next 15 years in accordance with the Strategy Community Plan, Workforce Plan and Corporate Business Plan.

Moore Stephens consulted with the Chief Executive Officer, Deputy Chief Executive Officer and the Manager of Works and Services to compile the information in the Plan. Base data was developed through an average of previous financial year reports as well as the 2017/18 Budget for expected project spend and the 10 year renewal plans for Plant, Roads and Buildings as well as Fair Value revaluation data and Ramm Road Data.

Key assumptions identified in the Strategic Resource Plan include:

- CPI is 2%
- Population remains stable
- Current service levels will be maintained with no major changes expected to operations
- Major project included for borrowing is the Bunmulling Bridge realignment and widening
- Rate increases are above inflation and designed to ensure the Shire is trending towards long term financial sustainability (years 1-4 at 6%, years 5-9 at 5%, year 10 onwards at 4%)

- Employee costs only increase by inflation

Strategic Implications

The Strategic Resource Plan is a strategy and planning document that has been developed to provide a consolidated document for Long Term Financial Planning and Asset Management. The Plan was developed on current spending trends and expected major projects over the next 15 years.

Statutory Environment

Local Government Act (1995)

5.56 Planning for the future

- (1) A local government is to plan for the future of the district.
- (2) A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.

Local Government (Administration) Regulations (1996)

19C. Strategic community plans, requirements for (Act s. 5.56)

- (1) A local government is to ensure that a strategic community plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.
- (2) A strategic community plan for a district is to cover the period specified in the plan, which is to be at least 10 financial years.
- (3) A strategic community plan for a district is to set out the vision, aspirations and objectives of the community in the district.
- (4) A local government is to review the current strategic community plan for its district at least once every 4 years.
- (5) In making or reviewing a strategic community plan, a local government is to have regard to —
 - (a) the capacity of its current resources and the anticipated capacity of its future resources; and
 - (b) strategic performance indicators and the ways of measuring its strategic performance by the application of those indicators; and
 - (c) demographic trends.
- (6) Subject to subregulation (9), a local government may modify its strategic community plan, including extending the period the plan is made in respect of.
- (7) A council is to consider a strategic community plan, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.

*Absolute majority required.

- (8) If a strategic community plan is, or modifications of a strategic community plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.
- (9) A local government is to ensure that the electors and ratepayers of its district are consulted during the development of a strategic community plan and when preparing modifications of a strategic community plan.
- (10) A strategic community plan for a district is to contain a description of the involvement of the electors and ratepayers of the district in the development of the plan or the preparation of modifications of the plan.

19DA. Corporate business plans, requirements for (Act s. 5.56)

- 1) A local government is to ensure that a corporate business plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.
- 2) A corporate business plan for a district is to cover the period specified in the plan, which is to be at least 4 financial years.
- 3) A corporate business plan for a district is to —
 - a) set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and
 - b) govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and
 - c) develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.
- 4) A local government is to review the current corporate business plan for its district every year.
- 5) A local government may modify a corporate business plan, including extending the period the plan is made in respect of and modifying the plan if required because of modification of the local government's strategic community plan.
- 6) A council is to consider a corporate business plan, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.
*Absolute majority required.
- 7) If a corporate business plan is, or modifications of a corporate business plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.

Policy Implications – Nil

Financial Implications

Formal adoption of the Strategic Resource Plan will be the basis from which the annual budget will be derived.

Economic Implication

The Strategic Resource Plan establishes the long term financial planning from the Community Strategic Plan for projects and service expectations.

Environmental Considerations – Nil

Consultation

Moore Stephens

Options

Council may resolve:

1. the Officer's Recommendation;
2. the Officer's Recommendation with an amendment to the Draft 2017 - 2032 Strategic Resource Plan included at Attachment 9.1.1A; or
3. to defer a decision and seek further information from staff.

Voting Requirements – Simple Majority

OFFICER'S RECOMMENDATION:

That Council adopts the Shire of Cuballing 2017-2032 Strategic Resource Plan, included at Attachment 9.1.4A

Shire of Cuballing

Draft Strategic Resource Plan

2017 - 2032

(Incorporating Asset Management Planning and
Long Term Financial Planning)



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1.0 FOREWORD

We are pleased to present to the community the Shire of Cuballing Draft Strategic Resource Plan for 2017 - 2032.

This Plan is part of the Shire's ongoing commitment to an integrated approach to planning for the district's future. It provides the Council and the community with a picture of the Shire's long term financial and asset management circumstances and assists us to meet our strategic outcomes and objectives.

The Shire will encounter many challenges and opportunities over the next 15 years. Changes in population levels and demographics bring with them changing community needs and expectations. The Council will require a clear understanding of its capacity to meet these service expectations as it maintains a strong focus on sound financial management.

Council welcomes community participation in the planning process as we develop the strategic direction for a promising future for our district. We invite members of the community to contact a Councillor or Senior Council staff if they have any questions.

The Shire of Cuballing's Draft Strategic Resource Plan is an important planning tool as we strive to achieve the strategies set out in the Council's Strategic Community Plan.

This Plan will be used with the Corporate Business Plan and Workforce Plan to achieve our goals and drive the Shire in achieving its vision of "A progressive, diverse and caring community, with access to modern services and infrastructure, in a unique part of the world."

The Shire has recently devoted significant resources to improving its strategic planning. This work continues as we constantly seek to improve our systems and service delivery.

Mark Conley
Shire President

Gary Sherry
Chief Executive Officer

2.0 PLANNING OVERVIEW

2.1 PLANNING FOR THE FUTURE

The Shire of Cuballing is planning for a positive and stable future. The Shire seeks to maintain, and where possible, improve service levels into the future while ensuring a healthy financial position.

2.2 PLANNING PROCESS

Based on the audited 2016 Annual Financial Report and 2016-17 Annual Budget, a financial baseline was determined for operating revenue and expenditure. Modifications to this baseline were made over the 15 year term to predict forecast changes in operating revenue and expenditure.

When planning for the future renewal of Shire assets, a condition based estimation of remaining useful life was applied (where possible) as it was viewed as the most appropriate methodology. Where condition information was unavailable, an age based estimation of remaining useful life was applied.

By adjusting the estimated useful life of assets, financial modelling was undertaken to ensure adequate long term funding for asset maintenance and renewal.

Detailed long term planning is required for the renewal of building assets (particularly those identified by the Shire as critical) due to the scale of expenditure in relation to these assets and the likelihood of usage/design upgrades when renewal occurs. Unfortunately, planning for the renewal of long lived assets carries with it a high level of uncertainty. This is due to the vagary associated with the allocation of future external contributions and the potential for a sudden and unexpected change in the grant funding. It is important to note, capital works identified in this Plan undertaken utilising external contributions may be postponed or reduced in scale should external funding not eventuate. Postponing asset renewal past forecast estimated useful life and an optimum intervention point increases the risk associated with sudden asset failure bringing with it the potential for a loss of service.

A combination of financing techniques involving the use of cash backed reserves (as savings) and long term borrowings have been utilised in the Plan to provide for asset expenditure requirements.

2.3 CRITICAL ASSETS

Selected assets have been classified in the Plan as 'critical' to the Shire's capacity to meet community service expectations, achieve the community vision and complying with statutory obligations. Ensuring adequate future funding for the appropriate maintenance and renewal of critical assets is a key asset management challenge facing the Shire and was a significant planning consideration in the development of this Plan.

As part of the planning process, the following assets were identified as critical:

- Depot;
- Shire Administration Building;
- Sport and Recreation Facility; and
- Regional Distributor Roads.

Where resources are limited, critical assets have been prioritised in the planning process to help minimise the risk of sudden unexpected failure of these assets.

3.0 STRATEGIC OVERVIEW

3.1 FORECAST SIGNIFICANT EVENTS

Road maintenance and road renewal remains a high priority for the Shire due to the strategic economic benefit the road network provides to the district. Road renewals are prioritised based on a road hierarchy with bus routes, regional and local distributor roads taking priority over local access roads. Although of high importance, adequate maintenance, renewal and upgrading of the road network remains highly dependent on the receipt of external grants and contributions. Realignment and widening of the Bunmulling Bridge is the largest and most significant single capital project during the term of the Plan.

Buildings classified as critical in the Plan will be prioritised for maintenance expenditure.

3.2 ASSET MANAGEMENT STRATEGY

Recognising a large proportion of assets have been constructed with the assistance of external financial contributions, the Shire seeks to, within its financial capacity, maintain these assets into the future. A strategy of alignment of estimated asset useful lives with the forecast financial capacity has helped ensure the long term affordability of Shire assets. By focussing resources and efforts on a small number of key critical assets, the Shire has achieved targeted asset management outcomes integrated with financial planning within its forecast financial capacity.

3.3 FINANCIAL MANAGEMENT STRATEGY

Structuring operational revenues and expenditure to ensure adequate provision for asset renewal into the future is a cornerstone of the Shire's overall financial strategy. To achieve this strategy, rate increases marginally higher than the consumer price index (CPI) are forecast to occur combined with the maintenance of operating expenditure in line with the CPI forecast.

Forecast planned asset renewals for the term of the Plan are provided in the table below along with the forecast required asset renewals to maintain services in future. Forecast asset renewals requirements are arrived at based on current estimates of replacement cost and remaining useful life of each asset, assessed from the asset's condition or age. These are provided in the table below with the asset renewal surplus/(deficit) column representing the difference between the planned and required asset renewals. A number of assumptions and estimates have been utilised in arriving at these values and actual events may vary significantly from those provided.

Year	Planned Asset Renewal \$	Required Asset Renewal \$	Asset Renewal Surplus/(Deficit) \$
2017-18	1,042,896	364,140	678,756
2018-19	2,579,090	136,684	2,442,406
2019-20	1,853,259	1,278,281	574,978
2020-21	4,716,691	39,747	4,676,944
2021-22	1,346,238	1,650,938	(304,700)
2022-23	1,759,796	624,883	1,134,913
2023-24	1,103,501	518,108	585,393
2024-25	2,037,108	5,115,909	(3,078,801)
2025-26	948,956	87,768	861,188
2026-27	1,686,329	1,482,696	203,633
2027-28	1,496,633	2,086,414	(589,781)
2028-29	973,749	972,190	1,559
2029-30	2,373,141	2,831,328	(458,187)
2030-31	1,634,249	205,648	1,428,601
2031-32	1,844,136	464,550	1,379,586
Total	27,395,772	17,859,284	9,536,488

3.0 STRATEGIC OVERVIEW (Continued)

3.4 FINANCIAL MANAGEMENT STRATEGY (CONTINUED)

A new borrowing of \$800,000 has been modelled to be taken up in 2020-21 for the Bunmulling Bridge realignment and road widening. No other new borrowings have been included throughout the Plan and this permits the Shire to respond to sudden or unexpected expenditure requirements or the loss of planned external grant contributions. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available. The strategy also includes the use of cash backed reserves to save for significant future asset renewal spikes.

3.5 KEY ASSUMPTIONS

The Plan has been prepared based on the following broad assumptions:

- The Shire population is forecast to remain stable;
- The Shire will maintain its current service levels and, where financially prudent, increase services;
- The level of grants and contributions for capital projects and operations will remain relatively stable over the term of the Plan;
- The region and State economy will remain stable for the long term; and
- Assets are expected to be adequately maintained and continue to provide existing levels of service.

For a detailed analysis of all assumptions and their associated risks please refer to section 13.0.

4.0 COMMUNITY PROFILE, VISION AND OBJECTIVES

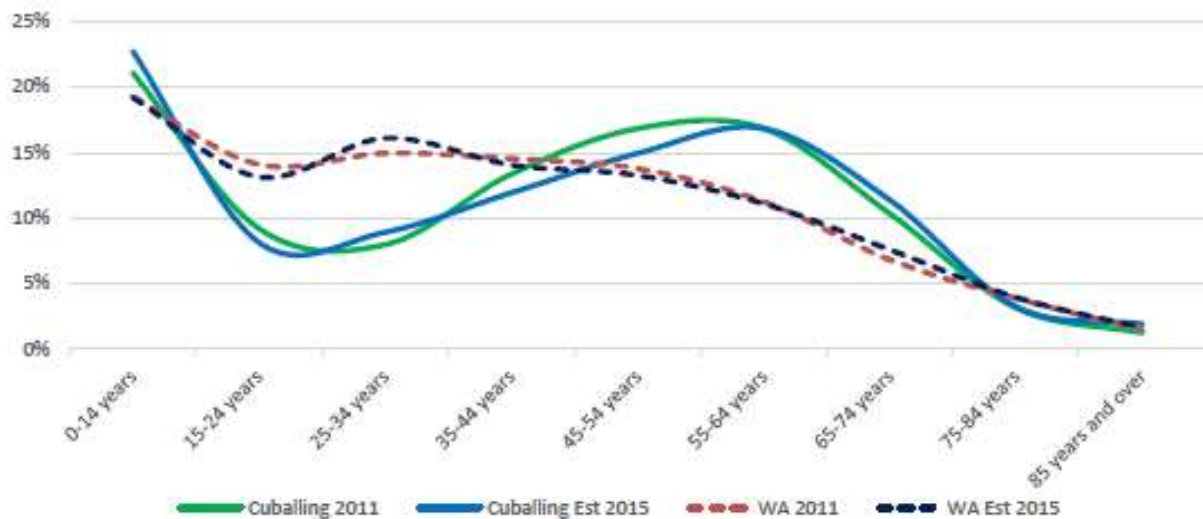
4.1 COMMUNITY

Cuballing is situated 192km south-east of Perth. The district covers 1,250 square kilometres in the Central Wheatbelt area, with a population of approximately 890.

Embracing the townships of Cuballing, Popanyinning and Yornaning, the Cuballing district, known as "Dryandra Country", has within its boundary 17,500 hectares of Dryandra State Forest.

In 2015, the Shire of Cuballing estimated resident population was 897¹, with no significant variation forecast. The chart below reflects the percentage of the estimated resident population within each age grouping for the Shire of Cuballing (represented by the green (2011) and blue (2015) lines) and Western Australia (represented by the orange (2011) and dark blue (2015) dotted lines).

4.2 SHIRE OF CUBALLING RESIDENT POPULATION BY AGE GROUP



When comparing the Shire's demographic to Western Australia, the Shire has a lower proportion of residents in the 15-44 year old age bracket, with many in this group leaving for schooling and early career opportunities. The percentage of the resident population from 55 to 84 years is noticeably higher than the State average. This may be due to the combination of long term residents remaining in the Shire and people of this age group choosing to settle in the area for the lifestyle.

4.3 VISION

The Shire's strategic vision is:

"A progressive, diverse and caring community, with access to modern services and infrastructure, in a unique part of the world."

4.4 STRATEGIC OBJECTIVES

The Shire has not defined its key strategic objectives within a publicly available Strategic Community Plan and Corporate Business Plan.

¹ Australian Bureau of Statistics 2011, Cuballing (2) (LOA 52310), Population and People Profile

5.0 KEY CURRENT INFORMATION

5.1 KEY STATISTICS: SHIRE OF CUBALLING 2016

Number of Elected Members	6
Number of Staff ³	14
Number of Electors ²	624
Number of Dwellings ²	368
Distance from Perth (km) ²	192
Area (sq km) ²	1,250
Population (Est. 2015) ¹	897

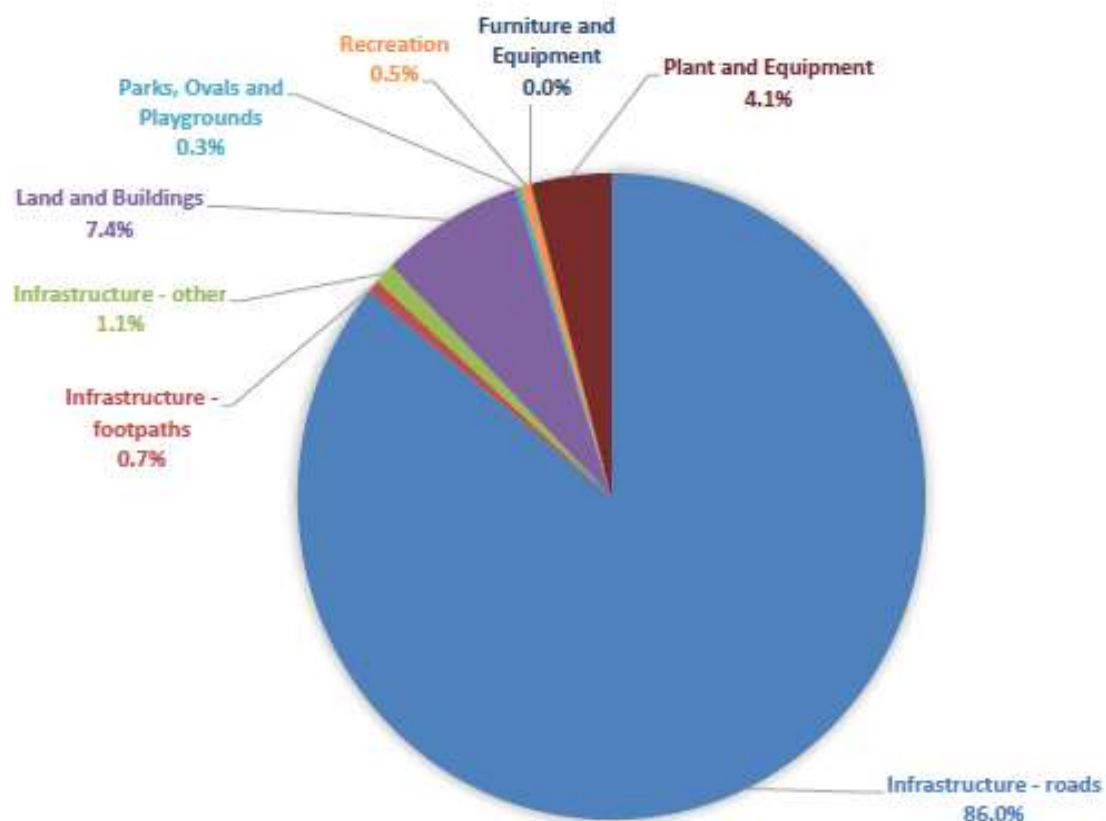
5.2 KEY FINANCIAL INFORMATION³

Rates Revenue	\$993,139
Fees and Charges	\$404,402
Operating Revenue	\$1,982,621
Operating Expenditure	\$3,354,244
Net Assets	\$49,826,552
Cash Backed Reserves	\$1,303,639
Long Term Borrowings	\$289,158

5.3 KEY ASSET INFORMATION

The Shire controls an asset network with a written down value of over \$49m, of which Roads and Buildings constitute the largest component values as reflected in the chart below.

5.4 ASSET VALUE BY CLASS: SHIRE OF CUBALLING 2016³



² WALISA Online Local Government Directory 2016/2017, Shire of Cuballing

³ Shire of Cuballing, Audited 2016 Annual Financial Report

6.0 STRATEGIC PLANNING AND POLICIES

6.1 LINKAGE WITH OTHER PLANS

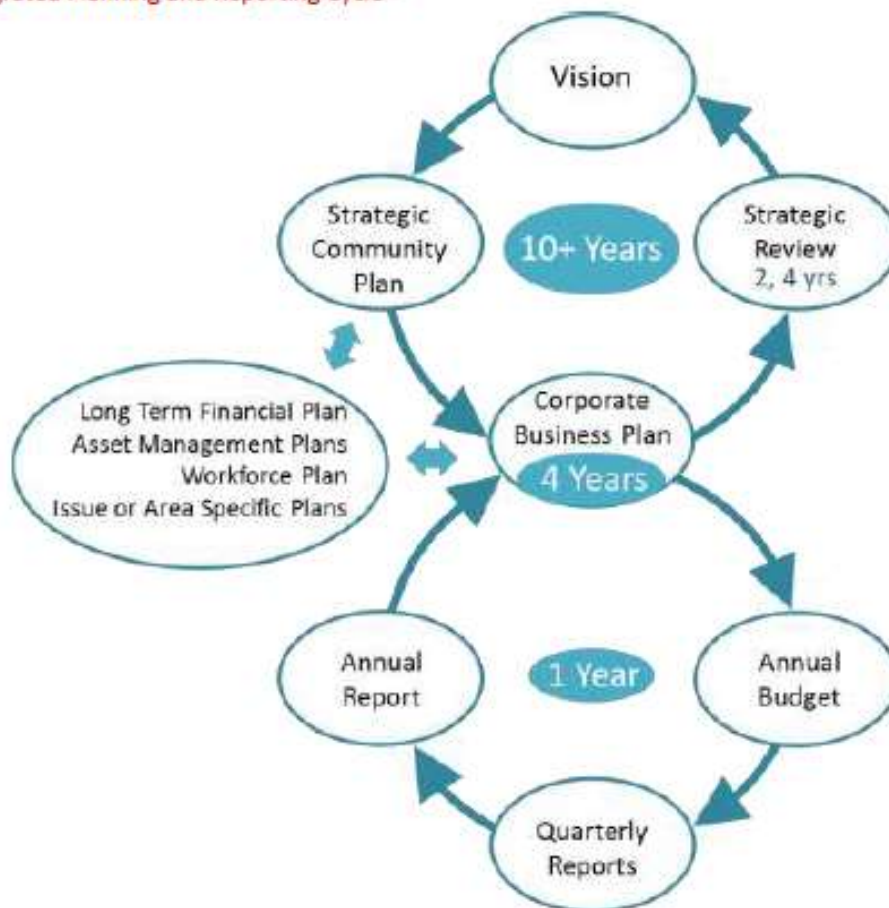
The Strategic Resource Plan is one component of a number of integrated strategic planning practices the Shire has developed. Combining asset management planning and long term financial planning into one document, the Strategic Resource Plan considers, and influences, workforce planning along with other key strategic plans. This Strategic Resource Plan has been prepared to achieve compliance with the *Local Government (Administration) Regulations 1996*.

Development of the Plan has also been influenced by the Department of Local Government and Communities (the Department) Integrated Planning Framework and Guidelines.

This Plan includes, and influences, other strategic planning activities as a mechanism to action the strategies contained in the Shire's Strategic Community Plan, as illustrated in the diagram below.

6.2 STRATEGIC DOCUMENTS LINKAGE

Diagram: Integrated Planning and Reporting Cycle⁴



⁴ Department of Local Government and Communities, Integrated Planning and Reporting: Framework and Guidelines, September 2016

6.0 STRATEGIC PLANNING AND POLICIES (Continued)

6.3 STRATEGIC COMMUNITY PLAN

The Strategic Community Plan is prepared to cover a minimum period of 10 years and set out the community's vision, aspirations and objectives for the district. To achieve the vision, a series of outcomes and strategies are developed. Many strategies may be required to achieve a single outcome and many outcomes needed to achieve a single objective.

Individual strategies all require actions involving extra human, physical and financial resources. In addition, achieving these strategies may require a series of actions over time as they may not be able to be achieved concurrently taking into account limited resources.

Achieving the Shire's strategic outcomes requires careful operational planning and prioritisation. This planning process is formalised as a Corporate Business Plan which operates on a rolling four-year basis.

6.4 CORPORATE BUSINESS PLAN

The Corporate Business Plan contains details of the actions and resources (human, asset and financial) to achieve each strategy and acts as an organisational guide for the Council and management.

The financial capacity and asset management practices to support the Corporate Business Plan are set out in the Strategic Resource Plan for the period. This long term financial planning provides an assurance the actions contained in the Corporate Business Plan can be adequately resourced over the next four years and highlights the long term consequences of the application of resources to undertake various projects.

6.5 WORKFORCE AND OTHER STRATEGIC PLANS

The Workforce Plan and other strategic plans integrate with the Strategic Resource Plan through their requirement for assets and financial resources. As far as possible, these requirements are met in the Plan, but where resources are not included, the Plan identifies when the required resources may be available to inform future review activities in relation to these plans.

6.6 ASSET MANAGEMENT POLICY

An asset management policy should:

- Provide a framework for the sustainable management of the Shire's asset portfolio;
- Ensure an organisation wide and inclusive approach is taken to asset management; and
- Ensure adequate provision is made for the maintenance and replacement of assets in accordance with the assessed levels of service.

An asset management policy is intended to provide clear direction in relation to the Council's expectations for the sustainable management of its assets and applies to Elected Members, employees and contractors/consultants engaged by the Shire.

6.7 ASSET MANAGEMENT STRATEGY

An asset management strategy is a planned process of continuous improvement across all its components. Key improvements for each class of asset are discussed at the end of each section in Appendix A.

6.8 BORROWING POLICY

As part of its financial strategy, the Council intends to minimise the level of borrowings to provide the capacity to borrow in the event of an emergency. No formal borrowing policy or strategy has been adopted by Council.

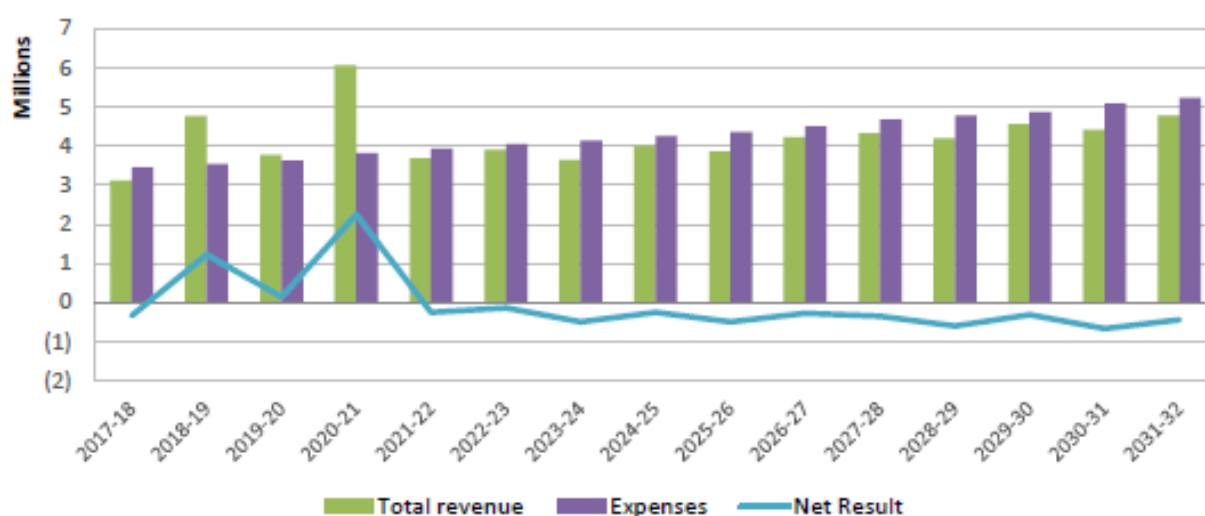
7.0 OPERATIONS OVERVIEW

7.1 OPERATIONS

The chart below shows the operating revenues and expenses over time represented as columns and the net result (revenues less expenses excluding asset revaluation adjustments) as a line.

The Shire is reliant on receiving more than \$17.4m over the 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services. A steady increase in operating revenue and expenditure is forecast over the 15 years of the Plan. Fluctuations to the level of non-operating grants and contributions received, produce changes to the net result.

7.1.1 FORECAST REVENUE, EXPENSES AND NET RESULT



7.2 RATES REVENUE

Rate revenue is forecast to increase by 6% (CPI 2% + 4%) for the first four years of the Plan then increase by 5% (CPI 2% + 3%) for the next five years before increasing by 4% (CPI 2% + 2%) throughout the remaining term of the Plan. These increases are to assist in the long term financial stability of the Shire and to maintain the level of service to the community in the face of forecast reductions in external grants and contributions. Rates are expected to generate \$1.12m in 2017-18 increasing to \$2.16m in 2031-32.

7.3 NON-OPERATING GRANTS AND CONTRIBUTIONS

Non-operating grants and contributions increase significantly above the forecast 2017-18 level in year 2, due to forecast funding for the Wandering Narrogin Road and the Bunmulling Bridge realignment and widening in 2020-21.

7.4 WORKFORCE PLANNING

The Shire currently employs 14 full time equivalent employees to deliver a range of services to the community and maintain assets.

The Shire's workforce planning has been considered in the development of this Strategic Resource Plan. No financial impacts are expected from current workforce planning with employee costs forecast to rise in line with CPI at 2%.

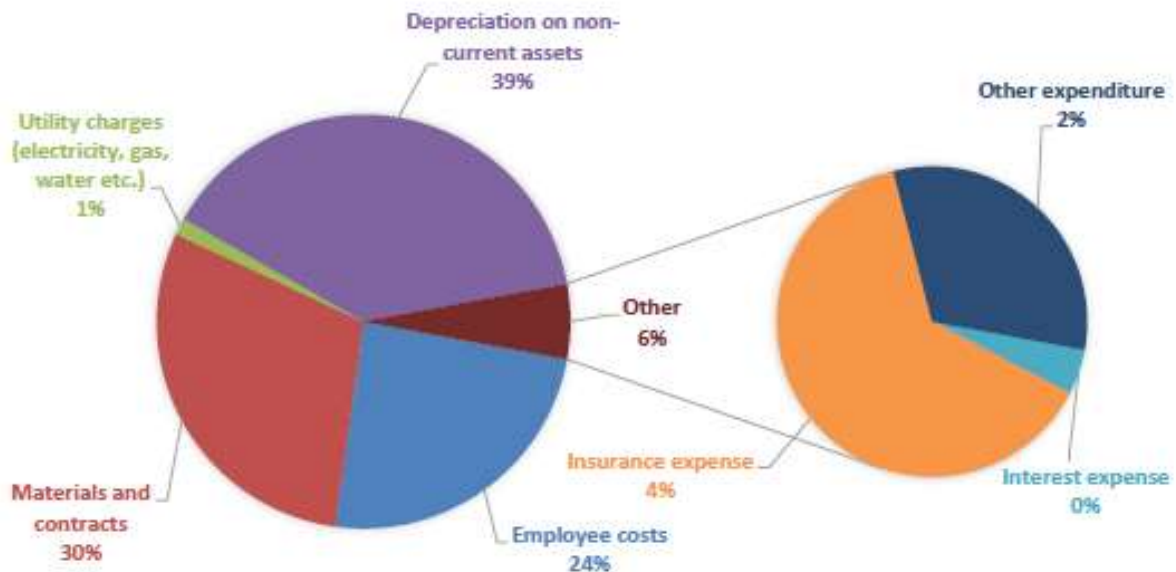
Council encourages a work life balance, multi skilling, flexibility and effective application of staff capability.

7.0 OPERATIONS OVERVIEW (Continued)

7.5 OPERATING EXPENDITURE

Over the term of the Plan, the operating expenditure components are forecast to remain relatively stable. Materials and contracts, depreciation and employee costs remain the dominant operating expenditure components as reflected in the chart below.

7.5.1 COMPOSITION OF FORECAST OPERATING EXPENDITURE 2017-18 (TOTAL OPERATING EXPENDITURE \$3.4m)



7.6 MAINTENANCE EXPENDITURE

The current maintenance expenditure allocated in the annual operating budget is expected to continue at current levels, with inflationary increases occurring each year.

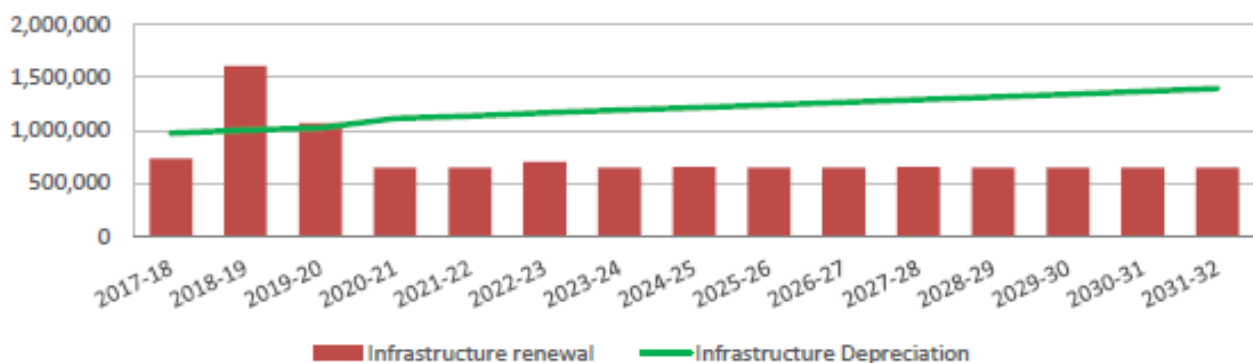
7.0 OPERATIONS OVERVIEW (Continued)

7.7 DEPRECIATION EXPENSE

Depreciation expense increase throughout the Plan from \$1.3m in year 1 to \$2.3m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$18.0m, shown by the green line in the chart below. The planned level of infrastructure asset renewal expenditure at \$11.2m (reflected by the red columns) is lower than estimated infrastructure depreciation in all years except 2018-2020, as shown in the chart below.

Ideally, the average asset renewal should be in line with depreciation expense over the long term, to ensure that the Shire's assets do not decrease in value. On average the Shire is renewing its assets at a lower level than they are depreciating over the term of the Plan.

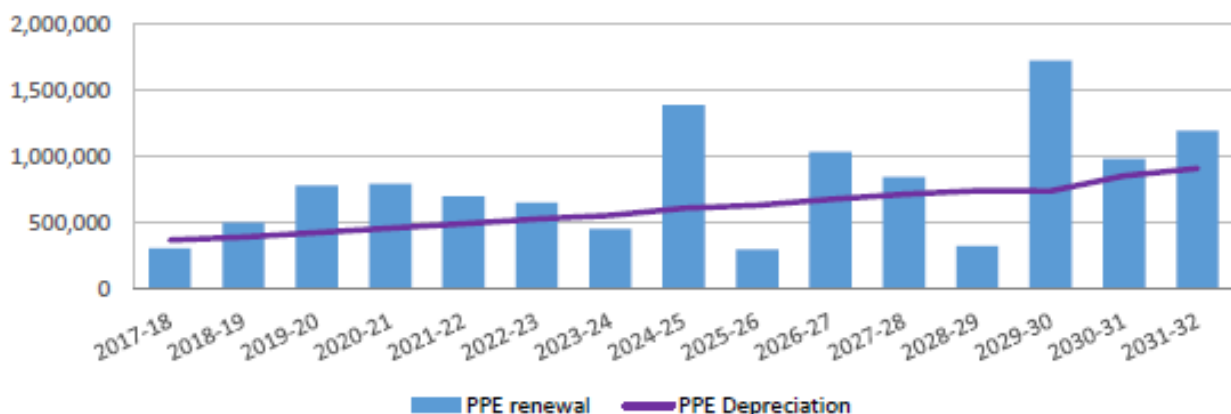
7.7.1 INFRASTRUCTURE DEPRECIATION EXPENSE -V- ASSET RENEWAL EXPENDITURE



Further improvements in asset management data and the estimation of depreciation expense along with the future renewal of long lived assets may result in closer alignment between asset renewals and depreciation expense.

Planned Property, Plant and Equipment asset renewals of \$12.0m (reflected by the blue columns) over the 15 years is aligned to depreciation expense of \$9.1m (reflected by the purple line) over the same period as shown in the chart below.

7.7.2 PROPERTY, PLANT AND EQUIPMENT DEPRECIATION EXPENSE -V- ASSET RENEWAL EXPENDITURE



Where the planned asset renewals are greater than depreciation, the written down value of these assets will increase over time as existing assets are renewed. Revaluation of assets in line with inflation will compound this increase and may mask a real decrease in value where planned asset renewals are lower than depreciation.

8.0 CAPITAL OVERVIEW

8.1 COMMUNITY DEMAND

User demand for a number of community buildings has decreased over time due to changing community interests and lifestyle. Community demand for roads remains high and has increased with the closure of the region's rail network.

8.2 UPGRADE/NEW EXPENDITURE

Upgrades to existing road infrastructure are planned to occur over the next 15 years in response to community expectation. With the exception of key bridge projects, upgrades have not been separately identified within the asset renewal expenditure, however where funds are available, after undertaking essential renewal works, funds will be utilised for improvement and new works. Detailed annual planning is to be undertaken for road infrastructure assets.

8.3 LEVEL OF SERVICE

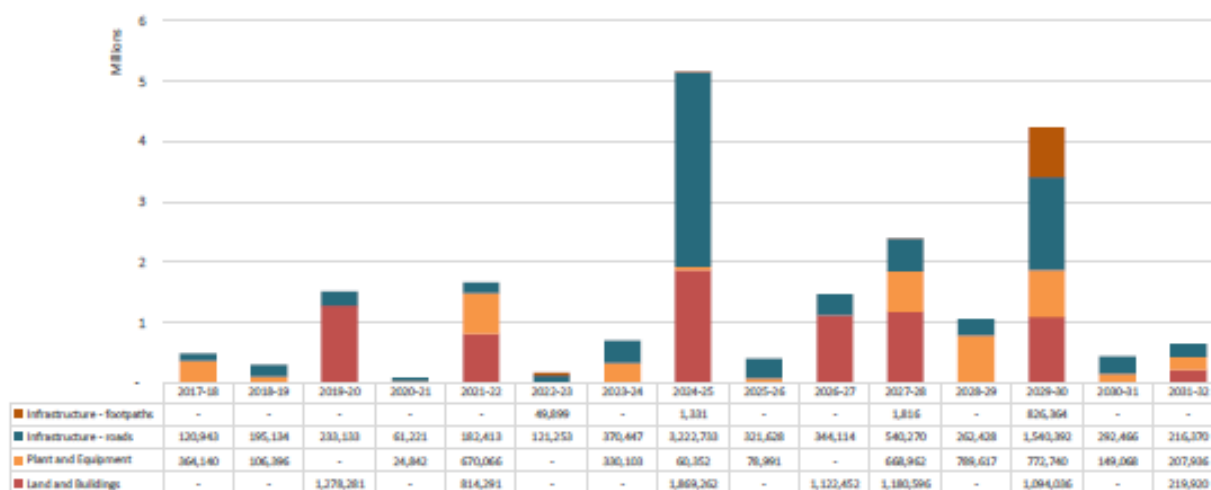
The level of service for roads, at its most basic, is reflected in the speed and weight ratings across the road network. As a measure, the lengths of sealed and unsealed road for each speed and weight rating is viewed as the most appropriate indicator of the level of service of the road network and will continue to be monitored into the future.

Level of service measures are defined for most asset classes within Appendix A.

8.4 RENEWAL EXPENDITURE

Asset renewal expenditure for the road network has been estimated. For other asset classes, forecast asset renewals have been based on the age of the assets and their estimated remaining useful life (determined during a recent revaluation) combined with the current replacement costs.

8.4.1 REQUIRED ASSET RENEWAL EXPENDITURE BY ASSET CLASS



Planned asset renewal expenditure has been determined by allocating the expected funds available for capital expenditure. Allocation of these funds between the various asset classes was undertaken to best match the required asset renewal expenditure. The timing and level of planned asset renewal expenditure for each asset class is summarised in the chart on the following page.

8.0 CAPITAL OVERVIEW (Continued)

8.4.2 PLANNED ASSET RENEWAL EXPENDITURE BY ASSET CLASS

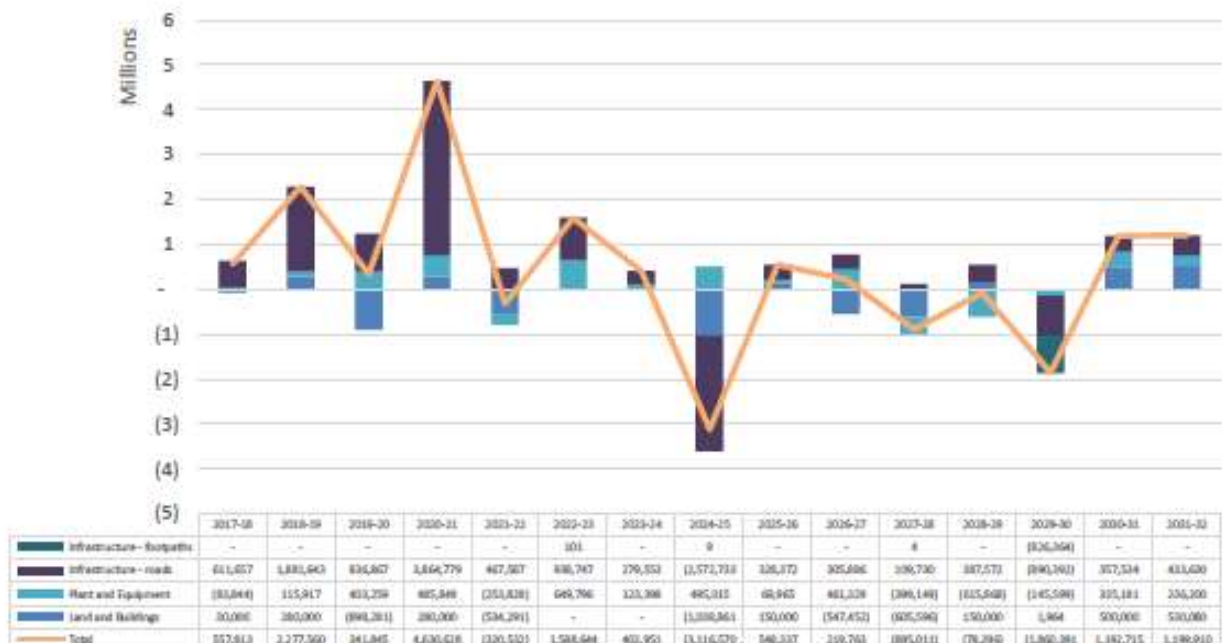


8.5 ASSET RENEWAL FUNDING SURPLUS/(DEFICIT)

The Shire is planning for renewal of all assets at the end of their useful life. The annual budget cycle and resource limitations result in differences between the planned and required renewal expenditure, referred to as an Asset Renewal Funding Surplus/(Deficit). The surplus or (deficit) for each asset class is shown by the columns in the chart below with the orange line reflecting the net asset renewal funding surplus/(deficit) for each year.

The chart below reflects in most years the net surplus/deficit remains above zero throughout the term of the Plan with an overall surplus is \$6.6m.

8.5.1 ASSET RENEWAL FUNDING SURPLUS/(DEFICIT)



Improvements in the estimation of the required asset renewals may significantly impact the level of this surplus.

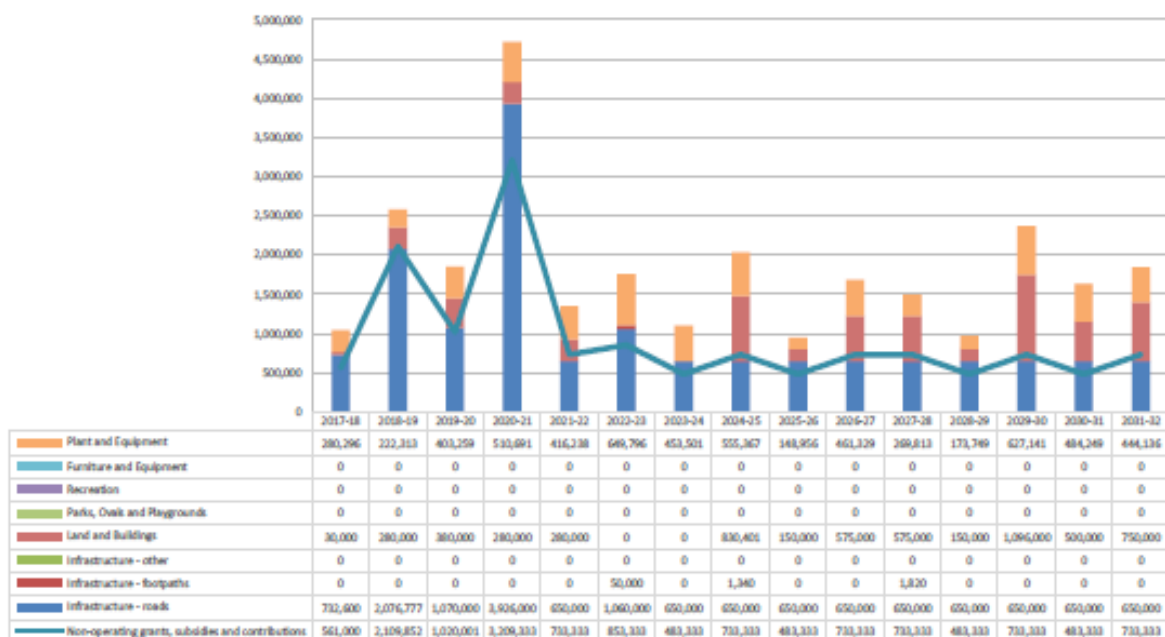
9.0 FORECAST CAPITAL PROJECTS

9.1 KEY ASSET RENEWAL

Renewal of plant and equipment and road infrastructure represents the bulk of the planned asset renewals. Expenditure on renewal of buildings is planned to help maintain existing service levels provided by existing buildings within the townsite.

Planned asset expenditure (by asset class) is reflected in the chart below, with the level of capital grants reflected by the blue line.

9.1.1 TOTAL PLANNED ASSET EXPENDITURE BY ASSET CLASS



Combined asset expenditure of \$27.4m has been planned. New/upgrade asset expenditure comprises \$4.1m of the total asset expenditure. Total asset expenditure by class is reflected in the chart below by the columns with the level of non-operating grants shown by the blue line.

9.0 FORECAST CAPITAL PROJECTS (Continued)

9.2 PLANNED CAPITAL EXPENDITURE

The table below sets out the total value of planned capital expenditure, detailed by project:

Asset Class	Project	Total Expenditure (2017-2032) \$
Plant and Equipment		
	Plant Replacement	6,100,834
Plant and Equipment Total		6,100,834
Infrastructure - roads		
	Wandering Narrogin Rd	2,679,777
	Cuballing East Rd	4,600
	Stratherne Rd	1,402,000
	Popanyinning West Rd	478,500
	Yornaning West Road	15,500
	Victoria Rd	12,000
	Popanyinning East Rd	864,000
	Hart Street	131,000
	Bunmulling Bridge Realignment & Widening	3,676,000
	Carton St	63,000
	Congelin Narrogin Rd	1,750,000
	Russell Street	28,000
	Wardering Rd Bridge	879,000
	Clifford St	132,000
	RRG Road Renewals	2,500,000
	RTR Road Renewals	750,000
Infrastructure - roads Total		15,365,377
Land and Buildings		
	10 Yr Building Program	5,526,401
	Popanyinning Community Hall	350,000
Land and Buildings Total		5,876,401
Infrastructure - footpaths		
	Footpath Renewal	53,160
Infrastructure - footpaths Total		53,160
Grand Total		27,395,772

10.0 FINANCING OVERVIEW

In general, the finances of the Shire are expected to improve over the 15 year term, with a reduction in the level of outstanding borrowings and an increase in cash savings in the form of reserves as represented in the chart at 10.2.1 below.

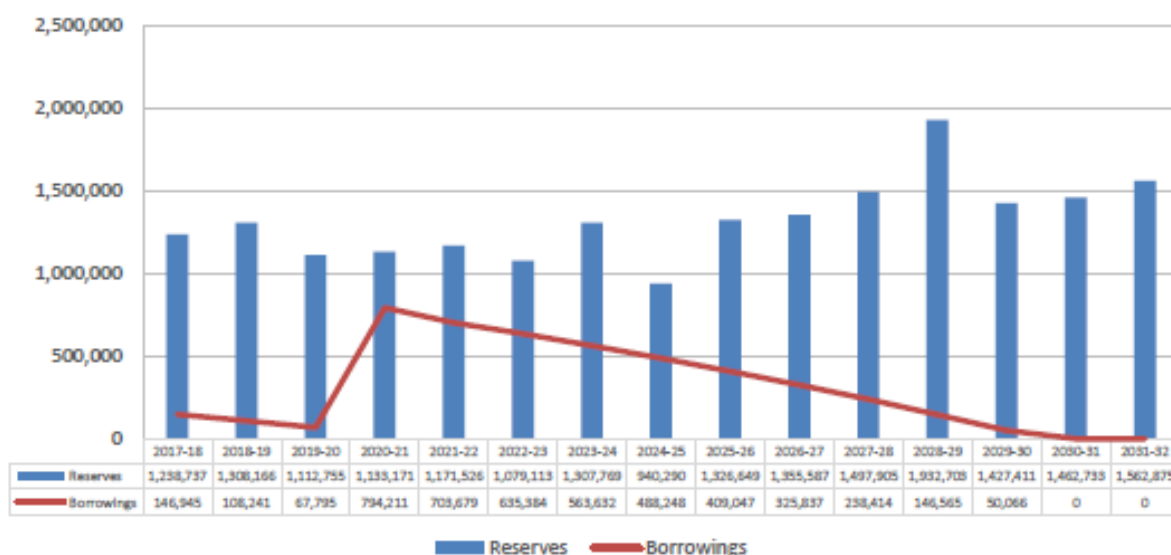
10.1 BORROWINGS

The principal outstanding on borrowings reduces over the first three years of the Plan, before a new borrowing of \$800,000 is taken up in 2020-21. Thereafter the principal outstanding on borrowings reduces over the life of the Plan, with all loans paid off by 2029-30. As existing loans come to an end, other than one new borrowing, no further new borrowings have been specifically identified. This provides the Shire with increasing capacity to borrow in reaction to unplanned events or urgent issues over the life of the Plan.

10.2 CASH RESERVES

The balance of cash reserves is forecast to fluctuate over the term of the Plan as funds are used to renew assets whilst generally trending upwards in line with inflation.

10.2.1 FORECAST BORROWINGS AND CASH RESERVES



11.0 SCENARIO MODELLING

11.1 SCENARIO MODELLING

Scenarios were developed to test the financial impact of reduced levels of operating funding with modelling for the impact on the Shire of various reduced funding levels.

To ascertain the effect of reduced funding levels, a base scenario was developed with an initial rate yield increase of 4% above inflation. Two alternative scenarios were also developed from this base, in Scenario 1, the rates yield increase is in line with inflation for the term of the Plan, and for Scenario 2 calculations reflect an increase of 2% above inflation for the term of the Plan.

All other assumptions remained the same across the three scenarios.

The base scenario was selected as the most appropriate and has been used for the remainder of the Plan. The base scenario includes levels of rate revenue to ensure the current levels of service are maintained.

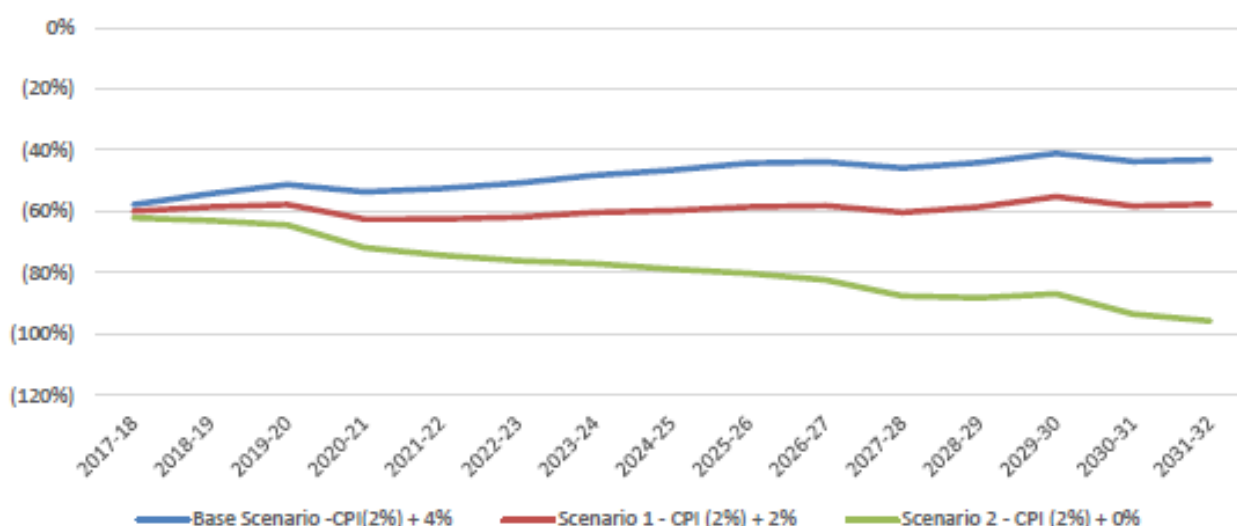
The table below reflects the impact of a change in total rates yield on the estimated surplus (deficit) June 30 from the base scenario (other assumptions remaining the same).

11.2 ESTIMATED SURPLUS (DEFICIT) JUNE 30 CARRIED FORWARD

Funding Level	Variance from Base Level in Year 15	Average Variance per Annum
(Scenario 1) 0% rate increase above inflation	(\$5,750,259)	(\$2,149,263)
(Scenario 2) 2% rate increase above inflation	(\$2,382,982)	(\$963,832)

The chart below reflects the impact of the same change in total rates yield on the Shire's Operating Surplus Ratio (other assumptions remaining the same). The base scenario was selected as it achieved an improvement in the operating surplus ratio toward the target ratios levels set out in the Department's published Advisory Standard.

11.2.1 SCENARIO COMPARISON – OPERATING SURPLUS RATIO



12.0 RISK MANAGEMENT

12.1 RISK MANAGEMENT

The Shire provides a diverse range of services and facilities to the general public which exposes it to risks. As part of the implementation of Integrated Planning and Reporting, the Shire intends to formalise its risk based management practices to improve the management of identified risks.

The Shire has a practice of conducting a regular review of insurance levels of assets by the Chief Executive / Manger of Finance to ensure the level is adequate. The Shire's insurer is LGIS.

Recent amendments to applicable Financial Management Regulations requires the investment of surplus funds (including cash reserves) to be in term deposits held by authorised deposit taking institutions or Treasury bonds.

The Shire seeks to engage experienced and qualified personnel in areas of high risk and provides them with appropriate ongoing training and equipment, to ensure they are able to undertake their roles with minimal risk to the community and the Shire.

12.2 CERTAINTY OF ASSUMPTIONS

Included in the Plan is a detailed analysis of the assumptions used as part of the planning process and the level of risk associated with each assumption.

The impact of the assumptions applied to issues identified as carrying a high risk have been separately disclosed, as has the sensitivity of movements in these assumptions on the financial forecasts set out in this Plan.

12.3 SENSITIVITY ANALYSIS

Where an assessment has been made that a high level of uncertainty applies to the assumptions, sensitivity analysis has been used to help quantify the potential financial impact of a change in the assumption.

Assumptions with a high level of uncertainty and a higher dollar value present the greatest risk that a movement will result in unexpected and detrimental consequences. The details of this analysis are shown adjacent to each assumption on the following pages.

13.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

13.1 REVENUE – ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
District Growth in Population: The number of residents in the Shire is expected to remain stable.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Rates Level Increase: Annual rates have been based on an increase in the total rate yield of 4% higher than forecast inflation rate of 2% for the first 4 years. In years 5 to 9 the forecast increase in rate yield is 5% (CPI 2% +3%) and the remainder of the Plan 4% (CPI 2% +2%).	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Operating Grants and Contributions: Increases in line with inflation forecast.	High	The road maintenance program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	Medium	± \$10,087 to the value of operating grants and contributions per 1% movement in the value in the first year of the Plan.
Non-operating Grants and Contributions: Remain in line with funding requirements identified for various capital works.	High	The forecast capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	Medium	± \$140,868 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
Fees and Charges: Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Interest Earnings: Interest earning of an average rate of 1.50% per annum.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Revenue: Increases in line with inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Profit on Asset Disposal: Profit on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

13.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (Continued)

13.2 EXPENDITURE – ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Employee Costs: Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Materials and Contracts: Increased annually by forecast inflation.	High	The road preservation program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	Medium	± \$176,390 to the value of materials and contracts per 1% movement in the value over the life of the Plan.
Depreciation: Depreciation has been calculated using an average depreciation rate based on historical rates.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Insurance: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Expenditure: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Loss on Asset Disposal: A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

13.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (Continued)

13.3 ASSETS – ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Revaluations: In line with annual inflation.	Low	The revaluation of assets may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on cashflows.	High	±\$93,934 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$553,464 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
Impairment of Assets: No impairment of assets has been assumed over the life of the Plan. Impairment of assets usually occurs due to unplanned or unforeseen events such as natural disasters.	High	A widespread major impairment event may result in a requirement for high levels of expenditure to maintain service levels.	Medium	Unable to be quantified.
Infrastructure Assets: Expenditure has been based on historical levels escalated by inflation.	High	The capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately on service levels.	High	±\$140,868 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.
Property, Plant and Equipment: Building expenditure is in accordance with the 10 Year Capital Plan and plant expenditure is based on the Plant Replacement Program.	Medium	Not assessed as high financial risk as the frequency of capital grants for buildings is not as pervasive as roadwork's and plant and equipment replacement is not influenced by external grant funds.	Medium	Not assessed as high level of uncertainty.

13.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (Continued)

13.4 LIABILITIES – ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Borrowings: New borrowings to be considered for capital works where required.	High	If the Shire is not able to secure borrowings in the future the likely impact will be the cancellation or postponement of related asset acquisitions, leading to a reduction in service levels over the short to medium term.	Low	Not assessed as high level of uncertainty.
Employee Entitlements: It has been assumed the Shire will be in a position to meet its obligations in relation to employee entitlements.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

13.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (Continued)

13.5 EQUITY RISKS, UNCERTAINTIES AND SENSITIVITY

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Cash Backed Reserves: It has been assumed the Shire will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Revaluation Surplus: Increasing in line with inflation based revaluation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciation leading to a change in the net result. The revaluations of assets will have no impact on cashflows.	High	±\$93,934 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$553,464 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

13.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (Continued)

13.6 OTHER – ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Ownership of Strategic Assets: The Shire has not planned for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and, depending on the circumstance, be subject to community consultation.	Low	Not assessed as high level of uncertainty.
Inflators: Forecast inflation at 2% per annum.	Medium	Not assessed as high financial risk.	High	± \$492,873 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$643,313 to operating expenditure per 1% movement in the inflators over the life of the Plan.
Commercial Activities: The Shire has no plans to undertake a significant commercial activity during the period of the Plan.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
General Economic Forecasts for State: The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to decline in the short term with a corresponding tightening of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
General Economic Forecasts for Region: Historically, the region's economy is heavily dependent on agriculture and processing of agricultural produce and this remains the assumption for the term of this Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

14.0 MONITORING AND PERFORMANCE

14.1 MONITORING

The Plan will be the subject of a desktop review each year to take into account changing circumstances, with a full revision scheduled every two years in line with the review of the Strategic Community Plan.

Monitoring the Shire's financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios.

14.2 PERFORMANCE ASSESSMENT

A series of performance indicators, in the form of financial ratios, have been used to assess the financial performance of the Shire.

To maintain comparability across the industry, these ratios and their respective target ranges, have been derived from the Department's Long Term Financial Planning Guidelines and *Regulation 50 of Local Government (Financial Management) Regulation 1996*.

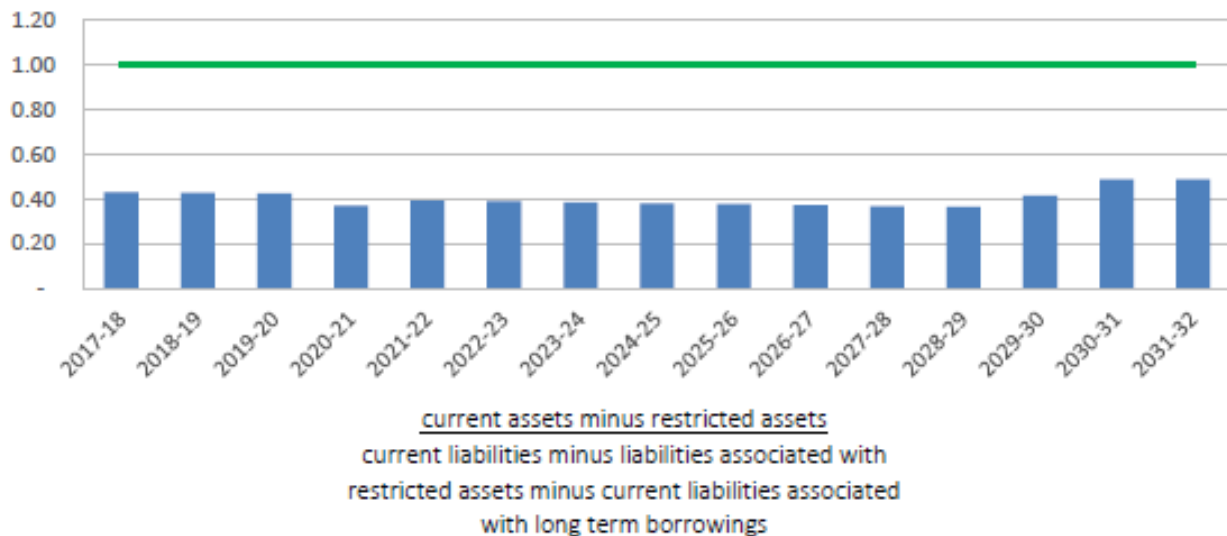
Graphs of these financial ratios are presented on the following pages together with the formula used to calculate the ratio, a brief description of what the ratio indicates and an assessment of the impact of the ratio on the Shire's finances in the future.

14.3 RATIO TARGETS

The Department's Advisory Standard provides target levels for each of the ratios. These target levels are represented on the ratio graphs as a red or green line. The red line represents the level at which a 'basic standard' is met, the green line representing the level at which an 'advanced standard' is met.

14.0 MONITORING AND PERFORMANCE (Continued)

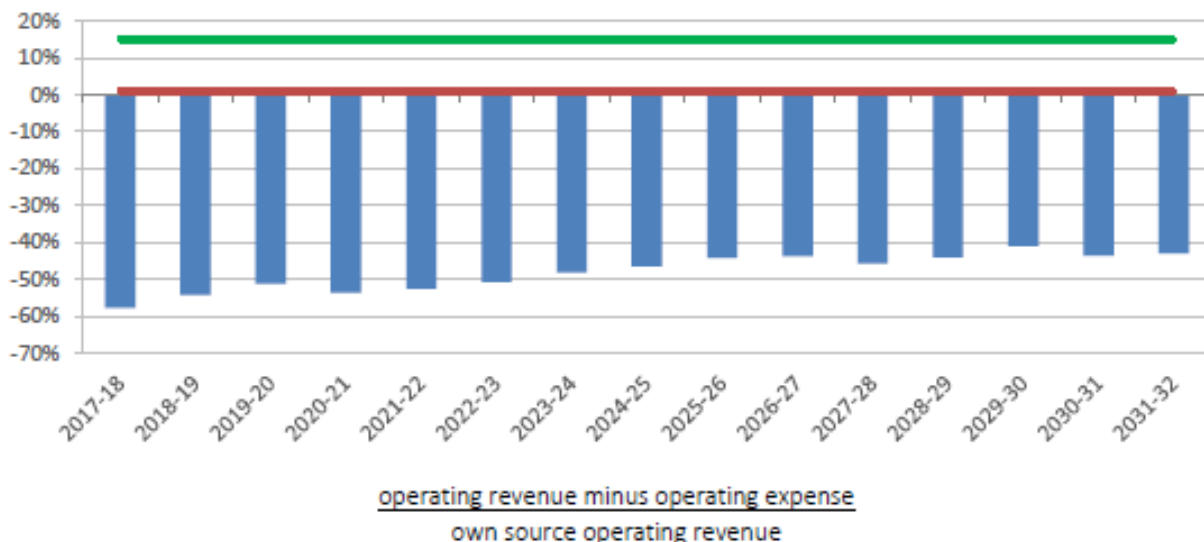
14.4 FORECAST RATIO ANALYSIS – CURRENT RATIO



Indication: A measure of the Shire's immediate liquidity and the capacity to meet short term financial obligations from unrestricted current assets.

Commentary: As expected for a Shire with a forecast balanced funding surplus position and current borrowing liabilities, the ratio is less than 1.0. As borrowings are settled the ratio increases. The trend is not considered to indicate a threat to the Shire's long term financial position.

14.5 FORECAST RATIO ANALYSIS – OPERATING SURPLUS RATIO

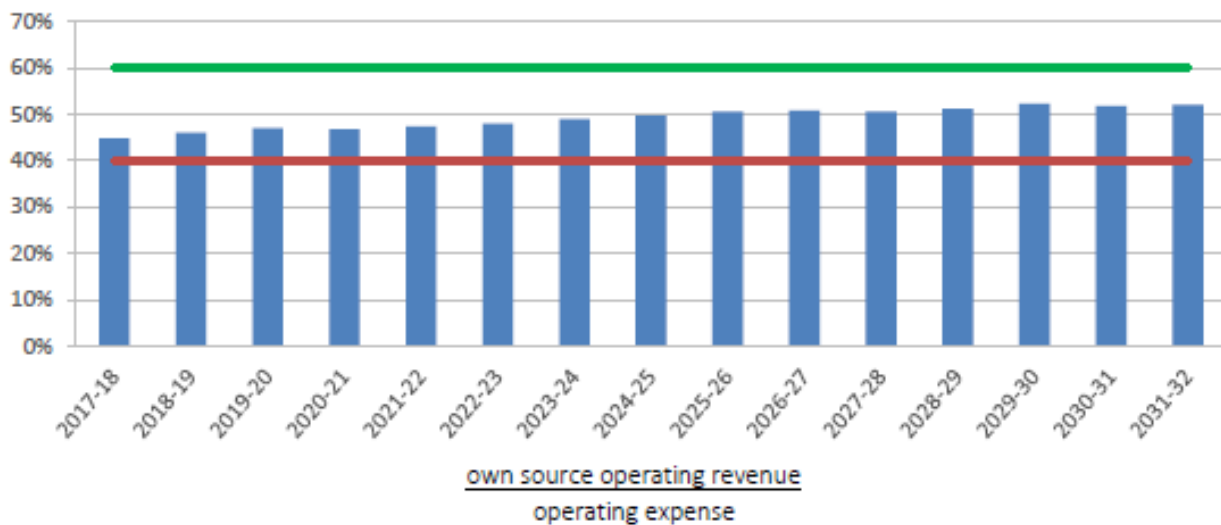


Indication: A measure of the extent to which own source revenues raised cover operational expenses.

Commentary: While the ratio is below the target, the ratio is slightly improving over the term of the Plan indicating an increased capacity to renew assets into the future with forecast operating revenues increasing at a greater rate than forecast operating expenditure.

14.0 MONITORING AND PERFORMANCE (Continued)

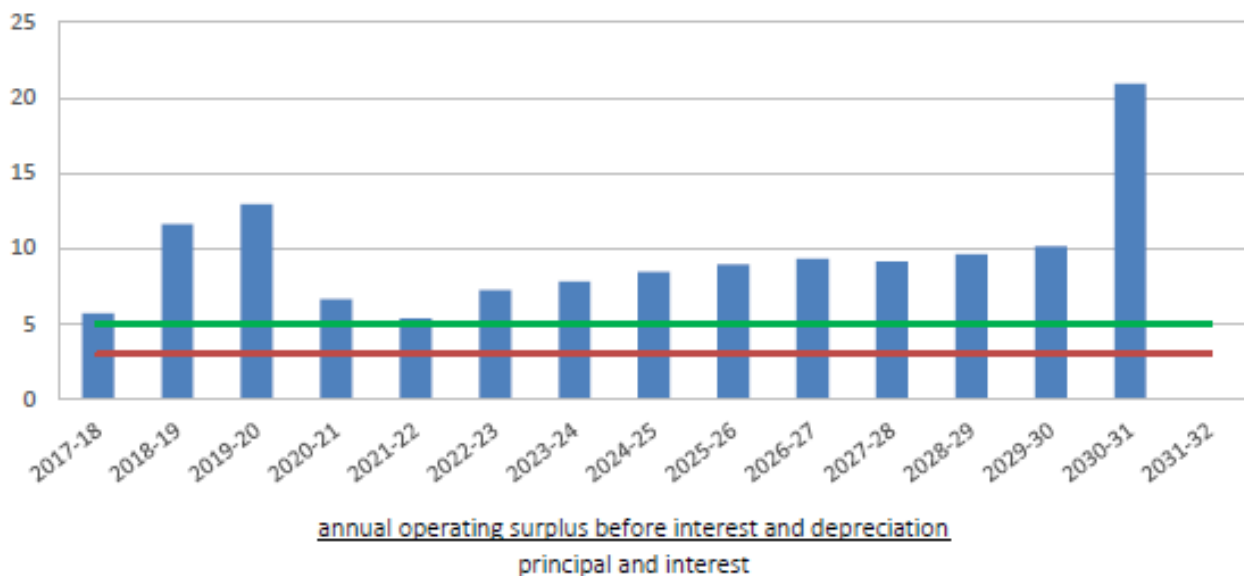
14.6 FORECAST RATIO ANALYSIS – OWN SOURCE REVENUE COVERAGE RATIO



Indication: A measure of the extent of the Shire's ability to cover costs using only discretionary revenue.

Commentary: The ratio being just above the target range indicates that the Shire is not over reliant on external funding to continue to operate.

14.7 FORECAST RATIO ANALYSIS – DEBT SERVICE COVERAGE RATIO



Indication: A measure of the extent of the Shire's capacity to generate sufficient cash to cover debt payments.

Commentary: The ratio is in the advanced range and continues to improve over time as existing borrowings are paid off. After year 5 of the Plan, there are no new borrowings forecast and the ratio continues to improve. The ratio indicates the Shire has a capacity to borrow in the short term with increasing capacity for the term of the Plan.

14.0 MONITORING AND PERFORMANCE (Continued)

14.8 FORECAST RATIO ANALYSIS – ASSET CONSUMPTION RATIO



Indication: A measure of the aged condition of the Shire's physical assets.

Commentary: The ratio is above the target range and remains so throughout the term of the Plan, with assets being renewed at adequate levels to maintain the average age of assets.

14.9 FORECAST RATIO ANALYSIS – ASSET SUSTAINABILITY RATIO

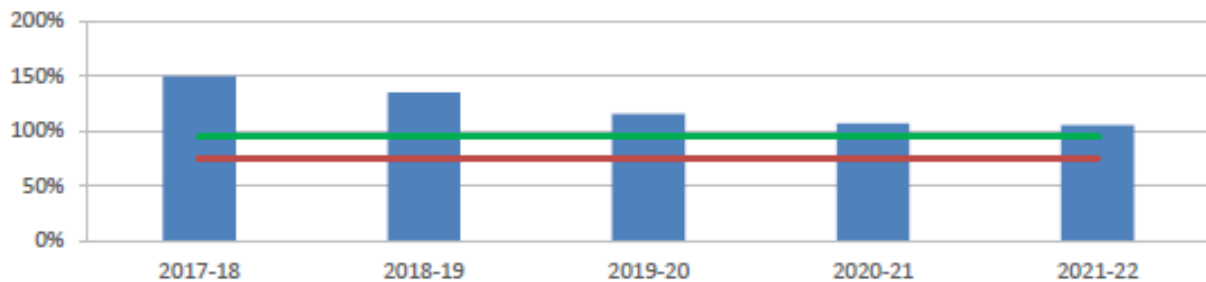


Indication: A measure of the extent to which assets managed by the Shire are being replaced as they reach the end of their useful lives.

Commentary: The ratio highlights asset renewal expenditure relative to depreciation fluctuates as expected. The ratio averages at 88% over the term of the Plan, which is marginally below the guideline level (90%) and indicates the Shire is generally renewing assets at an adequate rate over the long term.

14.0 MONITORING AND PERFORMANCE (Continued)

14.10 FORECAST RATIO ANALYSIS – ASSET RENEWAL FUNDING RATIO



NPV of planned capital renewals over 10 years
 NPV of required capital expenditure over 10 years

Indication: The Shire's financial capacity to fund asset renewal to support existing service levels. (This ratio is based on the 10 years forecast expenditure and as such is only able to be calculated of the first five years of the Plan).

Commentary: The ratio is within the target ratio with planned asset renewal expenditure being in line with required asset renewal expenditure as set out in this Plan.

15.0 IMPROVEMENT PLAN

15.1 STRATEGIC RESOURCE IMPROVEMENT PLAN

All strategic plans require continuous development in order to improve the quality of planning. The following asset management areas are suggested as worthy of focus in the future.

Hierarchy: A hierarchy exists for road assets and should be further developed for other asset classes.

Level of Service: Level of service measures are defined for each asset class in the Appendices to this Plan. Systems are required to record and report against these levels of service.

Risk Management: Risk management is used as a decision making tool to define and treat risks facing the Shire when seeking to meet its defined objectives. The Shire is in the very early stages of utilising risk techniques. As risk management is developed, a greater understanding of risks will be formalised.

Operation and Maintenance: The Shire does not have a current documented Operation and Maintenance Strategy.

Renewal and Replacement forecasts: A key component of understanding long term asset funding requirements is determination of the extent and timing of likely costs to refurbish or replace an asset in future in order to maintain a consistent level of service to the community. These forecasts require constant review and revision to ensure they remain appropriate.

New, Upgrade and Disposal: The Shire does not have a current documented Capital Investment Plan to address future asset demands or Asset Disposal Plan (other than the disposal of plant and equipment).

There are several improvement actions per the Improvement Plan, some key improvement actions resulting from this Strategic Resourcing Plan are to:

- Undertake routine condition inspections;
- Report levels of service for key assets;
- Improve the accuracy of future financial forecasts through improved forecasting of operational, maintenance, renewal, new and upgrade costs; and
- Maintain formal asset maintenance and renewal programs for all assets.

9.2 CHIEF EXECUTIVE OFFICER:

9.2.1 Review of the Shire of Cuballing Local Planning Strategy: submitted for adoption (initiation)

Location:	Applies throughout the district
Applicant:	Edge Planning & Property for the Shire of Cuballing
File Ref. No:	ADM246
Disclosure of Interest:	Nil
Date:	11 th October 2017
Author:	Gary Sherry
Attachments	9.2.1A - Draft Shire of Cuballing Local Planning Strategy

Summary

It is recommended that Council adopt (initiate) the draft Local Planning Strategy set out in Attachment 9.2.1A and seek Western Australian Planning Commission certification to enable public advertising.

Background

The purpose of this report is to seek Council support to adopt (initiate) a revised draft Local Planning Strategy (LPS) with the goal of seeking community/stakeholder comment. The draft LPS is set out in Attachment 9.2.1A which includes objectives, strategies, actions and the Strategy Plans.

By way of background, the current LPS was endorsed by the Western Australian Planning Commission (WAPC) on 21 December 2004. In this report, the current LPS will be called 'LPS 2004'. There have been a number of key changes since 2004 including changes to legislation, demographics, community expectations, the economy and the approach to bushfire management.

The LPS, when finalised, will set the strategic land use direction for the district for the next 10 – 15 years. The LPS is the main framework for land use planning at the local level to enable the Council to plan for the future. The LPS expresses the strategic vision, policies and proposals of the Council and reflects local needs and aspirations. The LPS is also the key instrument for translating State and regional plans and policies to the local level and to provide the strategic framework and rationale for the zones and other provisions for a Town Planning Scheme (now called a Local Planning Scheme).

The LPS is primarily concerned with 'spatial' or 'land use' considerations including the location, distribution and relationship of land uses, subdivision, development and associated infrastructure. The LPS considers wide ranging economic, natural resource management, environmental and social considerations at a strategic level. It is however highlighted that various issues are beyond the scope of the LPS and land use planning.

The process to formulate the draft LPS has included:

- commissioning Lush Fire & Planning to prepare the *Cuballing/Popanyinning Bushfire Hazard Level Assessment* to support the LPS;
- obtaining input and feedback from Councillors and the Department of Planning, Lands and Heritage (DPLH);
- assessing wide ranging information including State, regional and local planning policies, strategies and documents; and

- an assessment of key opportunities and constraints (physical, environmental, economic, social and infrastructure).

Comment

It is suggested that the draft LPS, outlined in Attachment 9.2.1A, is suitable for adoption and referral to the WAPC with a request that it be certified to be publicly advertised. It is considered that the draft LPS provides a sound land use planning framework for the district. This includes promoting subdivision/development in appropriate locations and highlighting areas where subdivision/development is not supported.

1. *Similarities and key changes between LPS 2004 and the draft LPS*

The draft LPS builds on LPS 2004. Accordingly, various matters are treated in a similar way including recognising the importance of agriculture to the local economy, controlling subdivision of rural land and respecting the district's environmental assets, character and heritage.

There are various changes between LPS 2004 and the draft LPS which includes reviewing opportunities for residential and rural residential development in and near the Cuballing and Popanyinning townsites, introducing Rural Smallholding areas (lot sizes between 4 – 40 hectares) near the Cuballing townsite, identifying an industrial investigation area, showing buffers for waste disposal sites and outlining the potential for environmental corridors.

2. *Cuballing and Popanyinning townsites and nearby rural living areas*

The majority of new subdivision and population growth is proposed in and around the Cuballing and Popanyinning townsites. The draft LPS proposes:

- a settlement hierarchy;
- to focus new subdivision and development in and around the Cuballing and Popanyinning townsites which is consistent with State and regional planning documents and assists to promote an efficient use of Shire resources;
- to expand the Cuballing and Popanyinning townsites and support a range of housing and lifestyle choices;
- additional rural residential land (1 – 4 hectares) near the Cuballing and Popanyinning townsites; and
- to introduce rural smallholding land (lot sizes 4 – 40 hectares) near Cuballing.

3. *Bushfire management*

The draft LPS complements the *Cuballing/Popanyinning Bushfire Hazard Level Assessment*. The draft LPS endorses a precautionary approach to fire risks and seeks to integrate bushfire management with strategic land use planning to minimise bushfire risks. The draft LPS seeks to control the location of development and use of land to avoid placing inappropriate subdivision/development in areas that have extreme fire risks.

4. *Environmental and natural resource management*

The district contains considerable environmental assets. The LPS suggests the most significant environmental issues relate to the management of water and the retention of biodiversity. The draft LPS seeks to manage and conserve key natural resources including water assets and native vegetation.

Amongst matters, the draft LPS identifies and promotes the restoration and protection of links between key native vegetation areas (environmental corridors) to provide connections for a range of fauna species. There is also support for conservation lots which can assist (in perpetuity) to protect native vegetation on privately owned properties which have high conservation, landscape and biodiversity values. These initiatives can provide a financial incentive to conserve native vegetation.

5. Conserving important landscapes

The draft LPS outlines the importance of retaining the rural character and visual amenity of landscapes throughout the district including near entrances to the townsites. To achieve this, the draft LPS sets out the need to appropriately control the location, nature, density and scale of development and to influence subdivision. Proposed rural residential, rural smallholding and other subdivision/development are required to be appropriately designed and sited.

6. Promoting economic development and creating employment

The draft LPS seeks to grow the district's economic and employment base by retaining/attracting people and businesses and encouraging a more diverse and resilient local economy. There are various opportunities to encourage greater diversification of the local economy. The draft LPS sets out that the establishment of businesses is encouraged in appropriate locations in the district provided relevant planning issues are addressed (including addressing off-site impacts, appropriate servicing and environmental considerations).

The draft LPS supports investigations to identify, secure and develop an industrial estate to the north of Cuballing.

Agriculture is the key local industry and accordingly the draft LPS supports the protection of agricultural land (see below). There is support a range of development opportunities and land uses in rural areas.

7. Agriculture

The draft LPS highlights that agriculture makes a significant contribution to the economic, social and landscape structure of the district. Agricultural land is an important and finite resource. State Government policy seeks to protect agricultural areas from potentially conflicting development such as rural-living subdivision. Farming is an important business of the district and should be protected to conduct normal operations and protected from incompatible subdivision and development.

The draft LPS seeks to reduce or where possible remove speculation about the potential locations for future residential, rural residential and rural smallholding subdivision. Instead, the draft LPS seeks to provide long term confidence that agricultural land will be used for agricultural or compatible ancillary purposes.

There is a general presumption against subdivision (the creation of additional lots) of rural land. The draft LPS however supports boundary adjustments/boundary rationalisation (not creating additional titles) to assist to achieve better land management outcomes.

8. Tourism

There are a number of opportunities to encourage the growth of tourism, including attracting additional tourists/visitors and retaining tourists/visitors longer. The draft LPS supports providing for and encouraging a range of tourism facilities and development within the district, in appropriate locations, that respects adjoining land uses and environmental assets.

9. *Infrastructure and community services*

The draft LPS seeks to provide clear direction for servicing authorities and other stakeholders regarding the location and form of development which assists in the planning and delivering of infrastructure and services.

The draft LPS recognises that population growth and development will require the timely provision of utility and community services. In particular, the Cuballing and Popanyinning townsites need adequate and appropriate infrastructure. Expanding infrastructure, such as the timely provision of power supplies, telecommunications, reticulated water and telecommunications is critical to the growth of the district. Land use planning can assist in the coordination of development and sequencing of land release with social and physical infrastructure delivery, including assisting to optimise the use of established infrastructure and services.

Some of the servicing considerations shown on the Strategy Plans include the road hierarchy and indicative buffers around the current tip sites.

10. *Heritage and design*

The draft LPS highlights that the district's heritage contributes to its sense of place and amenity. Properly managed and developed heritage assets also aid in economic development through the attraction of visitors and tourists. Accordingly, new development should respect Aboriginal and historic heritage. The draft LPS also supports quality design which ideally has a distinctive local character.

11. *Next steps*

The draft LPS is recommended for Council adoption (initiation). Should Council agree with the officer recommendation, the following steps include:

- requesting the WAPC to certify the draft LPS and authorise that it can be publicly advertised. The WAPC's assessment will include whether the draft LPS meets the requirements of the *Planning and Development (Local Planning Schemes) Regulations 2015* including consistency with State and regional planning policies. Should advertising approval be granted, it is recommended that draft LPS is advertised for 60 days which is considerably greater than the minimum of 21 days required by the Regulations;
- the draft LPS will be well publicised. Submissions will be invited through advertisements in local papers, mail outs to residents/ratepayers, writing to community groups, government agencies and other stakeholders, placing details on the Shire's website and information being available at the Shire office;
- submissions will be assessed by the Shire administration and Council with suggested modifications considered. After this, the Council will again consider the draft LPS and in time, grant final adoption and seek endorsement from the WAPC; and
- the WAPC will consider the submissions and the Council's final adopted version of the LPS and, in time, the WAPC will endorse the LPS.

Following the WAPC endorsement of the LPS, LPS 2004 will be revoked.

Strategic Implications

The LPS (and the associated Local Planning Scheme) will establish Council's land use planning framework for the district. Accordingly, it is highlighted that the finalised LPS will have significant implications on development and subdivision in the district along with influencing infrastructure coordination, economic development and managing natural resources. There are wide ranging economic, social and environmental implications which are summarised in this report and outlined in the attached draft LPS. This includes the likelihood of planning for an increase in population and the associated demands of new and expanded infrastructure and services.

The LPS, once endorsed will assist:

- in coordinating the provision of infrastructure and services;
- in more orderly, planned and sustainable development;
- in the decision-making of the local government and other authorities/agencies;
- the Council in its planning, the Shire with its service delivery and will provide increased certainty for other stakeholders;
- to provide a framework for more detailed planning at the structure plan, subdivision and development stages;
- to inform landowners and developers/subdividers of Council requirements; and
- to raise community/stakeholder awareness.

The draft LPS has referred to and is considered consistent with the *Shire of Cuballing Strategic Community Plan 2014-2024* including its approach to community services, the economy, the built environment and the natural environment.

Statutory Environment

Planning and Development Act 2005, Planning and Development (Local Planning Schemes) Regulations 2015 and the *Shire of Cuballing Town Planning Scheme No. 2*.

The *Planning and Development (Local Planning Schemes) Regulations 2015* 11(2) set out that:

'A local planning strategy must -

- (a) set out the long-term planning directions for the local government; and
- (b) apply any State and regional planning policy that is relevant to the strategy; and
- (c) provide the rationale for any zoning or classification of land under the local planning scheme.'

Policy Implications

Policy implications are outlined in the draft LPS. Finalisation of the LPS will increase certainty for everyone with an interest in the matters raised and should assist in more consistent decision making.

Financial Implications

This has already been budgeted for. The Shire will be required to meet the cost of advertising the draft LPS including placing notices in papers.

Economic Implications

There are expected to be significant and wide ranging economic implications to individuals and the community in the short and longer term.

A key objective of the draft LPS is to diversify and grow the local economy.

The Council is planning for a growing population and associated subdivision/development. New subdivision/development, when implemented, will result in increased rates to the Shire however this will increase Shire responsibilities and costs.

Various sites have potential for additional development/subdivision, however some sites will not be able to be developed or subdivided given they have environmental, servicing, landscape or other planning constraints.

Social Implications

Finalisation of the LPS is anticipated to result in various social implications and some of these are outlined in this report. The additional population, anticipated for Cuballing and Popanyinning, should add to the strength of the communities and make better use of available services.

Environmental Considerations

Considerable portions of the district have high environmental values. With the community and stakeholders anticipated to increasingly seek more sustainable outcomes, the Council and its partners are expected to need to identify more effective ways of conserving and enhancing the district's environmental assets.

Consultation

Councillors have been briefed throughout the process of preparing the draft LPS. Councillor comments and advice have been taken on board in drafting the submitted draft LPS.

The Shire has liaised with the DPLH and other relevant agencies in preparing the draft LPS.

Following certification from the WAPC, the draft LPS, will be subject to community and stakeholder consultation in accordance with the *Planning and Development (Local Planning Schemes) Regulations 2015*. Based on the Regulations, the Shire is required to consult for at least 21 days on the draft LPS. It is suggested that the Shire should advertise draft LPS for 2 months (60 days) rather than 21 days. It is suggested that the Shire should consult widely on draft LPS through:

- writing to and inviting comments from wide-ranging stakeholders;
- placing public notices and details in the Narrogin Observer on multiple occasions;
- placing public notices and details in the "Cuby News" on multiple occasions;
- placing public notices on official and community notice boards in Popanyinning and Cuballing;
- sending a mail out to all ratepayers/residents;
- placing details on the Shire's website and Facebook page; and
- information being available at the Shire office.

Based on the above, the proposed consultation on the draft LPS will exceed statutory requirements.

Options

The Council can:

1. adopt (initiate) the draft LPS;
2. adopt the draft LPS with modifications;
3. not adopt the draft LPS; or
4. defer consideration of the matter and require additional information.

Voting Requirements - Simple Majority

OFFICER'S RECOMMENDATION:

That Council:

1. **adopts the draft Shire of Cuballing Local Planning Strategy, outlined in Attachment 9.2.1A, pursuant to Regulation 17 of the Planning and Development (Local Planning Schemes) Regulations 2015;**
2. **refers the draft Local Planning Strategy to the Western Australian Planning Commission for certification in accordance with Regulation 12(1) of the Planning and Development (Local Planning Schemes) Regulations 2015 to facilitate advertising of the Local Planning Strategy in accordance with Regulation 12B of the Planning and Development (Local Planning Schemes) Regulations 2015;**
3. **delegates authority to the Shire's Chief Executive Officer to progress matters with the Department of Planning, Lands and Heritage and other stakeholders and make modifications to the draft Local Planning Strategy if directed to by the Western Australian Planning Commission; and**
4. **notes that following Western Australian Planning Commission certification, the draft Local Planning Strategy will be advertised to meet the requirements of the Planning and Development (Local Planning Schemes) Regulations 2015 including an extended public comment period of 60 days compared to the minimum of 21 days required by the Planning and Development (Local Planning Schemes) Regulations 2015.**



Draft

**Shire of Cuballing
Local Planning Strategy**

Prepared by Edge Planning & Property for the Shire of Cuballing

www.edgeplanning.com.au

June 2017

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1 Introduction

1.1 What is a Local Planning Strategy?

Local planning strategies are strategic documents that set out the longer-term planning direction for a local government area, apply State and regional planning policies and provide the rationale for the zones and provisions set out in the local planning scheme.

For this reason, a local government is required to prepare a local planning strategy as part of the process of reviewing the local planning scheme¹.

1.2 The Role and Purpose of a Local Planning Strategy

Local planning strategies are the main framework for planning at the local level. They enable the local government authority to plan for the future and outline the local government authority's strategic vision, policies and proposals and reflect local needs and aspirations. In doing so, they provide the rationale for the zones, reservations and provisions of a local planning scheme.

Local planning strategies are primarily concerned with 'spatial' or 'land use' considerations such as the location, and distribution of land uses, the relationships between various land uses, subdivision, development and the infrastructure required to support subdivision and development. They are also the key instrument for implementing State and regional planning strategies and policies at the local level.

The Strategy is intended to operate for between 10 - 15 years.

¹ Refer to Regulation 11(1) of the *Planning and Development (Local Planning Scheme) Regulations 2015* for further information.

² Set out in *State Planning Policy No. 1: State Planning Framework*.

1.3 State Planning Framework

The State Planning Framework² identifies the *State Planning Strategy 2050* as the principal strategy guiding land use and development in Western Australia.

Together, the *State Planning Strategy 2050* and the strategic policies (State planning policies) and operational policies (development control policies) of the Western Australian Planning Commission (WAPC) provide the framework within which this Strategy has been prepared.

Of particular relevance to this Strategy are:

- (a) *State Planning Policy No. 1: State Planning Framework;*
- (b) *State Planning Policy No. 2: Environment and Natural Resources Policy;*
- (c) *State Planning Policy No. 2.4: Basic Raw Materials;*
- (d) *State Planning Policy No. 2.5: Rural Planning;*
- (e) *State Planning Policy No. 2.9: Water Resources;*
- (f) *State Planning Policy No. 3: Urban Growth and Settlement;*
- (g) *State Planning Policy No. 3.4: Natural Hazards and Disasters;*
- (h) *State Planning Policy No. 3.5 Historic Heritage Conservation;*
- (i) *State Planning Policy No. 3.6: Development Contributions for Infrastructure;*
- (j) *State Planning Policy No. 3.7: Planning in Bush Fire Areas;* and
- (k) *State Planning Policy No. 5.2: Telecommunications Infrastructure.*

1.4 Regional Planning Framework

The *Wheatbelt Regional Planning and Infrastructure Framework*³ (December 2015) establishes the vision, objectives, planning

³ Available at <http://planning.wa.gov.au/6971.asp>

approach and sets out key regional infrastructure projects.

1.5 Local Planning Framework

The Strategy builds on the original local planning strategy endorsed by the WAPC on 21 December 2004 and the *Shire of Cuballing Strategic Community Plan 2014-2024*⁴ endorsed by the Council on 17 July 2014. The Strategy reiterates the vision from the Strategic Community Plan.

1.6 Regional Economic Development Framework

Complementing the *Wheatbelt Regional Planning and Infrastructure Framework* are key regional economic development strategies. In particular they include:

- (a) *Wheatbelt Regional Investment Blueprint* (2015)⁵;
- (b) *Wheatbelt South Sub-Regional Economic Strategy*⁶ (2014); and
- (c) *Greater Narrogin Region Growing Our Community: An Economic Development and Implementation Strategy*⁷ (2015) which covers the Shires of Narrogin and Cuballing.

Many of the objectives and priority projects in the economic development strategies have land use planning implications.

⁴ <http://www.cuballing.wa.gov.au/Documents/>

⁵ <http://www.wheatbelt.wa.gov.au/publications/wheatbelt-blueprint/>

⁶ <http://www.wheatbelt.wa.gov.au/publications/economic-development-plans/>

⁷ <http://www.wheatbelt.wa.gov.au/publications/economic-development-plans/>

2 Local Profile

The Shire of Cuballing (to be called the 'district') covers approximately 1250 square kilometres. The Cuballing townsite is located 192 kilometres southeast of Perth and 14 kilometres north of Narrogin. The district is located in the southern Wheatbelt and is outlined in Figure 1.

The district is predominantly an agricultural area. The district's main townsites are Cuballing and Popanyinning with the smaller settlement of Yornaning. Land tenure is outlined in Attachments 1-3.

The Dryandra Woodland is a key environmental and recreational asset and is located in the western portion of the district, while the Hotham River flows through the district.

Narrogin is the regional centre for the southern Wheatbelt. While the Cuballing townsite has its own character, it is in part a 'satellite' town to Narrogin. The nearby town of Pingelly provides additional services to the northern portion of the district. The district is dependent on Narrogin, Perth and other centres for various services.

2.1 Population

2.1.1 Demographics

The district's resident population was 870 in 2011⁸ and has grown 22% in the last decade. The district's estimated current population is around 900. It is noted that:

- (a) children aged 0 to 14 constitute approximately 20 per cent of the district's population;
- (b) approximately 16 per cent of the district's population is aged 65 years old or over.
- (c) the median age of 44 is higher than the WA average of 36.

⁸ Based on 2011 census data available from: http://www.censusdata.abs.gov.au/census_services/getproduct/census/2011/quickstat/LGA50630?opendocument&navpos=220

*Western Australia Tomorrow 2012*⁹ sets out multiple population forecasts for the district, each of which has been prepared using slightly different simulations. The forecasts have been broken into five 'bands', with the median value of each band being used to give five forecasts - Band A contains the lowest simulations and Band E the highest simulations. The forecast for Band C (the middle band) is also the median value for all forecasts.

The WAPC population forecasts for the district, to the year 2026 range from 670 to 1100 with Band C being 880 which is approximately the current population.

The State Government seek an aspirational population growth of 3% per annum for the Greater Narrogin Region¹⁰.

The Council does not consider it likely that the district's population will decline, given the area's close proximity to Perth and Narrogin, the district's natural and cultural assets, its growing equestrian activities and the relative affordability of the district.

2.1.2 Land Supply and Housing

Most of the population growth and development has come from 'historically' created lots. There has been limited new subdivisions created in recent years.

Additional dwellings and lots will be required to facilitate aspirational and Council anticipated population growth. Most new population growth will be in the Cuballing and Popanyinning townsites.

The regional economic development framework and the Council's Strategic Community Plan support the provision of additional appropriately located rural living land in part to cater for the growing equine sector.

⁹ <http://www.planning.wa.gov.au/publications/6194.asp>

¹⁰ *Greater Narrogin Region Growing Our Community: An Economic Development and Implementation Strategy*

The 'development footprint' set out in the Strategy will need to include enough land suitable for residential and rural living development (rural residential and rural smallholding). In doing so, it needs to be recognised that:

- (a) not all landowners will want to subdivide or develop their land immediately or will have the resources to do so;
- (b) once created, not all lots will be developed for housing immediately;
- (c) a certain percentage of dwellings will remain vacant;
- (d) some of the land identified as suitable for residential or rural living development is affected by some form of constraint which will need to be addressed prior to its development, making any development of the land a longer-term proposition; and
- (e) changes in Government policy may affect the rate of population growth.

For these reasons, it is necessary to identify more land for residential and rural living purposes than only that which is needed to provide the additional dwellings required during the lifespan of this Strategy.

The development footprint set out in the 2004 Local Planning Strategy has been reviewed with some areas deleted, retained or added to reflect changing circumstances and the *Cuballing/Popanyinning Bushfire Hazard Level Assessment* (extract outlined in Attachment 15).

2.1.3 Key Population Issues

- (i) The district's population has rapidly expanded over the past decade and is likely to grow steadily.
- (ii) The district differs from many Wheatbelt local government areas as its population has grown considerably in the last decade.
- (iii) The average household size is likely to decline in the period to 2031, requiring the provision of additional

dwellings to house the growing population.

- (iv) To accommodate the district's growing population and to facilitate economic development, a range of lot sizes will be required including residential, rural residential and rural smallholding.
- (v) A need to ensure the Shire can service and support its ageing population through housing diversity and medical services, including aged care and accommodation into the future.

2.2 Settlements

2.2.1 Cuballing / Popanyinning

Approximately half of the district's population live within the Cuballing and Popanyinning townsites. The townsites are characterised by a traditional grid pattern subdivision layout and generous sized lots.

Although the Cuballing townsite is the administrative and population centre of the district, its location is at a central-south point in the district. This southerly location is countered by the district's second major population centre of Popanyinning, which is located at a point in the central-north of the district. Both townsites are situated on the Great Southern Highway and given their relative locations in the district, act as development axis. This 'axis' of development is strengthened by it being part of a key route between the regional centres.

There are opportunities for urban consolidation (that is, increased residential density) in residential areas, the re-subdivision of some rural residential areas along with the development of 'greenfield' sites where land suitability, land capability and servicing requirements are appropriately addressed.

The close proximity of Narrogin provides the district with opportunities to promote an alternative lifestyle to that of Narrogin for

those persons who wish to live in a rural setting.

Attachment 4 outlines settlement patterns, while Attachments 5 and 6 show the context and constraints for the Cuballing and Popanyinning townsites.

2.2.2 Rural Living

Rural living areas in the district contain 'historic' lots created for rural residential and rural smallholding purposes, generally located near the Cuballing and Popanyinning townsites. The *Shire of Cuballing Local Planning Scheme No. 2* contains a Rural Residential Zone but no Rural Smallholding Zone.

Generally, rural residential lots are between 1 and 4 hectares in size and provide an option for people who want to live in a low density residential area in a semi-rural setting, close to a townsite. There is a trend for 'lifestyle lots' between 1 and 2 hectares in size, as these lots are more easily managed, but retain a rural character and amenity.

Rural smallholding lots are between 4 and 40 hectares in size. There are also known as 'hobby farms' and they provide opportunities for small-scale rural and agricultural activities. Rural smallholdings lots provide a legitimate form of lifestyle living which enables people to enjoy a rural environment.

The State Government¹¹ advises:

'The Local Government should capitalise on the increased interest in and demand for rural living opportunities in the region to provide alternative lifestyle opportunities and attract new residents.' (page 54)

There is demand for rural living lots in the district including for equestrian enthusiasts. However, rural living precincts need to be carefully planned, as they are not as efficient in housing people, can prejudice future development of the land for urban purposes,

consume and sterilise otherwise productive rural land.

2.2.3 Key Settlement Issues

- (i) There is a need to encourage further growth within the existing townsites to maximise the use of the existing facilities and limit the potential infrastructure costs that would be placed on the Shire.
- (ii) Attracting growth to the Cuballing and Popanyinning townsites will require maintaining elements of the existing townsite character, improving services and infrastructure, and achieving a high level of residential amenity, including protection from non-compatible land uses.
- (iii) The development of rural living areas needs to be properly planned and provided for in the Strategy and local planning scheme.
- (iv) The introduction of a Rural Smallholding Zone and associated implementation can assist to provide population growth and economic development in the district.

2.3 Infrastructure

2.3.1 Water

The Cuballing and Popanyinning townsites and rural properties near the pipeline are supplied with water from Harris Dam near Colлие, delivered through the Great Southern Town Water Supply scheme.

The water supply system is operated by the Water Corporation and is capable of accommodating anticipated urban and associated development in the short to medium term. Depending on the location, water pressure may be required to be upgraded in parts of the Popanyinning townsite. There will be a need to upgrade the Cuballing water storage facility to facilitate more substantive new lots and development.

¹¹ *Greater Narrogin Region Growing Our Community: An Economic Development and Implementation Strategy*

Most properties in the district depend on alternative water sources such as roof catchment which may be supplemented by groundwater or surface water. However, these water sources are not always reliable sources of water.

Other than re-use of stormwater, there is no community based fit-for-purpose water sources in the district.

2.3.2 Wastewater

There is no reticulated sewerage system in the district. Accordingly, all development utilises some form of onsite wastewater disposal, including standard septic tanks/leach drains, fully inverted systems and the use of alternative treatment units.

Given the overall generous lot sizes, the general depth to groundwater and land capability, on-site effluent systems can generally be located and designed to effectively operate in the district. However, in some areas, onsite wastewater disposal can be problematic due to geotechnical conditions (some areas have impervious soils, clay or rock close to the surface). Additionally, alternative treatment units do not necessarily facilitate smaller lots/medium density development.

Cuballing and Popanyinning townsites are not on the State Government's Infill Sewerage Program priority list.

2.3.3 Electricity

The district is part of the South West Interconnected Network, with electricity supplied from a single transformer and feeder line (see Attachment 7). There are no known capacity issues for the Cuballing and Popanyinning townsites and, with planned upgrades, there should be enough capacity to cope with forecast increases in demand for electricity. Planned upgrades include the Narrogin substation transformer.

However, if there is a significant increase in industrial, commercial or other development

in the short to medium term, it is likely that power upgrades would be needed.

2.3.4 Telecommunications

Effective telecommunications infrastructure, including phone and internet services, is essential for social connectivity and for the district economy. The Cuballing and Popanyinning townsites have recently been provided with a fixed wireless national broadband network service. There is an ongoing need to address mobile 'blackspots' in parts of the district

2.3.5 Stormwater Management (Drainage)

Traditional approaches to drainage are common through the district. The local government stormwater infrastructure is typically limited to a pit/pipe or open channel system. Older drainage systems do not usually incorporate stormwater detention.

2.3.6 Waste Management

The Shire has established transfer station facilities at Cuballing and Popanyinning with waste transferred to a landfill site in the Shire of Narrogin. The Shire is investigating medium to longer term options to improve waste management.

2.3.7 Community Infrastructure

Health

Health services in the district are limited but include St John's Ambulance volunteers. The nearby Narrogin Regional Hospital provides a range of health services to the district. As the district's population grows and ages, the provision of additional health services may need to be considered.

Education

There are no schools within the district. There is however a number of school bus services to Narrogin. As the district's population grows, it is likely that additional students will need to be accommodated in Narrogin.

Recreation and Community

The Cuballing and Popanyinning townsites are well provided for in terms of sport, recreation

and community facilities. Most of the land used for recreation and community purposes is reserved under the local planning scheme.

The major sporting venue in the district is the Dryandra Regional Equestrian Centre which is home to the local Dryandra Pony Club and Dryandra Regional Equestrian Association catering to adult riders. The venue attracts large numbers of riders from around the State to its regular equestrian events.

2.3.8 Transport Infrastructure

Transportation is critical to the district's ability to function effectively. Transportation modes in the district include walking, cycling, motorised transport and public transport. The State and regional road network plays a fundamental role in catering for inter and intraregional traffic and road freight.

Walking and Cycling

Currently, there is a reasonable network of paths and trails throughout and near the Cuballing and Popanyinning townsites. There are recreational opportunities in the Dryandra Woodland and cycling opportunities on various roads.

Roads

As outlined in Figure 1, the district is conveniently linked to Perth and other settlements. Attachment 7 shows main and secondary roads.

The *Roads 2030 Wheatbelt South*¹² sets out regional strategies for significant local government roads. It recommends various works be undertaken to improve the conditions of these roads.

The Council would prefer that a greater volume of heavy vehicles travelling through the district was undertaken by rail as this would make the townsites safer and improve their amenity and attractiveness. It could also reduce on-going road maintenance costs.

¹²<https://www.mainroads.wa.gov.au/Documents/Roads%202030%20-%20WHEATBELT%20SOUTH.RCN-043%5E23447880.PDF>

There are no plans to construct a heavy vehicle bypass around the Cuballing or Popanyinning townsites.

Rail Freight and Public Transport

The Perth to Albany narrow gauge railway line dissects the district. The rail line is operating by Brookfield Rail that runs a grain service to the Kwinana-Fremantle ports.

There is a public bus service operating through the district connecting Perth and Albany.

2.3.9 Key Infrastructure Issues

- (i) The district's population means that the provision of community services needs to be carefully assessed and limited resources placed in locations where they can be of most benefit to the majority of the population.
- (ii) Servicing and regulatory authorities need to plan ahead to ensure that potable water, and electrical infrastructure is adequate, reliable and well maintained.
- (iii) The lack of reticulated sewerage generally means the maximum residential density is R10.
- (iv) The regional function of secondary roads (significant local government roads) needs to be protected.
- (v) There is a need for more detailed planning and feasibility regarding waste management.
- (vi) The provision of health services required to support an ageing population needs to be planned for.

2.4 Economics and Employment

2.4.1 Agriculture

The district's economy is dominated by agriculture and accordingly should be protected. The district's combination of landform and soils, climate and the generally reliable water supplies make it a productive agricultural area. Key employers are shown in Attachment 8 with many being agricultural or servicing agriculture.

The WAPC, which determines subdivision applications, generally does not support the fragmentation of rural land.

2.4.2 Mining and Basic Raw Materials

There are future opportunities for mining and short to longer term opportunities to extract basic raw materials which can assist with job creation.

It is preferable to responsibly exploit minerals and basic raw materials prior to the land being developed for other purposes. Mineral resource and basic raw material extraction are different from other forms of development because they can only be worked where they naturally occur.

There is a need for appropriate buffers to protect mining operations from more sensitive land uses and development which could prejudice the extraction of mineral and basic raw material resources.

2.4.3 Industry

Industrial operations mainly service the agricultural sector and are located in the Cuballing and Popanyinning townsites and in rural areas. There are no industrial estates in the district.

To promote economic development, diversify the local economy and to minimise land use conflict, the Council supports identifying an industrial estate near Cuballing along with a rural industry precinct at Yornaning.

Industrial activities have the potential to impact on adjacent land uses, for example, through noise, air and dust emissions. These can be particularly problematic for more sensitive land uses, such as residential development.

Sound planning can minimise these impacts by ensuring that industrial development and sensitive development are appropriately located and by providing and maintaining a buffer area between industrial development and more sensitive land uses.

Containing the impacts and buffer area on-site provides industry with the greatest possible protection from the encroachment of more sensitive land uses.

2.4.4 Tourism

The district's tourism industry is modest; although not without potential. The district is situated in an undulating landscape around two hour's drive from Perth, with convenient links to other regional centres. The district's key tourism asset is the Dryandra Woodland which is expected to shortly become a National Park. The Dryandra Regional Equestrian Centre is also a major draw card.

A considerable portion of the district is State Forest/Nature Reserve, which is ideal for activities such as camping, cycling, hiking, picnics, bird-watching and, in the spring, wildflowers. Other activities available within the district include agri-tourism, sporting, equestrian recreation activities, a diverse range of cultural and heritage experiences and events.

Tourism offers opportunities to diversify the district economy. Tourists and visitors to the district, both day trippers and persons staying for a holiday, are a potentially expanding source of economic development and job creation. Tourism and ecotourism can assist in creating employment, business development and providing opportunities for indigenous people. It can also offer economic opportunities which mutually support and rely on environmental conservation objectives.

To attract tourists, a number matters need to be considered, for example, visual amenity, townscape, heritage and planning controls. The conservation and enhancement of the environment and landscape is essential.

2.4.5 Key Economics and Employment Issues

- (i) The protection of agricultural land is an important economic

- and employment base for the district.
- (ii) Rural land needs to be protected from unnecessary fragmentation.
 - (iii) Reliance on one industry is not preferable and there is support to diversify the district economy.
 - (iv) Statutory planning processes need to be flexible enough to allow a range of appropriate uses and development in rural areas.
 - (v) The extraction of mineral resources/basic raw materials and development of the land for other purposes needs to occur in a staged manner, to ensure mineral resources/basic raw materials can be extracted in the longer term.
 - (vi) Existing industrial development needs to be protected from the encroachment of more sensitive land uses.
 - (vii) Local strategic planning should identify a preferred industrial estate for Cuballing.
 - (viii) The design of tourism related development should be sympathetic to the landscape.

2.5 Environment and Conservation

2.5.1 Climate

The district experiences a Mediterranean style climate characterised by warm/hot dry summers and cool, wet winters. Attachment 9 shows rainfall isohyets.

2.5.2 Topography

The western portion of the district is located on the Darling Plateau and the eastern section contains flat floored valleys. The district's landscape is dominated by a system of valleys associated with the Hotham River and its tributaries.

2.5.3 Geology and Mineral Resources

Geologically, the district forms part of the Yilgarn Craton which consists of granite and gneiss rocks. The district contains some mineral resources and basic raw material deposits such as gravel and sand. Attachment

10 shows information relating to minerals and basic raw materials.

2.5.4 Waterways and Groundwater Resources

Groundwater and surface water are finite resources, and there are limits to their availability and suitability for use. There is a requirement to ensure there is appropriate water allocated to sustain the environment. Demand for water resources is increasing as the district's population and economy grow and expand. At the same time, there has been a trend of declining rainfall. One of the major challenges for the district is sustainably managing its water resources.

There are various waterways within the district including the Hotham River, Fourteen Mile Brook and Colcoran Brook. Attachment 11 shows water catchments.

The presence of groundwater relates to the major geomorphic units and geology. In this respect, groundwater is generally limited and where it does occur, its quality varies considerably. Bore yields are generally low, reflecting the lack of good aquifers, and are only suitable for stock watering.

2.5.5 Salinity

Salinisation has sterilised some land resources in the district. Salinity impacts agricultural productivity, degrades water resources, native vegetation, damages buildings and infrastructure and is detrimental to landscape qualities. Attachment 12 outlines salinity risk.

2.5.6 Vegetation

The predominant vegetation communities are Jarrah, Wandoo, Powderbark, York Gum and Salmon Gum.

Of the 28,000 hectares of Dryandra State Forest, 17,500 hectares is in the district. The Dryandra State Forest is a rare remnant of the open eucalyptus woodlands that covered the area before clearing for agriculture.

It is important that the district's remnant vegetation and biodiversity values be protected. In this respect, many of the

district's key environmental assets are already located in a conservation reserve of some description. A considerable portion of the district is Nature Reserve/State Forest or soon to be National Park (see Attachment 11). However, there are various environmental assets located on private land. Attachment 13 shows native vegetation on non-Department of Biodiversity, Conservation and Attractions (DBCA) land.

The conservation of biodiversity values requires a cooperative approach between the local government, State Government agencies, landowners, and non-government organisations involved in land management and land use planning.

The above notwithstanding, the district's forests and woodlands are a considerable resource for both conservation and tourism as well as appropriately managed timber harvesting.

The Council acknowledges the right of the farmers located adjoining DBCA managed land to continue traditional farming methods. Landowners also have a responsibility to ensure that their operations and potential development does not adversely affect DBCA managed land including the Dryandra Woodland. In conjunction with relevant State authorities and landowners, the Shire will endeavour to retain remnant vegetation, and assist in the planning of environmental corridors to help link the fragmented vegetated areas.

2.5.7 Wildlife

The district contains some threatened and priority fauna, which have been observed in different parts of the district with most near the Dryandra Woodland (see Attachment 16). The Dryandra Woodland is only one of two locations in Western Australia where natural populations of the Numbat remain.

Carnaby's Cockatoos and Black Cockatoos are endemic to southwest Western Australia, and have been observed in and around the district.

2.5.8 Key Environment and Conservation Issues

- (i) Surface and groundwater resources need to be protected.
- (ii) Salinity continues to be a major land management challenge.
- (iii) Areas of remnant vegetation, significant conservation, landscape and biodiversity value should be protected.
- (iv) Endangered fauna, including the Carnaby's Black Cockatoo, need to be protected.
- (v) The Dryandra Woodland requires protection through relevant management practices which are complemented by planning policies and strategies. The promotion of effective farming practices on properties adjoining the Dryandra Woodland is essential to the long term sustainability of the area.

2.6 Hazards

2.6.1 Bushfire

'Reducing vulnerability to bushfire is the collective responsibility of State and local government, landowners, industry and the community. It requires ongoing commitment and diligence to a range of management measures such as the appropriate location and design of development, managing potential fuel loads, implementing bushfire management plans; providing emergency services, increasing awareness of the potential risk through education; and ensuring evacuation plans are in place. Such measures, in conjunction with planning policy and building controls, have the effect of increasing community resilience to bushfire.'

¹³

¹³ State Planning Policy No. 3.7: Planning for Bushfire Prone Areas, available at <http://www.planning.wa.gov.au/publications/7055.asp>

Decision making authorities should seek to minimise the potential for property and lives to be put at risk from bushfire. This can be done by:

- (a) not placing people, property and infrastructure in areas of extreme bushfire risk;
- (b) reducing vulnerability to bushfire through the identification and assessment of bushfire hazards and risks at all stages of the planning process;
- (c) ensuring subdivision, development and land use proposals take into account bushfire protection requirements and include bushfire protection measures; and
- (d) taking a responsible, balanced approach between bushfire risk management and management measures, and landscape, amenity and biodiversity conservation objectives.

Broad-scale mapping of bushfire prone areas¹⁴, indicates that large parts of the district are bushfire prone (see Attachment 14). In this respect, any proposal to rezone, subdivide or develop land in a bushfire prone area will need to be accompanied by a bush fire management plan or associated assessment that demonstrates how the risk of bushfire can be mitigated in accordance with WAPC policy.

The Shire has commissioned a bushfire hazard level assessment with an extract of the report shown in Attachment 15.

2.6.2 *Flooding*

Flooding is a natural phenomenon with an important environmental role - for instance replenishing wetlands and triggering the life cycle stages of many plants and animals. For this reason, the natural ecological and drainage function of rivers, watercourses and floodplains needs to be protected and managed. Flooding can also present a significant risk to life and property.

State and local government has a responsibility to minimise the potential for flood damage resulting from decisions about the use and development of land within the floodplains of rivers, and landowners also have the right to expect that adjacent land use and development will not increase the risk or impact of major river flooding on their lives or property.

Parts of the district, including portions of the Cuballing and Popanyinning townsites, are at risk of flooding during a flood event with a 1 in 100 (one per cent) annual exceedance probability. There is however no flood risk mapping which has been prepared in the district.

The only viable means of minimising property damage caused by flooding and ensuring that development does not increase the risk of flood damage for new development and/or occurring on neighbouring properties, is to carefully control the development of land near rivers and watercourses within the floodplain.

2.6.3 *Key Hazard Issues*

- (i) The significant bushfire risk within the district needs to be managed at each stage of the planning process by decision making authorities and landowners.
- (ii) The development of land near rivers and watercourses should be carefully managed, to avoid creating and/or increasing the risk of flood damage.

¹⁴ State Bushfire Prone Area mapping prepared by the Office of Bushfire Risk Management is available at

<http://www.dfes.wa.gov.au/regulationandcompliance/bushfireproneareas/Pages/default.aspx>

2.7 Heritage

2.7.1 *Aboriginal Heritage*

The *Aboriginal Heritage Act 1972* provides for the protection and preservation of Aboriginal heritage and culture throughout Western Australia, including places and objects that are of significance to Aboriginal people. Under the *Aboriginal Heritage Act 1972*, Aboriginal sites and materials are protected regardless of whether they have been previously recorded or reported, or not.

The Register of Aboriginal Heritage Sites, maintained by the Department of Aboriginal Affairs, identifies a number of registered Aboriginal heritage sites within the district. Key heritage assets are outlined in Attachment 17.

There is also a native title claim over the district¹⁵ with the associated land use agreement expected to be finalised in the short term. This is expected to provide ongoing community and economic development for local Aboriginal people.

2.7.2 *Historic Heritage*

There are a number of historic heritage sites within the district. These are variously listed on the Municipal Heritage Inventory and the State Heritage Register, or both.

The district has a large stock of heritage places from the turn of the century to the 1920's, in particular within the Cuballing townsite. The number of heritage buildings in Cuballing with the total number has given the district a distinctly unique character, which offers great potential for additional business activities in the tourism sector.

2.7.3 *Key Heritage Issues*

- (i) Aboriginal and historic heritage sites need to be protected.
- (ii) The native title claim and associated agreement is expected to create

- increased land administration certainty.
- (iii) The need for streetscape/townscape improvements, which are complemented by conserving and enhancing heritage buildings and places.

¹⁵ Further information on native title claims is available from the National Native Title Tribunal (<http://www.nntt.gov.au>)

3 Strategic Direction

3.1 Vision and Key Objectives

As set out in the Strategic Community Plan¹⁶, the Council's vision for the district is:

'A progressive, diverse and caring community, with access to modern services and infrastructure, in an unique part of the world.'

In achieving this vision, the Council's key objectives are to:

- (a) manage the district's growth by developing a long-term land use planning strategy that contributes to the lifestyle enjoyed by residents;
- (b) encourage sustainable development and the expansion of the Cuballing and Popanyinning townsites, to improve service viability while conserving or enhancing a strong sense of community;
- (c) promote and manage a sustainable settlement pattern to avoid unnecessary duplication of resources.
- (d) ensure that future subdivision and development within and near the Cuballing and Popanyinning townsites provides a broad range of housing and lifestyle choices that enhance the character, environment and amenity of the townsites;
- (e) assist with growing the district's economic and employment base by encouraging greater diversification and promoting a resilient and increasingly robust economy;
- (f) promote agriculture as a key economic and social driver within the district;
- (g) facilitate orderly and coordinated development; and
- (h) create sustainable communities which:
 - (i) manage and conserve key natural resources including land and water assets;
 - (ii) attract and retain people and businesses;

- (iii) ensure the community has access to quality facilities and services;
- (iv) retain the unique sense of place that values its culture and heritage; and
- (v) enhance the public health of the community.

3.2 Strategy Plans, Strategies and Actions

Following the preceding analysis of the district, the Strategy Plans (Figures 2, 3 and 4) provide an overview of the strategy proposals. The following Strategies and Actions are proposed to implement the Strategy Plans.

The Strategy Plans show key elements of the Strategy and they provide a broad overview of intended land use, the major transport networks and key planning constraints. The Strategy Plans should not be seen as determining land use permissibility, but as broad land use areas relating to planning opportunities and constraints. The Strategy Plans are not a zoning map, as zoning and land use permissibility's are set out in the Local Planning Scheme and in Structure Plans.

The Land Use Areas on the Strategy Plans in part reflect the longer term anticipated zoning for the land. Rezoning of land will only be considered where the proposal is consistent with the Strategy and Strategy Plan requirements to the satisfaction of the Council and the WAPC.

Where the Strategy identifies rezoning opportunities, proponents will be responsible for justifying any rezoning proposal, including any associated planning, environmental and servicing investigations.

Strategies and Actions

The vision, key objectives and Strategy Plans are complemented by a number of strategies and actions. The strategies and actions are grouped under themes.

¹⁶ <http://www.cuballing.wa.gov.au/Documents/>

3.3 Settlements

3.3.1 Settlement Hierarchy

The area classified as 'Residential', 'Future Residential', 'Rural Residential', 'Future Residential' and 'Future Rural Smallholding' on the Strategy Plans (Figures 3 and 4) are potentially suitable for a range of uses including residential, rural residential, rural smallholding and appropriate employment uses.

Strategies

- (a) Recognise Cuballing as a Rural Town which is the district's cultural, recreation, business, social and administrative centre where the majority of new population and subdivision will occur.
- (b) Recognise Popanyinning as a Rural Village where moderate urban development is expected.
- (c) Recognise Yornaning as a settlement where modest development is supported.

3.3.2 Residential Development

The district's residential areas in the Cuballing and Popanyinning townsites, should accommodate a range of lot sizes and housing types, in a manner that meets the on-going needs of the district's residents. The lack of reticulated sewerage limits opportunities for smaller residential lots.

Strategies

- (a) Retain Residential R10 as the highest residential density (smallest lot size) in the Cuballing and Popanyinning townsites.
- (b) Support infill development and increases in housing density of land currently zoned 'Rural Townsite' to R10 where the land is considered suitable and capable.
- (c) Contain residential subdivision and development within the development footprint outlined on the Strategy Plan and where appropriately zoned.

- (d) Support the subdivision and development of greenfield areas identified by this Strategy as likely to be suitable for residential development, generally shown as 'Residential' or 'Future Residential' on the Strategy Plans subject to the proponent appropriately addressing relevant considerations (e.g. zoning, structure planning, environmental impact, servicing, landscape and bushfire management).
- (e) Encourage a mix of lot sizes and promote affordability and choice in housing by encouraging a mix of housing types.
- (f) Provide for a high level of amenity which reflects a non-metropolitan lifestyle.
- (g) Ensure new residential development has regard to the area's character and built form.
- (h) Promote energy efficient and climate responsive housing design.
- (i) Support non-residential land uses in residential areas, provided they complement (and are compatible with) residential development and are of a scale and design that respects the area's amenity.
- (j) Prevent commercial or industrial development which is better suited to the town centre or industrial areas, from occurring in residential areas.

Actions

The Shire of Cuballing will:

- (a) Retain the 'Rural Townsite' Zone in the new local planning scheme.
- (b) Impose an appropriate residential density coding including opportunities to support infill development to R10 where the land is suitable and capable.

3.3.3 Rural Living

Rural Residential

Rural residential areas provide opportunities for lower-density residential development in a rural setting, which is compatible with nearby

land uses and the capability, landscape and environmental attributes of the site. In doing so, rural residential areas should be large enough to facilitate the creation of lots of various sizes, as lots of different sizes present different lifestyle opportunities.

Strategies

- (a) Prevent the creation of new rural residential lots outside of the area shown on the Strategy Plans.
- (b) Use existing rural residential areas more efficiently, by increasing the density of lots where access to a reticulated potable water supply is available and development constraints (such as bushfire management, land capability and any potential environmental impacts) have been appropriately addressed.
- (c) Promote appropriate employment uses where compatible with existing uses and nearby development.
- (d) Support requests to amend the local planning scheme where the land is identified as 'Future Rural Residential' by this Strategy, subject to the proponent appropriately addressing relevant considerations (e.g. zoning, structure planning, environmental impact, servicing, landscape and bushfire management).
- (e) Encourage the preparation of structure plans that provide for lot sizes ranging between one and four hectares.
- (f) Ensure that the environmental qualities of the land and/or water are maintained or improved, such as through revegetation.

Actions

The Shire of Cuballing will:

- (a) Impose a limitation of one dwelling per lot in the Rural Residential zone (does not include ancillary dwelling) under the new local planning scheme.

Rural Smallholdings

Rural Smallholding areas provide semi-rural and rural opportunities near the Cuballing

townsite, provided those activities facilitate the conservation of native vegetation and are compatible with nearby land uses, the environmental and landscape values of the land. The semi-rural and rural pursuits may present opportunities to generate income.

Strategies

- (a) The creation of new Rural Smallholding lots outside areas identified for Rural Smallholdings by this Strategy should be prevented, unless associated with a boundary realignment.
- (b) Support requests to amend the local planning scheme where the land is identified as 'Future Rural Smallholding' by this Strategy, subject to the proponent appropriately addressing relevant considerations (e.g. zoning, structure planning, environmental impact, servicing, landscape and bushfire management).
- (c) Support, where appropriate, innovative design and the clustering of houses and other structures to minimise the impacts on adjacent land, to provide for on-going use of land for rural pursuits and protect landscape and environmental values.
- (d) Encourage the preparation of structure plans that provide for lots ranging in size from four to 40 hectares.
- (e) Ensure that the environmental qualities of the land and/or water are maintained or improved such as through revegetation.

Actions

The Shire of Cuballing will:

- (a) Introduce a Rural Smallholding Zone in the new local planning scheme.
- (b) Set out development standards in the new local planning scheme to ensure subdivision and development is consistent with rural character landscape qualities and amenity.

3.3.4 Crown Land

Actions

The Shire of Cuballing will:

- (a) Promote the examination of Crown Land in the district and assess if the lands may be excess to their respective vesting authorities. If so, it may be advantageous for the Shire to acquire these properties for future uses as determined by the Council.
- (b) Negotiate with State Government agencies for assistance in creating a variety of lot sizes in and around the key settlements of the district.

3.4 Infrastructure

3.4.1 Hard Infrastructure

Strategies

- (a) Require new developments to be appropriately serviced with potable water and on-site effluent disposal.
- (b) Allow for and promote the establishment of renewable energy facilities and operations within the district.
- (c) Support telecommunications infrastructure where consistent with *State Planning Policy 5.2 Telecommunications Infrastructure*.

Actions

The Shire of Cuballing will:

- (a) Request that servicing authorities plan ahead to ensure that potable water, electrical and telecommunication infrastructure are adequate, reliable and well maintained.
- (b) Lobby for enhanced infrastructure to implement the Strategy.
- (c) Promote and enhance water management and conservation.
- (d) Require that new development has a sufficient supply of potable water with quality addressing the *Australian Drinking Water Quality Guidelines 2004* (or any updates).

3.4.2 Stormwater Management

New subdivisions and developments are to incorporate water sensitive urban design features in response to soil, salinity, slope and other considerations.

Strategies

- (a) Promote the integration of land and water planning in accordance with the framework identified in *Better Urban Water Management* (WAPC 2008).
- (b) Promote re-use and recycling of water, particularly stormwater and wastewater.

Actions

The Shire of Cuballing will:

- (a) Promote water harvesting and water reuse wherever possible into the Shire's projects and operations.

3.4.3 Waste Management

Waste management facilities are necessary for the district's continued growth and development; however, their offsite impacts need to be minimised wherever possible.

Strategies

- (a) Ensure that any application(s) to develop a waste management facility within the district adequately addresses relevant considerations (e.g. zoning, servicing, land management and rehabilitation, environmental, landscape and fire management).
- (b) Ensure that any application to develop a waste management facility includes the provision of an onsite buffer area for the waste management facility, or demonstrates that arrangements have been made with surrounding landowners to allow the waste management facility's buffer area to extend offsite.

Actions

The Shire of Cuballing will:

- (a) Undertake planning and feasibility to identify and secure appropriate waste management for the medium to longer term.

3.4.4 Community Infrastructure

Health

Actions

The Shire of Cuballing will:

- (a) Promote Cuballing as the district's key centre for aged and frail accommodation and aged care facilities.

Recreation

The Council seeks to consolidate its recreational resources in fewer, but better serviced areas of public open space.

Strategies

- (a) Ensure that new residential subdivisions either incorporate appropriately sized, located and useable public open space or provide a cash-in-lieu payment.

Actions

The Shire of Cuballing will:

- (a) Review existing parks and recreation reserves and public open space in the townsites including tenure, usage and management.

3.4.5 Transport Infrastructure

There are increasing transport demands, particularly in the number of heavy haulage (freight) vehicles and their impact on the State and regional road network. There is also conflict between heavy haulage vehicles and local traffic which can result in reduced transport efficiency, safety and amenity.

Strategies

- (a) Support the sealing and/or upgrading of secondary roads (shown as significant local government roads on the Strategy Plans).

- (b) Seek on-going improvements and upgrading of the Great Southern Highway.
- (c) Promote walking and cycling within the Cuballing and Popanyinning townsites.

Actions

The Shire of Cuballing will:

- (a) Work with Main Roads Western Australia (MRWA) to make the Great Southern Highway through the townsites safer, increase amenity and add to its attractiveness.
- (b) Seek MRWA support to investigate and bring forward the provision of passing lanes in the district to reduce the incidence of road trauma and improve amenity.
- (c) Continue to lobby government to maintain the rail network.
- (d) Monitor as to whether a more regular bus service between the district and Perth is required and liaise with the Public Transport Authority and TransWA.
- (e) Consider opportunities for new or upgrade trails to provide recreation and tourism benefits.

3.5 Economics and Employment

The district has infrastructure assets and lower land values than areas closer to Perth with lower overheads for business and industry. In the future, its strategic position, wide open spaces and the need to grow the local economy may mean the district becomes increasingly attractive for development opportunities.

3.5.1 Agriculture

The district's rural areas should be used for agricultural production, which contributes significantly to the district's economy, while providing for a range of rural pursuits which are compatible with the capability of the land and retain the rural character and amenity of the locality. In some circumstances, rural areas can also provide opportunities for non-agricultural land uses which are not

detrimental to agricultural productivity or the environment.

Farming is the core business of the district in the foreseeable future and must be protected to conduct normal operations. Due to the importance of agricultural land to the district economy, the Council considers it necessary to protect these areas from incompatible subdivision and development. Subdivision for residential, rural residential use and rural smallholding use are not supported outside of identified areas on the Strategy Plan.

There is a general presumption against subdivision of rural land. This presumption against subdivision is in accord with WAPC SPP2.5 and DC3.4 with subdivision only considered in exceptional circumstances.

There is on-going potential for rural uses other than broad acre farming, to be complementary and compatible within the rural setting. These include the diversification of agriculture activity to more intensive operations e.g. poultry farms, piggeries, kennels, feedlots and animal processing. It is acknowledged that some rural uses have potential impacts and that suitable measures are needed to protect nearby land uses.

Strategies

- (a) Support existing agriculture pursuits, while encouraging the establishment and adoption of new farming practices.
- (b) Promote a range of rural and associated uses compatible with the capability of the land and where it appropriately addresses off-site impacts.
- (c) Support animal premises and rural industries where relevant site specific matters are addressed and appropriate buffers are provided.
- (d) Require proponents of animal premises and rural industries to address management considerations near the Dryandra Woodland.
- (e) Control the number of dwellings on rural lots.

Actions

The Shire of Cuballing will:

- (a) Rename the 'General Agriculture' zone to 'Rural' in the new local planning scheme.
- (b) In the new local planning scheme, review the permissibility of uses based on State Planning Policy 2.5 and Policy DC3.4.
- (c) In the new local planning scheme, include provisions to control the development of second/multiple houses on rural land and provisions requiring a development application for land with no legal or constructed road access.
- (d) Provide advice to the WAPC on subdivision applications which is guided to WAPC policy. In particular, to not generally support additional lots in rural areas but generally support boundary realignments.
- (e) Provide advice to the WAPC on homestead lot subdivision applications that it does generally not support creating an additional lot but will generally support a boundary realignment.

3.5.2 Industry

There are opportunities for industrial and ancillary activities to be undertaken throughout much of the district. However, those activities should not have a detrimental impact on the amenity of adjacent areas. The district does not currently have an industrial estate.

Strategies

- (a) Require proponents of industrial development to demonstrate that impacts/emissions (including noise, dust and other impacts) meet the relevant environmental and regulatory standards.
- (b) Support investigations to identify, secure and develop an industrial estate in the vicinity of the Cuballing townsite.

- (c) Support the development of a rural industry precinct at Yormaning for transport or related rural industries.

Actions

The Shire of Cuballing will:

- (a) Liaise with relevant stakeholders to identify and provide suitably located and serviced industrial land within the district.

3.5.3 Commercial

The Cuballing and Popanyinning town centre will increasingly be the focal point of the townsites. The town centres, shown as Commercial/Business on the Strategy Plans, should be enhanced through continued commercial development on this street and aesthetic improvements such as the undergrounding of power lines.

The Council recognises that the proximity of the district to the Narrogin regional centre has restricted large scale commercial development and will continue to do so in the immediate and medium term future. There is scope to attract some forms of commercial development that would not necessarily want to locate in Narrogin, but requires close proximity to a regional centre. In this situation, Cuballing would provide an ideal location.

Strategies

- (a) Encourage the consolidation of commercial uses in the town centres to create a compact and attractive environment.
- (b) Support and enhance business and commercial activity in the town centres.

Actions

The Shire of Cuballing will:

- (a) Ensure that there is adequate area for commercial development to meet the future needs of the projected population.
- (b) Prioritise the development of the town centre through favourable

assessment of development proposals in the town centre.

- (c) Commit funds to improve the town centre streetscape including landscaping, paving, drainage and building renovation improvements.
- (d) To continue to provide flexibility for proposed land uses within the Rural Townsite zone.

3.5.4 Tourism

The district's tourism industry could be enhanced by a number of initiatives including developing a greater range of tourist facilities (both accommodation and activities) and enhancing townscapes.

Strategies

- (a) Support the development of a range of tourist facilities in appropriate locations subject to the proponent appropriately addressing relevant considerations (e.g. environmental impact, landscape, land use compatibility, the provision of services and bushfire risk management considerations).
- (b) Encourage development which is sympathetic with the district's architectural style.
- (c) Support the development of tourist attractions on Crown land where appropriate including at the Dryandra Woodland.
- (d) Support tourism based on the district's natural and cultural assets.

Actions

The Shire of Cuballing will:

- (a) Include provisions in the new local planning scheme, which allow for well-designed tourist accommodation facilities.
- (b) Promote the district as a tourist destination.
- (c) Maintain and develop high-quality tourist facilities such as public toilets, parks, reserves and streetscapes.
- (d) Examine opportunities to develop trails in the district.

- (e) Investigate opportunities to develop an iconic tourist event and/or attraction within the district.

3.4.5 Regional Facilities

The district has opportunities to accommodate facilities that serve a regional or sub-regional catchment such as recreational venues, landfills and a cemetery/crematorium.

Strategies

- (a) Generally support regional facilities where relevant site specific matters are addressed and appropriate buffers are provided.

Actions

The Shire of Cuballing will:

- (a) In the new local planning scheme, review the permissibility of uses based on State Planning Policy 2.5 and Policy DC3.4.

3.6 Environment and Conservation

3.6.1 Topography

The district's visual amenity, created by its landscapes and vistas, is one of its key assets and needs to be conserved and maintained wherever possible.

Strategies

- (a) Ensure that the district's landscape and scenic qualities are conserved and maintained through the use of appropriate development controls.
- (b) Ensure that development reflects and enhances the district's natural, cultural, visual and built character.
- (c) Protect and enhance landscapes and their visual amenity, as well as the character of 'view-sheds' associated with main roads and tourist routes.
- (d) Not support development and land use intensification that will have an unacceptable detrimental impact on the views from main roads and tourist routes.

- (e) Promote the rehabilitation, revegetation and restoration of denuded areas.

- (f) Require, where appropriate, that proponents prepare a visual impact assessment in accordance with the *Visual Landscape Planning Manual*.

Actions

The Shire of Cuballing will:

- (a) Include provisions in the new local planning scheme that require development be designed and located so that it does not detrimentally impact on the landscape values of the area.

3.6.2 Geology and Mineral Resources

The planning system should ensure that mineral and basic raw material resources are available for extraction in the longer term, while making sure that their extraction, processing and/or transportation does not adversely affect the environment or the health of the district's residents.

In addition to ensuring that the potential impacts of mining/extraction operations are appropriately managed, the planning system needs to ensure that once mining/extraction operations have ceased the land is rehabilitated to a suitable standard.

Strategies

- (a) Support the extraction of minerals and basic raw materials in areas that are suitable in terms of existing land use, environmental considerations and vehicular access is appropriate.
- (b) Require buffer areas between mining/extraction operations and sensitive land uses.
- (c) Encourage the extraction of minerals and basic raw materials prior to the land being developed for other purposes.

Actions

The Shire of Cuballing will:

- (a) Work with the Department of Mines and Petroleum to safeguard areas of high mineral prospectively.
- (b) Require the proponents of proposals to extract minerals and basic raw material to prepare and implement management plans.

3.6.3 *Waterways and Groundwater Resources*

Strategies

- (a) Ensure activities that may raise salinity levels (that may jeopardise continued vegetation growth) are restricted.

Actions

The Shire of Cuballing will:

- (a) Support 'best practice' management strategies to improve salinity levels; soil acidity levels; soil water repellence levels; and reduce wind erosion susceptibility and subsoil compaction susceptibility.

3.6.4 *Vegetation*

The district contains significant areas of native vegetation. These areas provide fauna habitat and contribute to the district's biodiversity values. For these reasons, areas of native vegetation should be protected and, where possible, land should be rehabilitated and endemic plant species reintroduced. There are opportunities to strengthen and create environmental corridors. Indicative environmental corridors are shown on the Strategy Plan – District.

Strategies

- (a) Encourage the retention of native vegetation and restrict inappropriate clearing of native vegetation on privately owned land to protect, maintain and enhance the district's biodiversity and landscape values.
- (b) Support the restoration and protection of links between native vegetation areas (environmental corridors), to provide connections for a range of fauna species.

- (c) Support the creation of conservation lots where it would be justified by the conservation value of the native vegetation and the proponent has appropriately addressed the relevant planning considerations (e.g. land use compatibility, landscape protection and bushfire management).
- (d) Support rehabilitation where an area of native vegetation has become degraded.

Actions

The Shire of Cuballing will:

- (a) Condition subdivision and development applications to ensure that native vegetation is retained and revegetation is promoted.
- (b) Introduce an Environment Special Control Area in the new local planning scheme for land near the Dryandra Woodland.
- (c) Have regard to the environmental impact of development proposals near the Dryandra Woodland.
- (d) Encourage the use of management plans, the creation of conservation lots and the provision of development exclusion areas to protect areas of significant native vegetation.
- (e) Progressively prepare management plans for reserves vested with the local government which have significant biodiversity values.
- (f) Examine measures to share the cost of protecting native vegetation areas on private land.

3.6.5 *Climate Change*

Effective planning seeks to pre-empt anticipated key changes and better assist communities to adapt to changing circumstances, including anticipated changes in the district's climate. Appropriate management of the risks, associated with these anticipated changes, is critical throughout the development process. Adaptation measures may assist to reduce the implications of the most serious consequences of climate change.

Actions

The Shire of Cuballing will:

- (a) Monitor the impact of climate change and the implications for the natural and built environment and land use planning.

3.7 Hazards

3.7.1 Bushfire

Considerable portions of the district are vegetated which increases the risk of bushfire. This risk needs to be minimised wherever possible, with the aim of protecting life and property and reducing the impact of bushfire.

Strategies

- (a) Adopt a precautionary approach when assessing planning proposals (whether subdivision or development) that may be vulnerable to bushfire.
- (b) Control the location of development and use of land to avoid placing inappropriate developments in areas of extreme fire risk.
- (c) Only support subdivision and development if the proponent can demonstrate the proposal is consistent with *State Planning Policy No. 3.7: Planning for Bushfire Prone Areas*¹⁷ and any associated guidelines and regulations.
- (d) Not support proposals where there is an 'extreme' risk of bushfire occurring, unless permanent and realistic hazard level reduction measures have been (or can be) implemented.
- (e) Consider the risk of bushfire in the context of other considerations such as environmental impact, vegetation retention and landscape protection.
- (f) Have regard to the *Cuballing/Popanyinning Bushfire Hazard Level Assessment* as part of future planning proposals.

Actions

¹⁷ *State Planning Policy No. 3.7: Planning for Bushfire Prone Areas* is available online from:

The Shire of Cuballing will:

- (a) Use broad-scale bushfire risk mapping prepared by the Department of Fire and Emergency Services.
- (b) Implement *State Planning Policy No. 3.7: Planning in Bushfire Prone Areas* and any related guidelines and regulations when assessing and determining proposals to develop the land.

3.7.2 Flooding

As outlined in section 2.6.2, there is no flood study in the district. The Strategy Plans show that there is a flood risk in parts of the Cuballing and Popanyinning townsites.

Strategies

- (a) When assessing proposals to subdivide or develop land near rivers and watercourses, decision makers should ensure that the risk of flooding is given due consideration when considering subdivision or development proposals. This includes considering State and local planning policies and adopting a precautionary approach to flood risk.
- (b) Not support development within flood risk areas which could adversely affect the flow of floodwaters or where upstream, downstream, adjoining and nearby flood levels will increase, or where the risk to people and property could be increased.
- (c) The local government expects proponents of development adjacent to a river or waterway to demonstrate that the proposed development would be safe from flood risk and would not increase the risk further upstream or on nearby properties.
- (d) The local government may impose conditions to reduce flood risk including relating to development location, building floor level height and the form of construction.

Actions

<http://www.planning.wa.gov.au/State-planning-policies.asp>

The Shire of Cuballing will:

- (a) Seek the Department of Water's advice in respect of proposals within flood risk land where the proposal:
 - (i) could increase the risk or impact from major river flooding;
 - (ii) could be adversely affected by flooding; or
 - (iii) could adversely affect the natural flood carrying capacity of floodplains.

3.8 Heritage

The district contains a number of sites of heritage and cultural value, which should be protected and promoted.

Strategies

- (a) Protect and conserve sites of significant heritage and cultural value.
- (b) Have due regard for the ethnographic and archaeological implications of development proposals.
- (c) Have due regard for policies relating to the protection and conservation of heritage sites when assessing and determining development proposals.
- (d) Have due regard for the potential heritage implications of a development proposal when assessing and determining the proposal.

Actions

The Shire of Cuballing will:

- (a) Maintain and, where required, review and update its municipal heritage inventory and the Heritage List.
- (b) Identify a Heritage Area covering relevant portions of the Cuballing town centre.
- (c) Investigate the provision of a Special Character Area (Special Control Area) in portions of the Cuballing and Popanyinning townsites.
- (d) Investigate opportunities to enhance heritage and townscape.

4 Implementation

Implementation of the Strategy will progressively occur using various tools including the local planning scheme, local planning policies, working in partnership and effective governance. In addition to matters that the local government is able to directly influence, there are also various other factors including associated demands, financial feasibility and securing funding.

4.1 Local Planning Scheme

A key component of implementing the Strategy is through the local planning scheme. A review of Town Planning Scheme No. 2 is required to determine if it is up-to-date and complies with the *Planning and Development (Local Planning Schemes) Regulations 2015* or whether a new Local Planning Scheme is required in the shorter time.

In time, the preparation of the *Shire of Cuballing Local Planning Scheme No.3* (LPS3) presents a significant opportunity to achieve effective implementation. The local government proposes the following zones in LPS3:

- Rural Townsite;
- Rural Residential;
- Rural Smallholdings;
- Rural;
- Commercial;
- General Industry; and
- Special Use.

Other land, generally managed by the State Government or the local government, will be reserved which reflects the predominant land use or tenure. It is expected that various new reserves will be introduced and/or renamed to account for the *Planning and Development (Local Planning Schemes) Regulations 2015*. This includes:

- Public Open Space;
- Environmental Conservation;
- State Forest;
- Civic and Community;
- Public Purposes;
- Infrastructure Services; and
- Recreation.

4.1.1 Special Control Areas

Special control areas are implemented through local planning schemes, which contain provisions for each special control area. These provisions apply in addition to the provisions that relate to the underlying zone or reservation and any general provisions of the Scheme.

It is proposed that LPS3 will contain the following special control areas:

- Heritage;
- Environment (related to the Dryandra Woodland); and
- Special Character Area.

4.2 Local Planning Policies

Local planning policies are an important adjunct to the local planning scheme, as they can set out planning requirements and respond more-efficiently to changing circumstances. A review of existing local planning policies and the formulation of new local planning policies (where required) will be undertaken during the preparation of the new local planning scheme, as this will assist with the implementation of the new local planning scheme.

The formulation, review and amendment of local planning policies, to ensure their consistency with the local planning scheme, should be a continual process.

4.3 Monitoring and Review

The timeframe of the Strategy extends to between 10 and 15 years. Many changes, not always foreseen, may occur during this time, and State, regional and local priorities and objectives may change. For instance, new land use and development opportunities and challenges, will arise during this time and some of the changes will not be foreseen today. They may result from factors such as innovations in technology, restructuring of the economy and the workforce, and diverse and changing community needs and aspirations.

To ensure the Strategy remains relevant, the Shire will monitor and as required review the Strategy. Any proposed changes to the Strategy will be the subject of community and stakeholder consultation, prior to their endorsement.

Local Planning Strategy Endorsements

Local Planning Strategy Adoption

Prepared and adopted by the Council of the Shire of Cuballing at the meeting of the Council held on, for the Western Australian Planning Commission's certification consideration.

.....
Shire President

.....
Chief Executive Officer

WAPC Public Advertising Certification

Certified for public advertising by the Western Australian Planning Commission on, pursuant to Regulation 12 (4) of the *Planning and Development (Local Planning Scheme) Regulations 2015*.

.....
Delegated officer under Section 16
of the *Planning and Development Act 2005*

Local Government Final Adoption

Adopted for final endorsement by the Council of the Shire of Cuballing at the meeting of the Council held on

.....
Shire President

.....
Chief Executive Officer

WAPC Endorsement

Endorsed by the Western Australian Planning Commission at the meeting of the Commission on, pursuant to Regulation 15 (1) of the *Planning and Development (Local Planning Scheme) Regulations 2015*.

.....
Delegated officer under Section 16
of the *Planning and Development Act 2005*

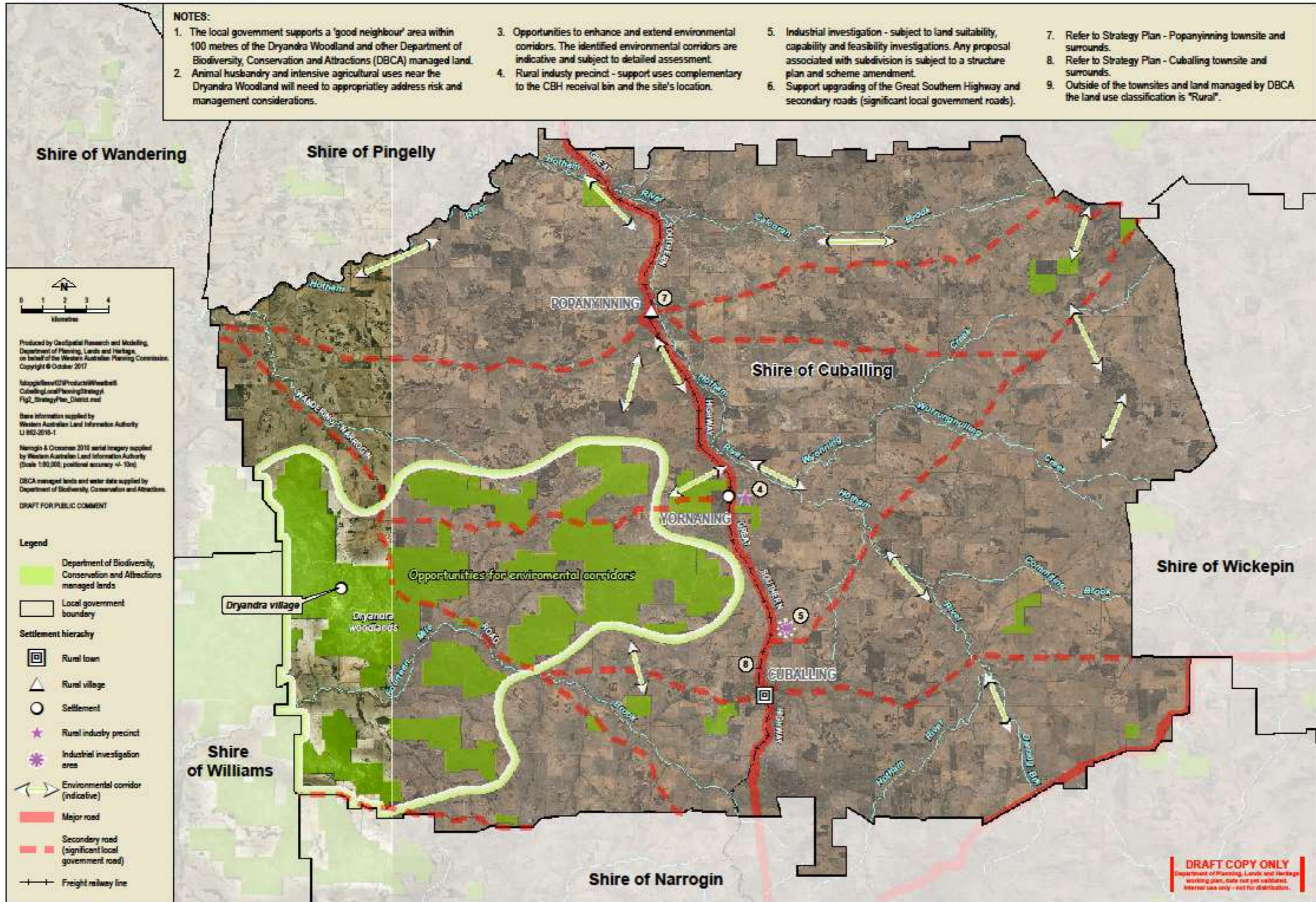
Shire of Cuballing Local Planning Strategy



Location Plan

Figure 1

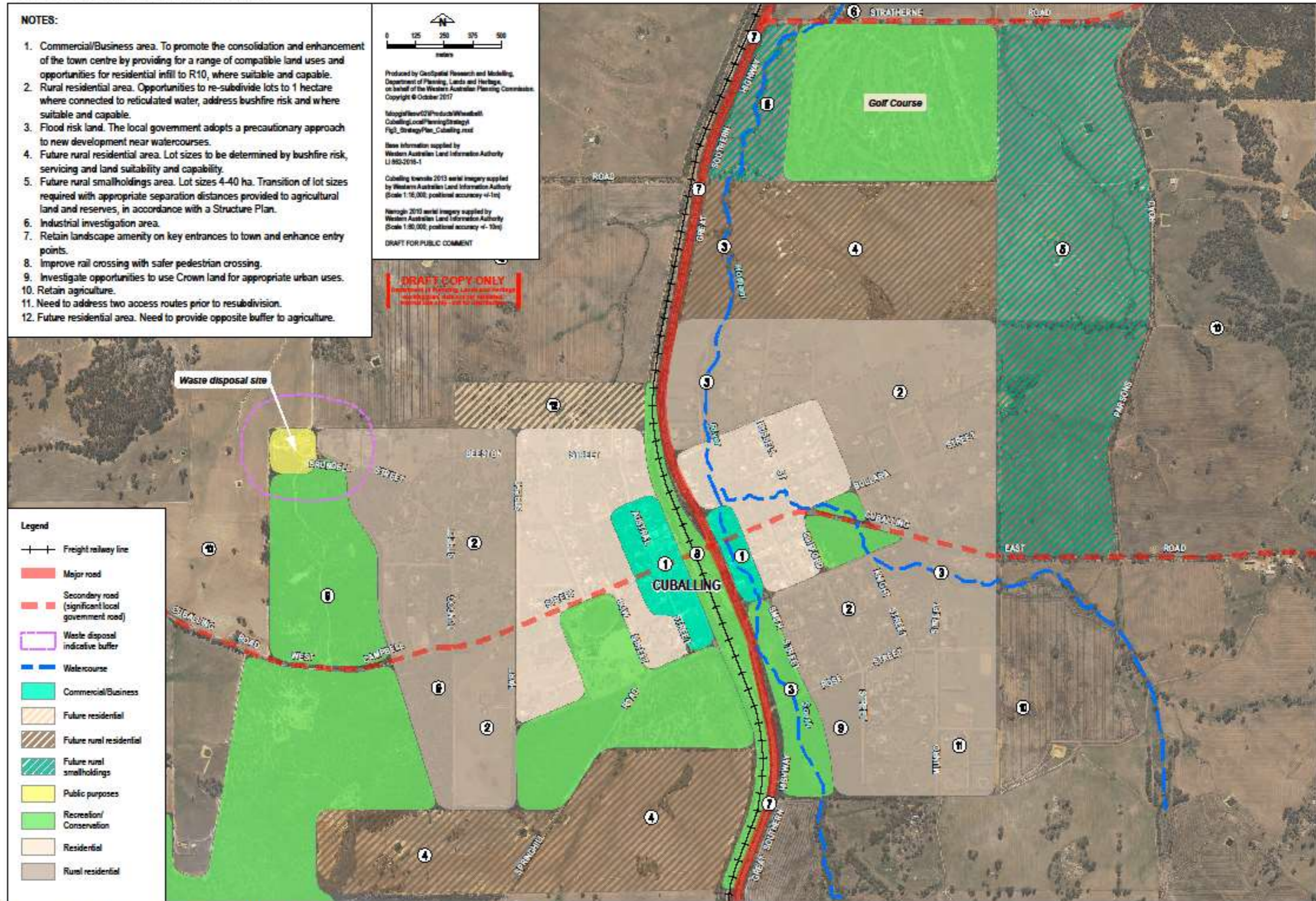
Shire of Cuballing Local Planning Strategy



Strategy Plan - District

Figure 2

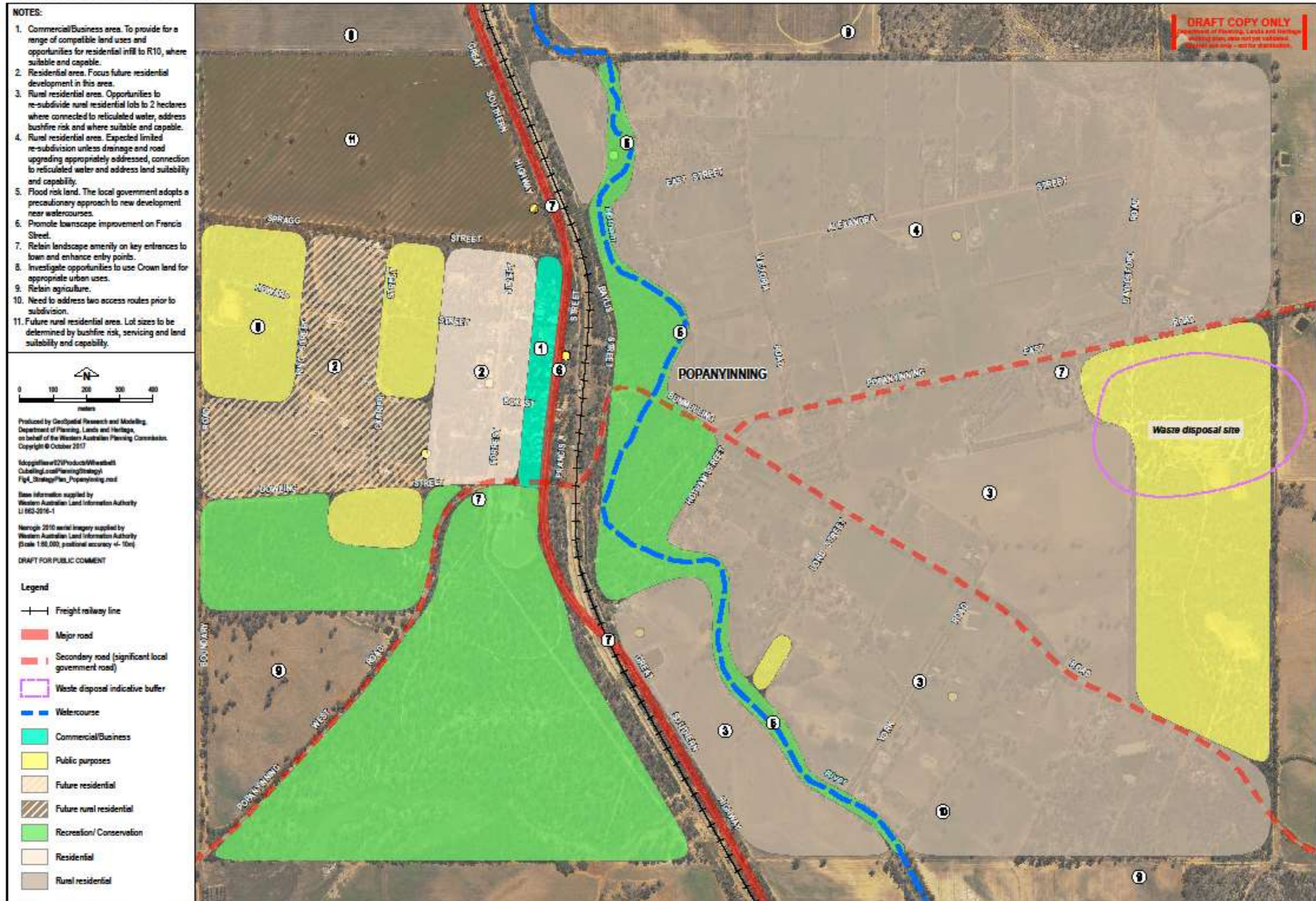
Shire of Cuballing Local Planning Strategy



Strategy Plan - Cuballing townsite and surrounds

Figure 3

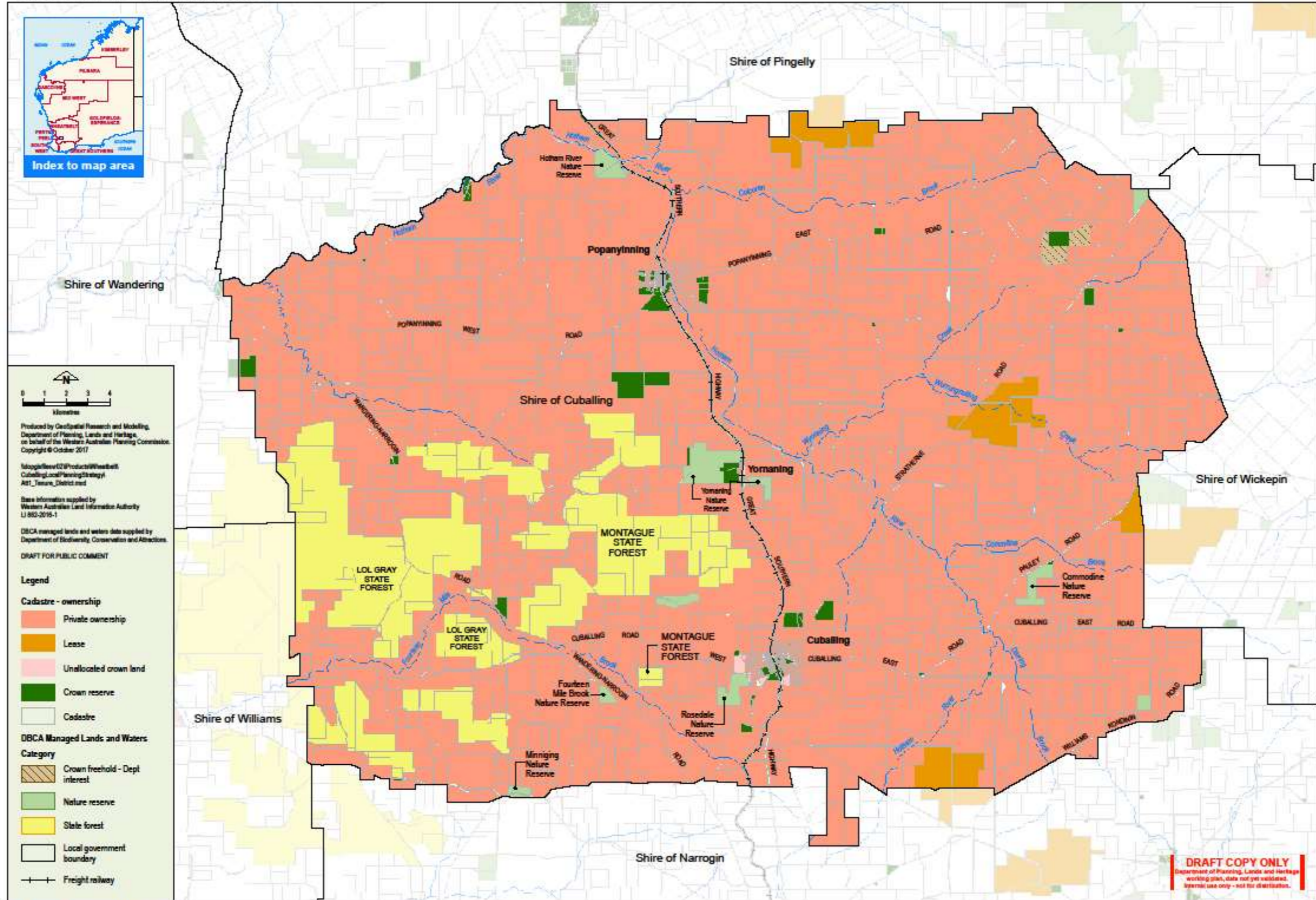
Shire of Cuballing Local Planning Strategy



Strategy Plan - Popanyinning townsite and surrounds

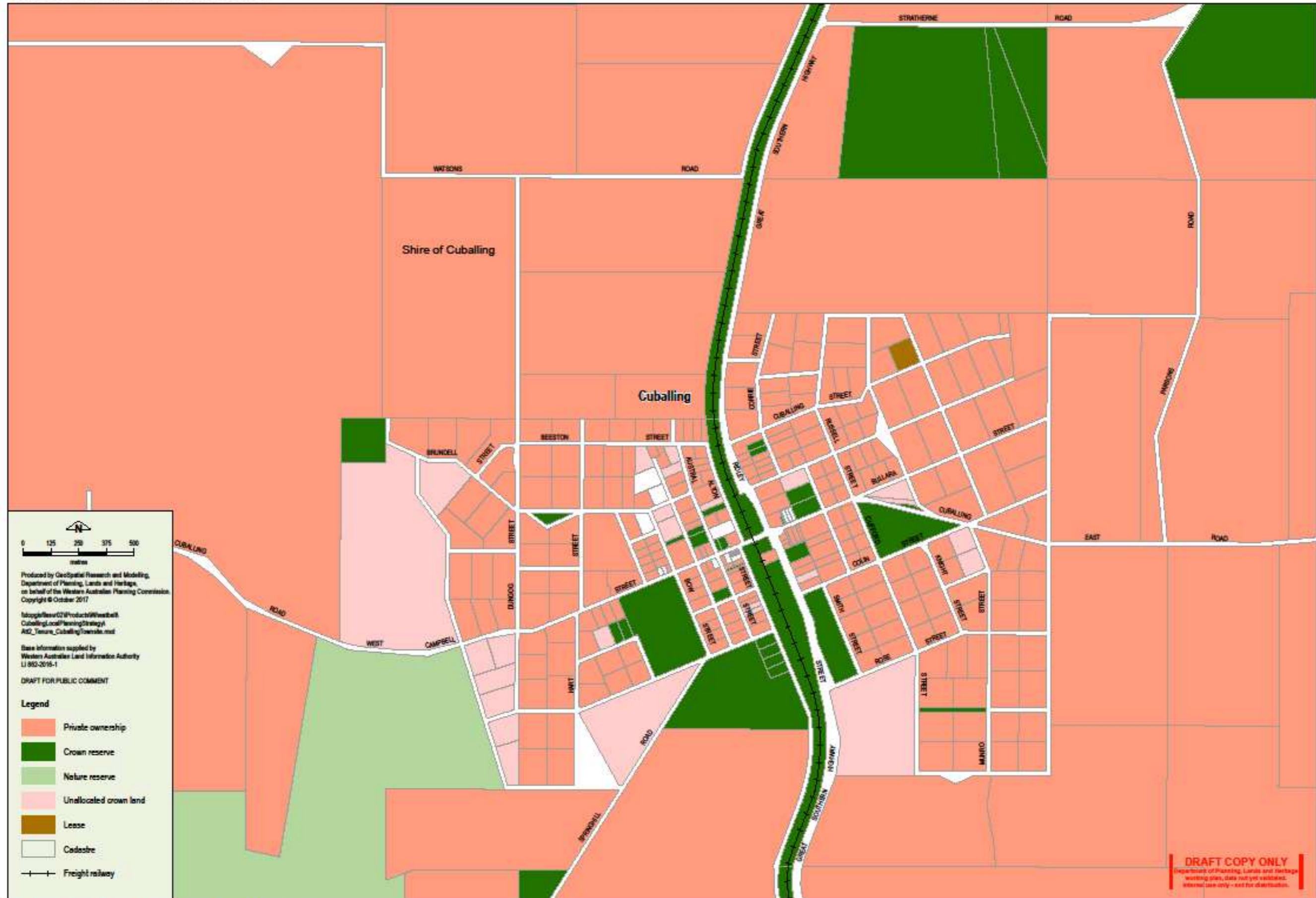
Figure 4

Shire of Cuballing Local Planning Strategy



Tenure - district

Shire of Cuballing Local Planning Strategy



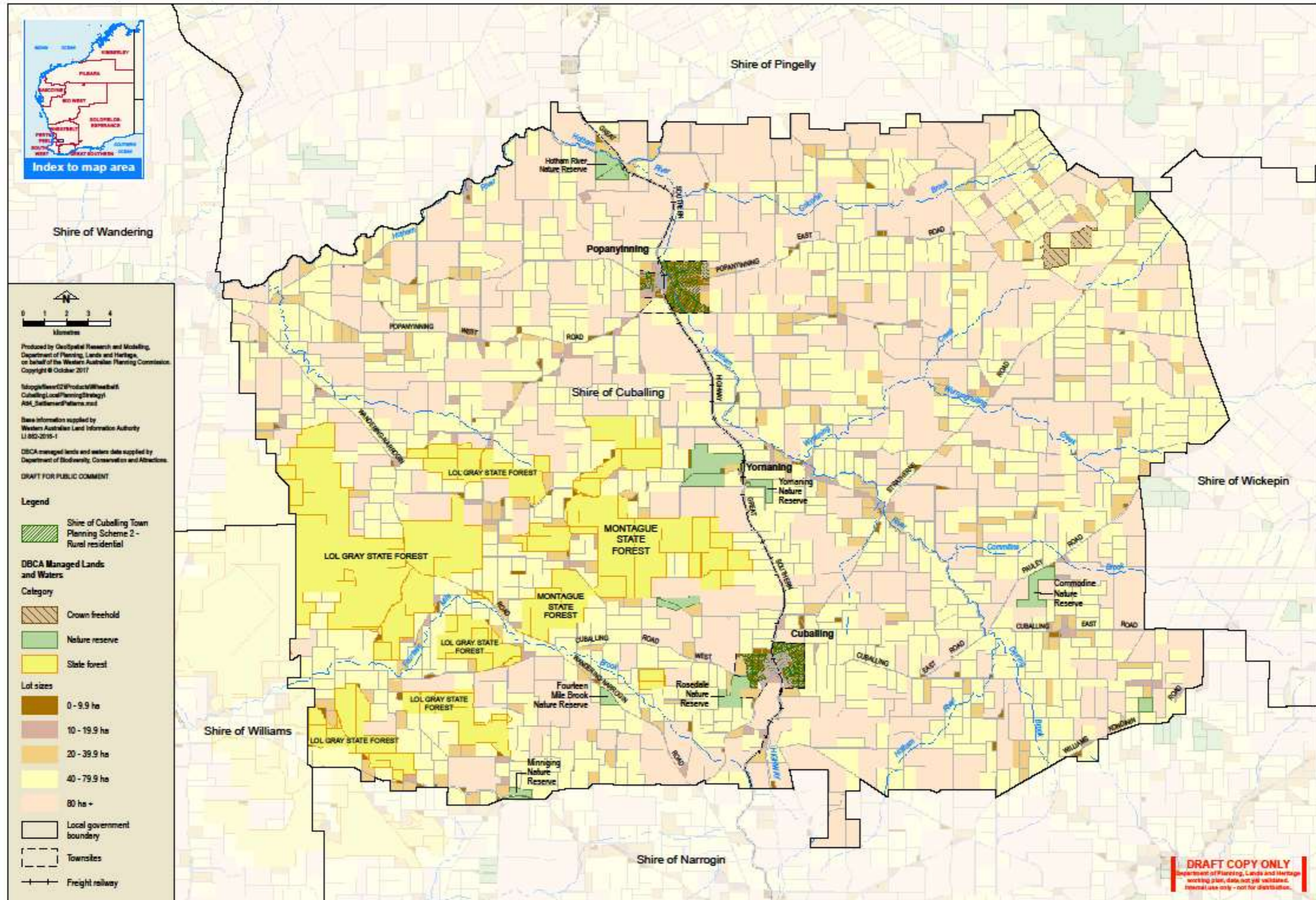
Tenure - Cuballing townsite

Shire of Cuballing Local Planning Strategy



Tenure - Popanyinning townsite

Shire of Cuballing Local Planning Strategy



Settlement patterns

Attachment 4

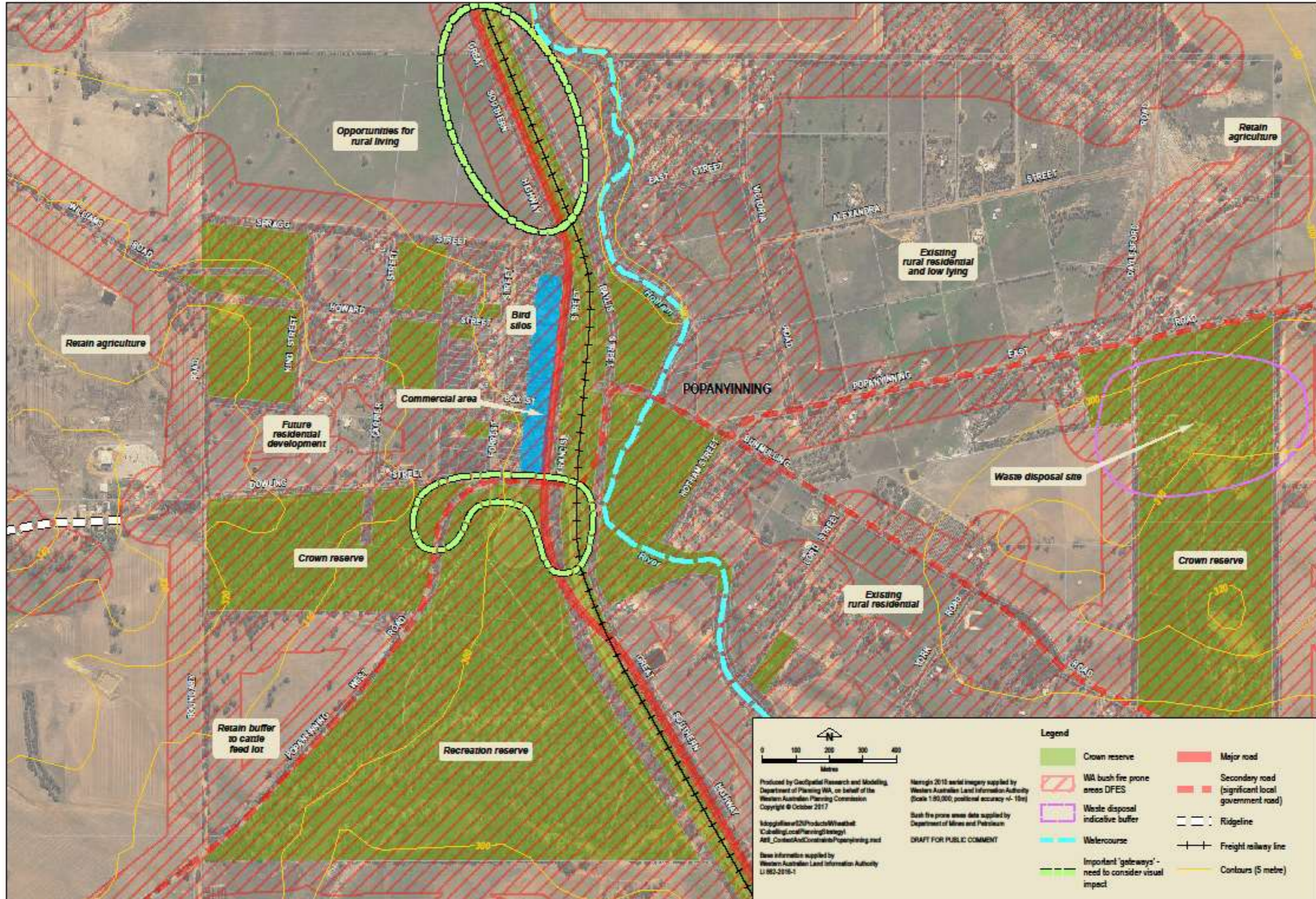
Shire of Cuballing Local Planning Strategy



Context and constraints - Cuballing townsite and surrounds

Attachment 5

Shire of Cuballing Local Planning Strategy



Context and constraints - Popanyinning townsite and surrounds

Attachment 6

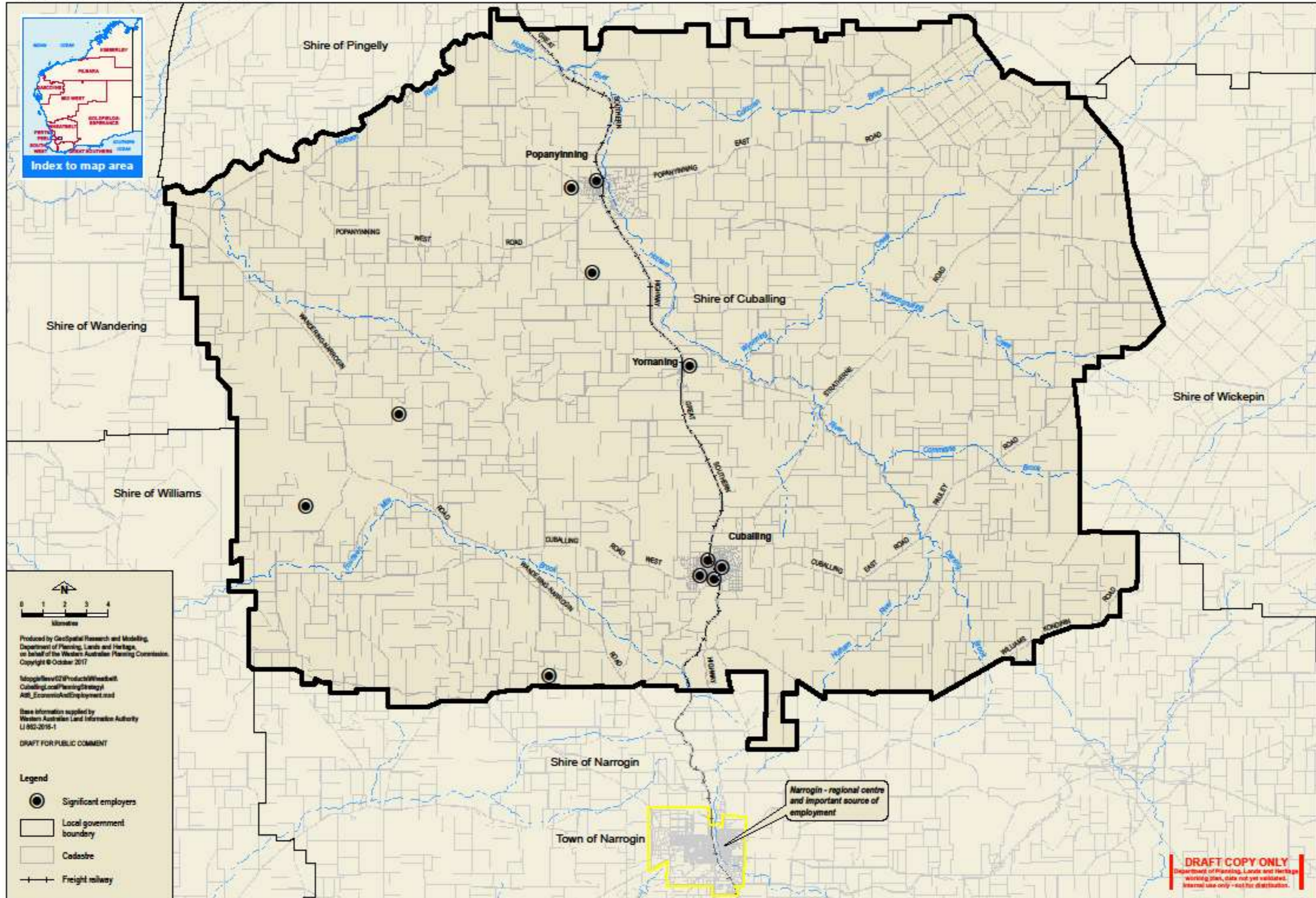
Shire of Cuballing Local Planning Strategy



Transportation and infrastructure

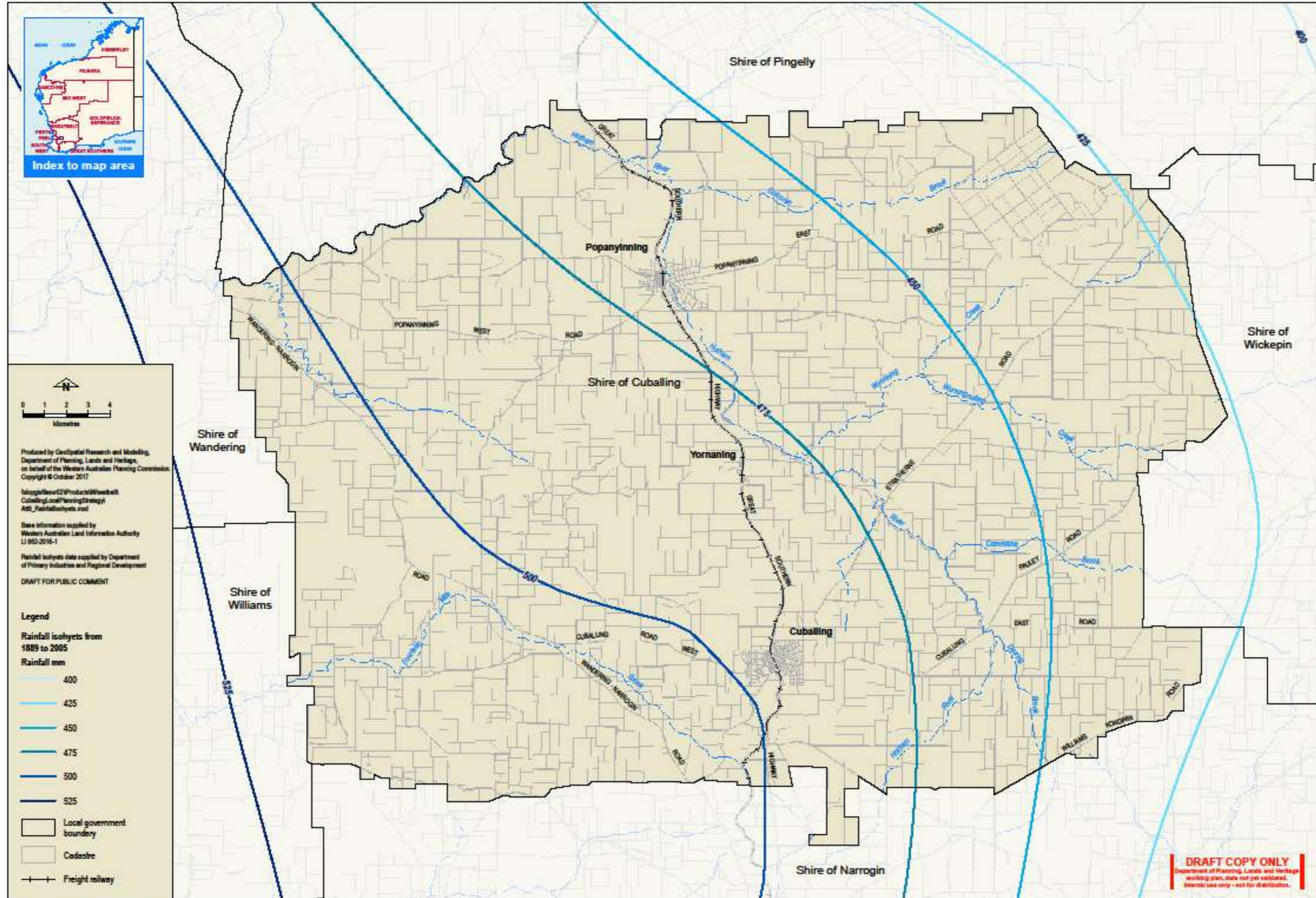
Attachment 7

Shire of Cuballing Local Planning Strategy



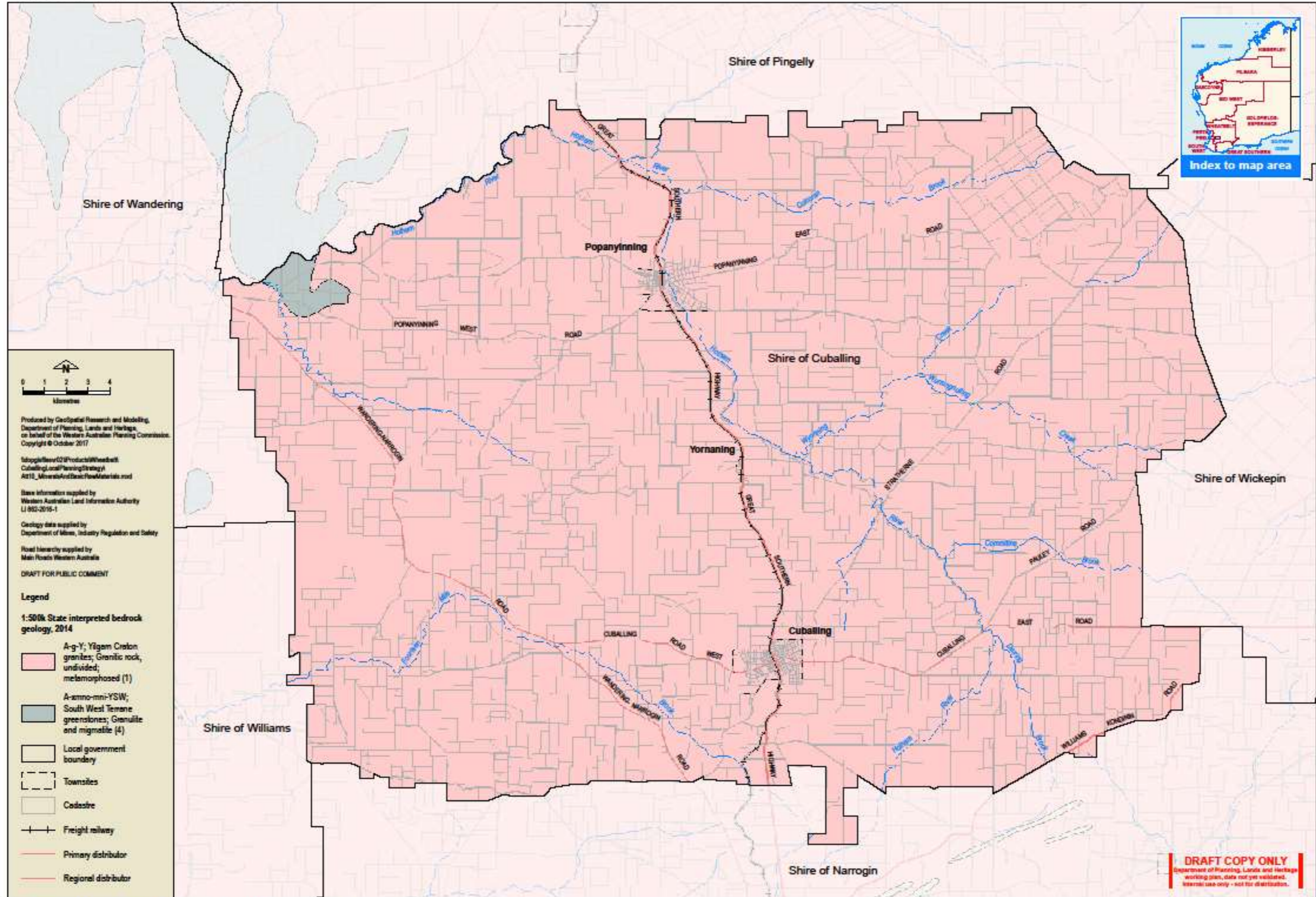
Economic and employment

Shire of Cuballing Local Planning Strategy



Rainfall isohyets

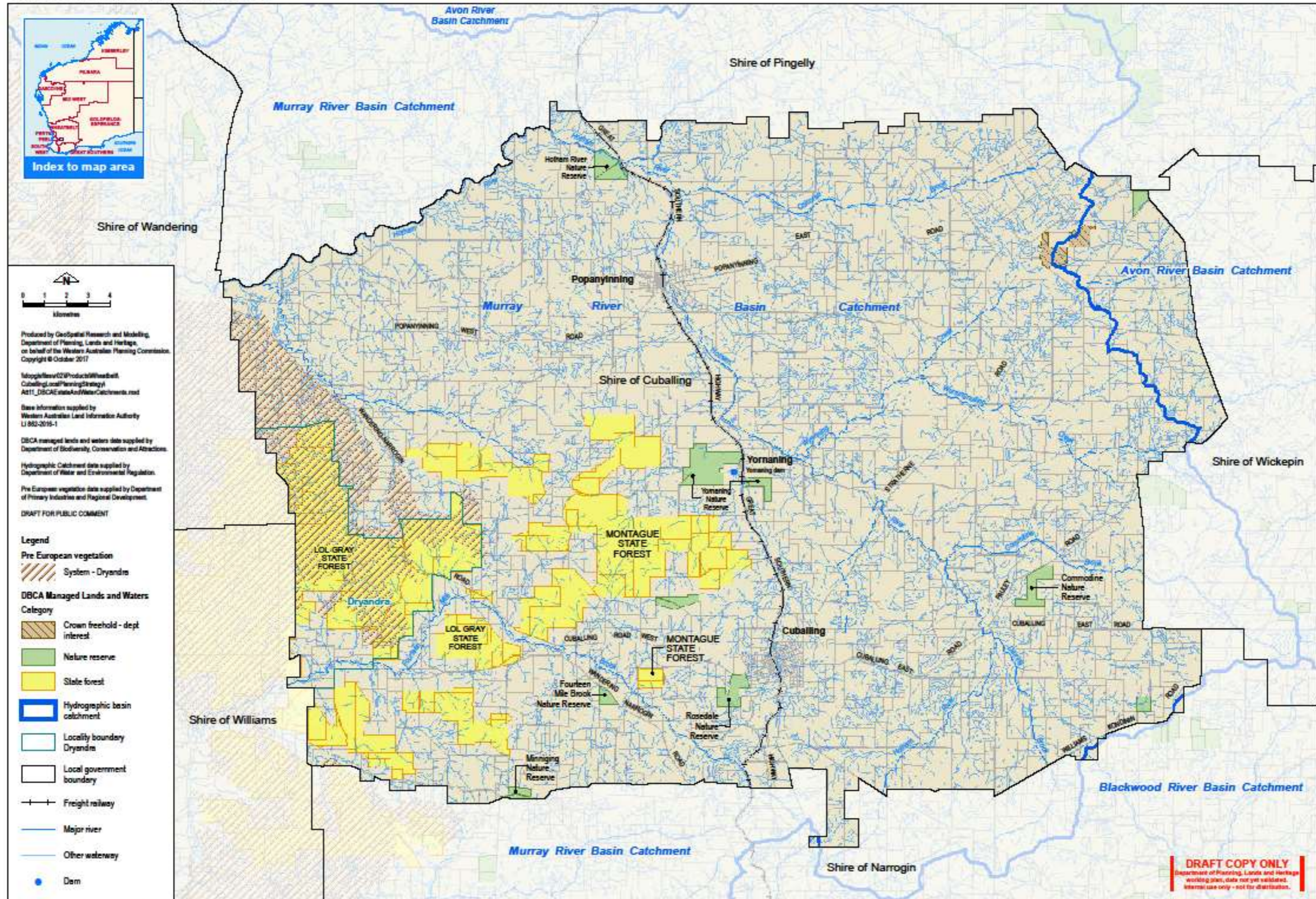
Shire of Cuballing Local Planning Strategy



Minerals and basic raw materials

Attachment 10

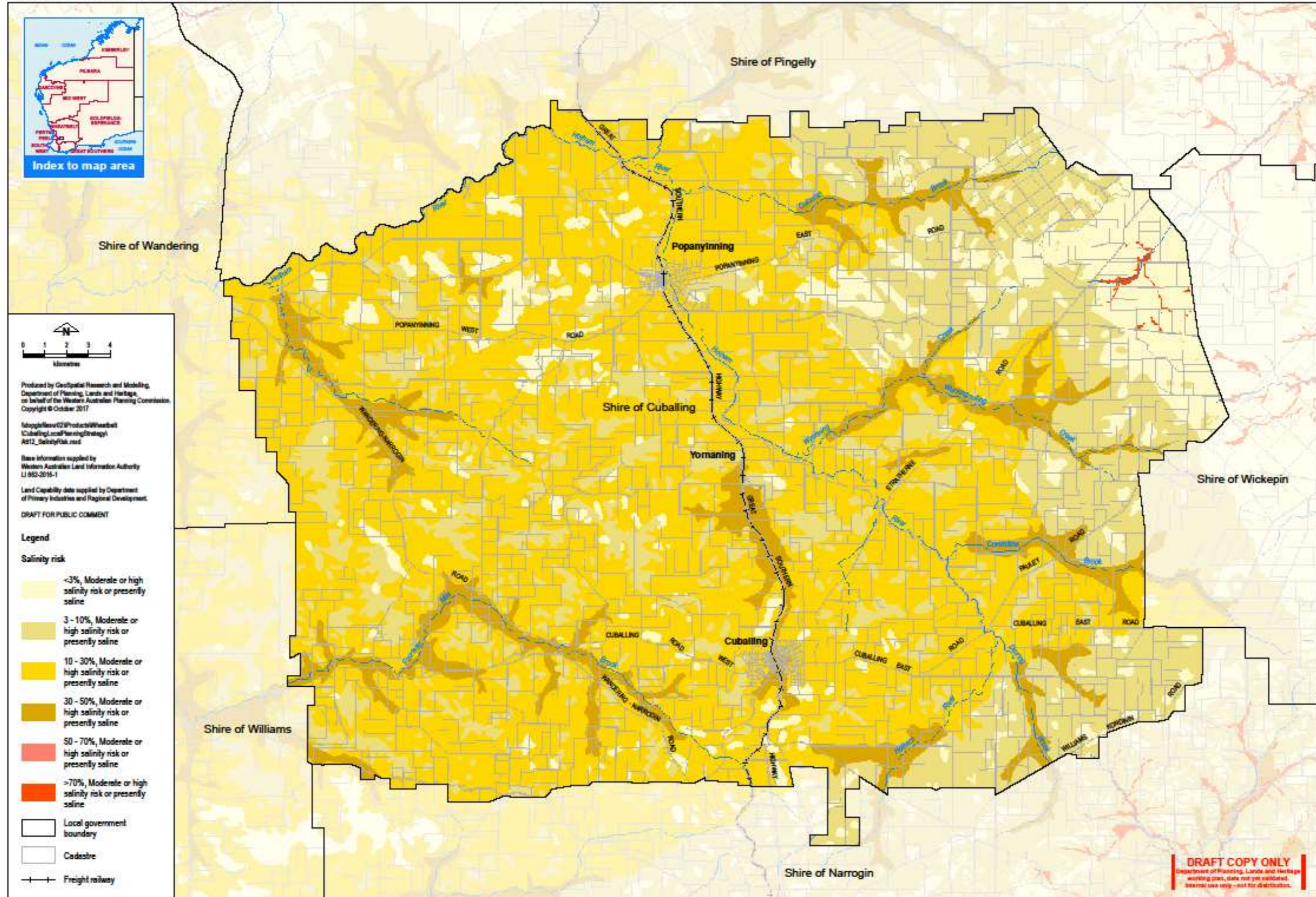
Shire of Cuballing Local Planning Strategy



Department of Biodiversity, Conservation and Attractions estate and water catchments

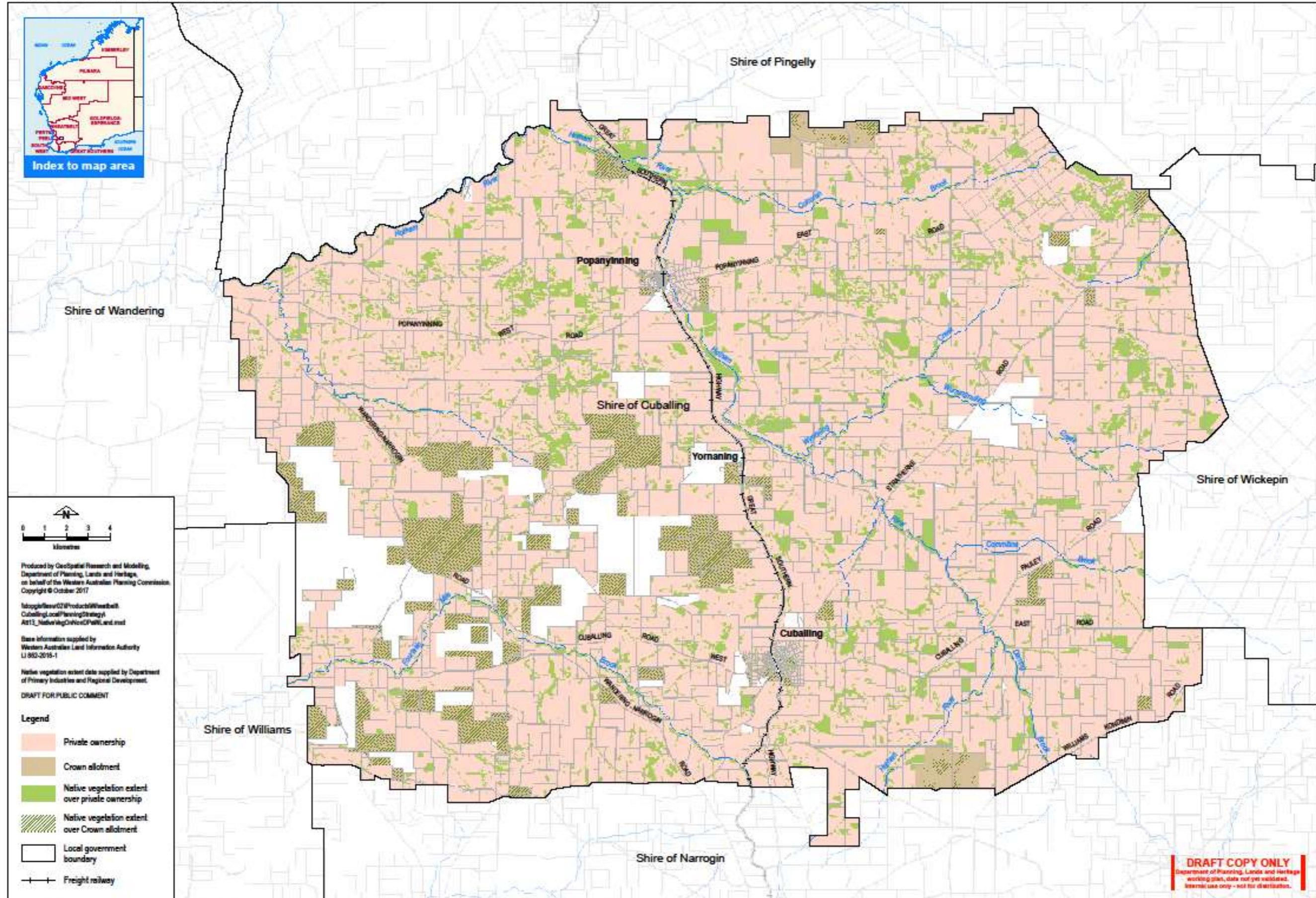
Attachment 11

Shire of Cuballing Local Planning Strategy



Salinity risk

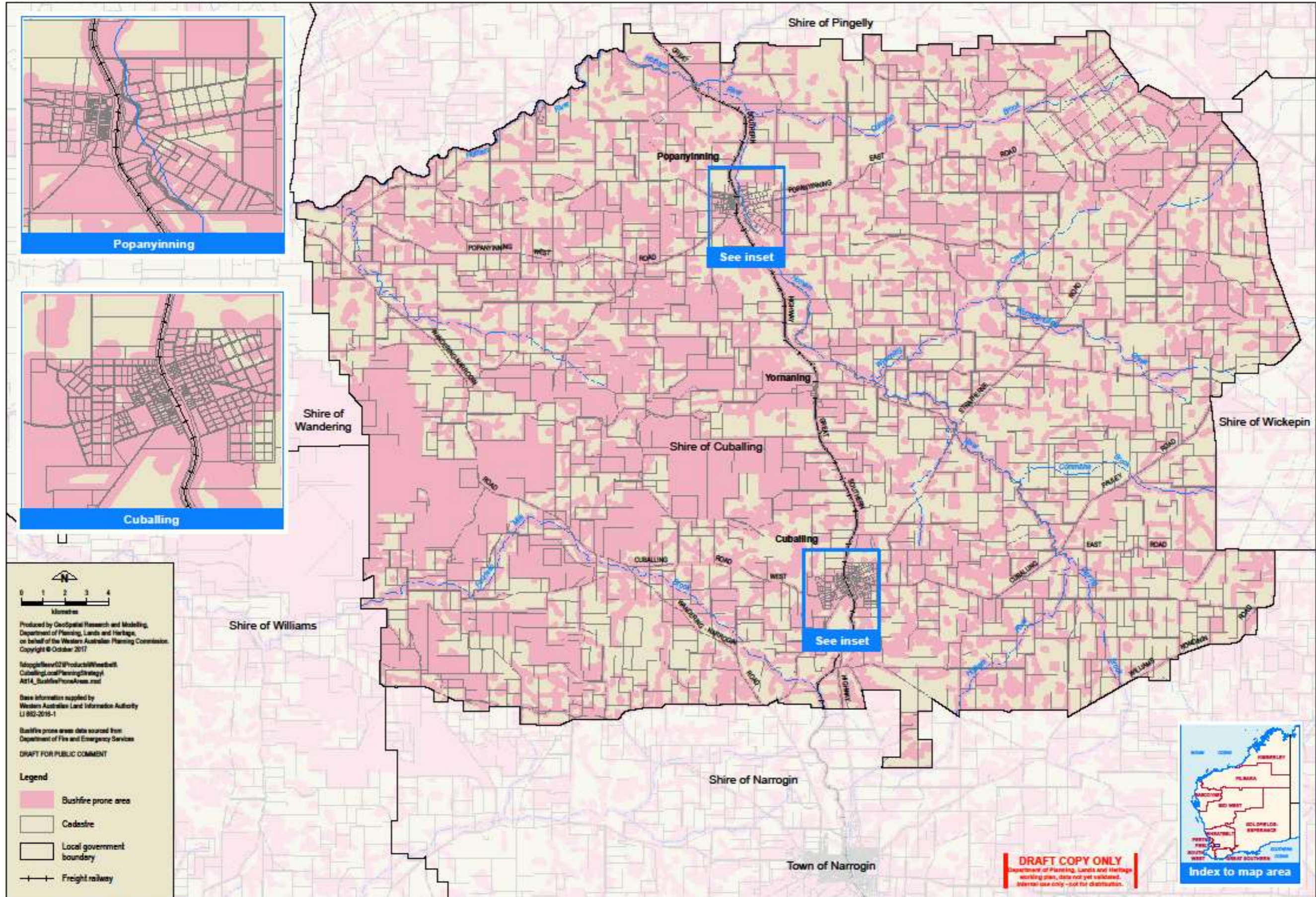
Shire of Cuballing Local Planning Strategy



Native vegetation on non-Department of Biodiversity, Conservation and Attractions land

Attachment 13

Shire of Cuballing Local Planning Strategy



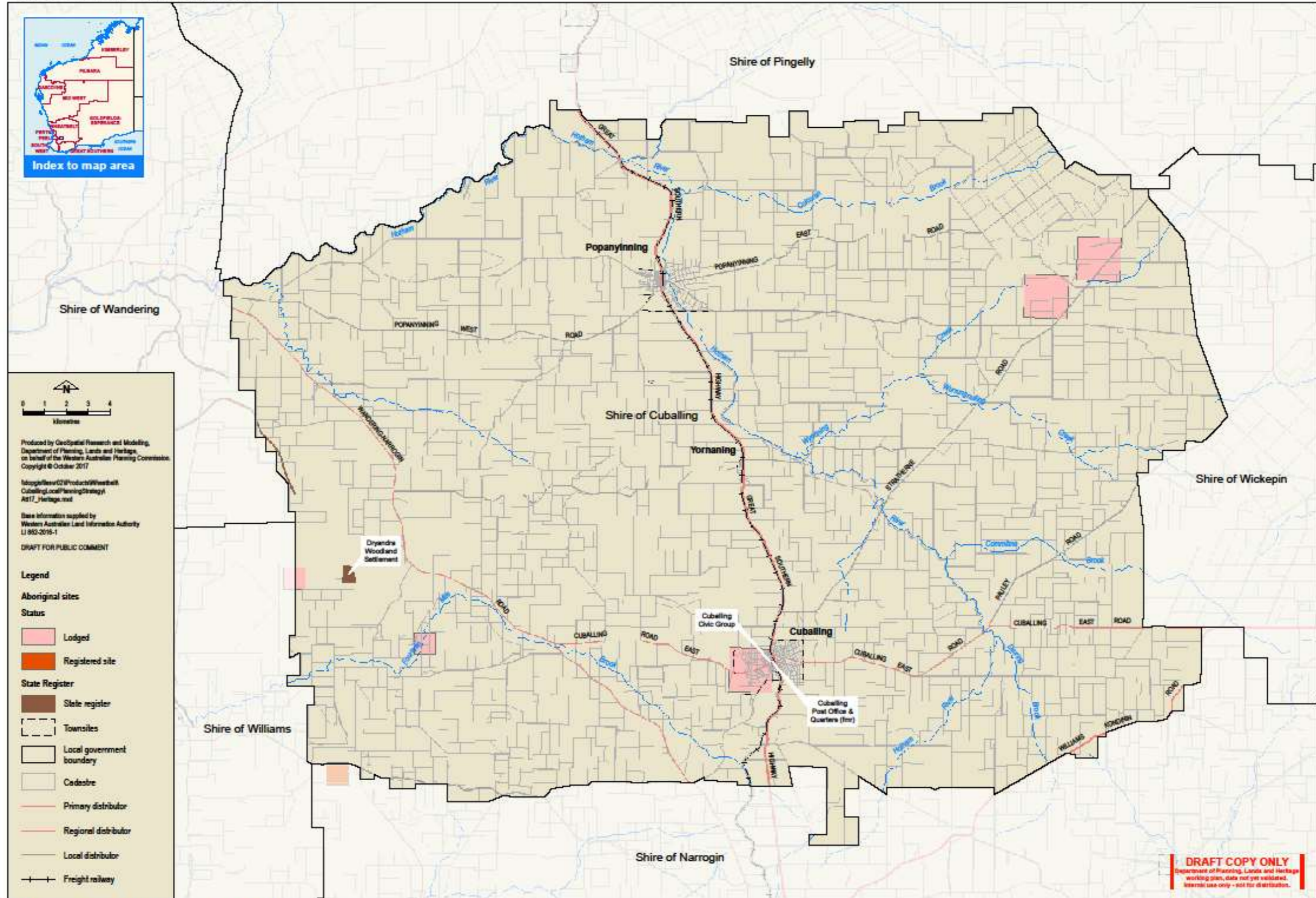
Bushfire prone areas

Shire of Cuballing Local Planning Strategy



Shire of Cuballing - Threatened and priority fauna and declared rare and priority flora

Shire of Cuballing Local Planning Strategy



Shire of Cuballing - Heritage

9.2.2	Wheatbelt South Aged Housing Alliance - Building Better Regions Fund – Grant Application
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Applicant: N/A
File Ref. No: ADM205
Disclosure of Interest: Nil
Date: 12th October 2017
Author: Gary Sherry
Attachments: 9.2.2A Location Plan and Feature Survey

Summary

Council is to further consider aspects of pursuing the construction of aged housing in the Shire of Cuballing as part of the Wheatbelt South Aged Housing Alliance.

Background

Council has joined together with other local governments in the Wheatbelt South Region to progress a project that has the aim of constructing dedicated aged persons independent living units in the separate communities.

The interested local governments committed to a Memorandum of Understanding (MOU) that outlined the objectives of the Wheatbelt South Aged Housing Alliance (WSAHA), the nature of the collaboration and the responsibilities of the members. The Shires of Corrigin, Cuballing, Kondinin, Kulin, Narembeen, Narrogin, Wandering, Wickepin and the Town of Narrogin signed the MOU.

The Shire of Wickepin has agreed to be the lead agency for the Alliance and has nominated a Project Coordinator.

The WSAHA successfully applied for Royalties for Regions Funding to construct 38 units throughout the region with a \$12,977,555 total grant. The Shire of Cuballing was to receive \$1,062,000 from Royalties to Regions to construct 4 two-bedroom independent living units in Cuballing in 2018/19. However, this approval was by the previous State Government, but the incoming State Government has withdrawn that approval.

The WSAHA have continued to meet semi-regularly and wish to continue to seek alternative funding sources for aged housing in the region.

Comment

WSHA Membership

The WSHA membership has reduced from the 9 original participants. The Shire and Town of Narrogin have now merged. The Shire of Narembeen has sufficient aged housing and has chosen to not continue. The Shire of Kulin is currently engaged in another large project and while continuing to maintain interest in the group, has withdrawn from any current applications because of this alternative priority.

The Shires of Corrigin, Cuballing, Kondinin, Narrogin, Wandering, and Wickepin currently continue activities.

The Shire of Narrogin are partnering with Narrogin Cottage Homes (NCH) to build aged units on an NCH site. NCH are currently participating in the group in the place of Shire of Narrogin staff.

Building Better Regions Fund (BBRF)

The WSAHA are interested in seeking federal funds through the Building Better Regions Fund (BBRF). BBRF has provided funding to similar regional groupings of local governments and a new round of BBRF funding is anticipated to open before the end of the 2017 calendar year.

The BBRF funding is similar in some ways to the Royalties for Regions application, but differs considerably in others. The BBRF grant:

- focuses more on economic benefits. This will require a reworking of the business case justifying aged housing in our region;
- has a strong focus on being shovel ready and will require tight time lines and immediate commencement; and
- does not permit Council's to provide in-kind commitments as a contribution. Shires must contribute financially. In-kind contributions are possible, but not recognised as a contribution for seeking grant funding.

The funding of BBRF projects is on a dollar for dollar basis for rural Councils and on a *\$1 Council for \$3 Grant* basis for remote Councils. The Shires of, Cuballing, Narrogin, Wandering and Wickepin are classified as rural Councils. Kondinin and Corrigin are classified as remote Councils.

Where a regional group of Councils come together in an application, participation of a remote classified Council means the entire application qualifies on the *\$1 Council for \$3 Grant* basis for remote Councils

BBRF Application

The Shire of Wickepin is about to commence preparation of an application for 28 aged units for the WSAHA. Of those Councils who participated in the Royalties for Regional application, the Shire of Kulin has withdrawn, the Shire of Wandering have indicated they will likely withdraw and the Shire of Corrigin may only construct 2, not four, units.

The Shire of Cuballing will need to show commitment to the project. It is expected that the grant participants will complete a new MOU, expressing their financial commitment to this application.

With the reduced number of units being constructed, the fixed costs – management, financial oversight, etc – will be spread over fewer units, increasing the cost. The Royalties for Regions application had a cost of approximately \$64,000 per unit. With the change in grant source and reduced number of units this is estimated to increase to about \$91,000 per unit.

The Officer Recommendation suggests that Council consider approval a contribution of up to \$110,000 per unit. Further consideration by Council would be required for a project contribution of greater than this amount.

Concept Planning

To date Council has completed little new investigation of the proposed Lot 3111 Austral Street site. A location plan and feature survey of the site are included at Attachment 9.2.2A.

Other WSAHA members have to complete similar planning. The Shire of Wickepin has obtained quotes from five architects/housing designers to complete Concept Plans. The members have agreed to use the services of TPG to complete this work for a total cost of \$20,750. Council's share of this cost will be approximately \$4,000.

Such concept planning will not include detailed design of units but will allow consideration of drainage, retention of existing surface features such as trees and planning of access including driveways to each unit.

Unit Design

While detailed design to a standard that will allow Council to go to tender will be part of the grant application, it is appropriate for Council to consider what construction methods they may wish to consider.

As part of the application NCH have indicated that they will consider modular/transportable construction of their 12 units. The advantages for NCH of this type of construction is that as standards/regulations change of years, NCH would be able extremely easily replace/upgrade one modular/transportable unit with another constructed off site. While this would be an advantage for them, it is acknowledged that in the past NCH had a higher priority on external aesthetic and preferred insitu construction methods such as brick and tile.

For the Shire of Cuballing a decision over construction type will be focused on the benefits of off site construction of modular/transportable units over the aesthetic benefits of insitu construction methods such as brick and tile/tin. It may be appropriate for Councillors to inspect some existing aged units to familiarise themselves with the options available.

At this stage, no pricing for alternatives has been obtained. The Officer's Recommendation suggests that Council prioritise the external aesthetic of instu construction at this stage.

Method of Occupation

At their meeting on Tuesday 10th October the WSAHA discussed the method of tenants occupying their aged person units.

The general discussion indicated a preference for rental under the Residential Tenancies Act. Occupation under the provision of the Retirement Villages Act did have advantages, but these were considered as outweighed by the increasing legal compliance of this Act. NCH indicated that the compliance requirements of the Retirement Villages Act are so onerous that they have implemented a long term plan to buy out the contracts of those units occupied lease for life.

The Officer's Recommendation suggests that Council use rental under the Residential Tenancies as the preferred type of occupation.

Strategic Implications

The Shire of Cuballing Community Strategic Plan includes, under the Social theme, refers to aged care in that:

SOCIAL - Our Community, Neighbourhoods, Recreation and Culture.

Goals

- A healthy and caring community which has strong support for all ages and abilities.
- A safe community where residents feel secure and comfortable at home, work and play.
- A healthy community engaging in positive and rewarding lifestyles with access to recreational and leisure opportunities.
- A vibrant community, enjoying access to a wide range of quality arts and cultural activities.

	Strategy	Outcome
1.4	Facilitate improved access to health and welfare programs and education opportunities.	The community has access to a broad range of improving health and welfare programs and education opportunities.

Council will consider including participation in the WSAHA project under this Strategy in the upcoming Corporate Business Plan.

Statutory Environment – Nil at this time.

Policy Implications – Nil

Financial Implications

The signatories to the original MOU have made equal cash contributions to the Shire of Wickepin to provide for project management/financial management of the WSAHA.

Council has provided for \$40,000 expenditure in total for aged housing in 2017/18. Concept Planning would be allocated from this provision. This provision is matched by a budgeted transfer of \$40,000 from Council's Housing Reserve.

Current Estimates of Building Costs and Grant Income

Construction	4 units at \$350,000 per unit	\$ 1,400,000
Grant Funding	4 units at \$240,000 per unit	\$ 960,000
Cost to Council	4 units at \$110,000 per unit	\$ 440,000

The ongoing operation of the 4 Aged persons units will impact future budgets of the Shire of Cuballing. While Council could expect to receive income of about \$52,000 per annum from tenants, ongoing initial expenditure of about \$58,000 per annum is expected. This assumption includes repayment cost of a loan for the entire cost of the construction. Over time maintenance costs could be expected to increase.

Ongoing Income		
Rent	\$250 per week	\$ 52,000
Ongoing Expenses		
Loan Repayment	20 years - \$440,000	\$ 35,000
Gardening	Staff Labour & Plant	\$ 5,200
Maintenance	Ongoing Termites, Air con, ESL	\$ 8,000
	Insurance	\$ 2,200
	Building	\$ 8,000
	Water for shared area	\$ 2,000
TOTAL		\$ 60,400

Social Implications

The provision of age appropriate housing in the Shire of Cuballing is expected to allow a greater number of local residents to remain in Cuballing in their latter years.

Economic Implication

Increasing the number of houses in the Shire of Cuballing will permanently increase the local economy.

The construction of houses in the Shire of Cuballing will provide a one-off stimulus to the local and regional economy.

Environmental Considerations - Nil

Consultation

Council has discussed the provision of aged housing in the Shire of Cuballing over a number of years. Because Council has been unable to obtain funding support in the past, although the matter was considered in preparing the Community Strategic Plan, but not included as a key objective.

The Shire of Cuballing regularly attends the WSAHA meetings.

Options

Council may resolve:

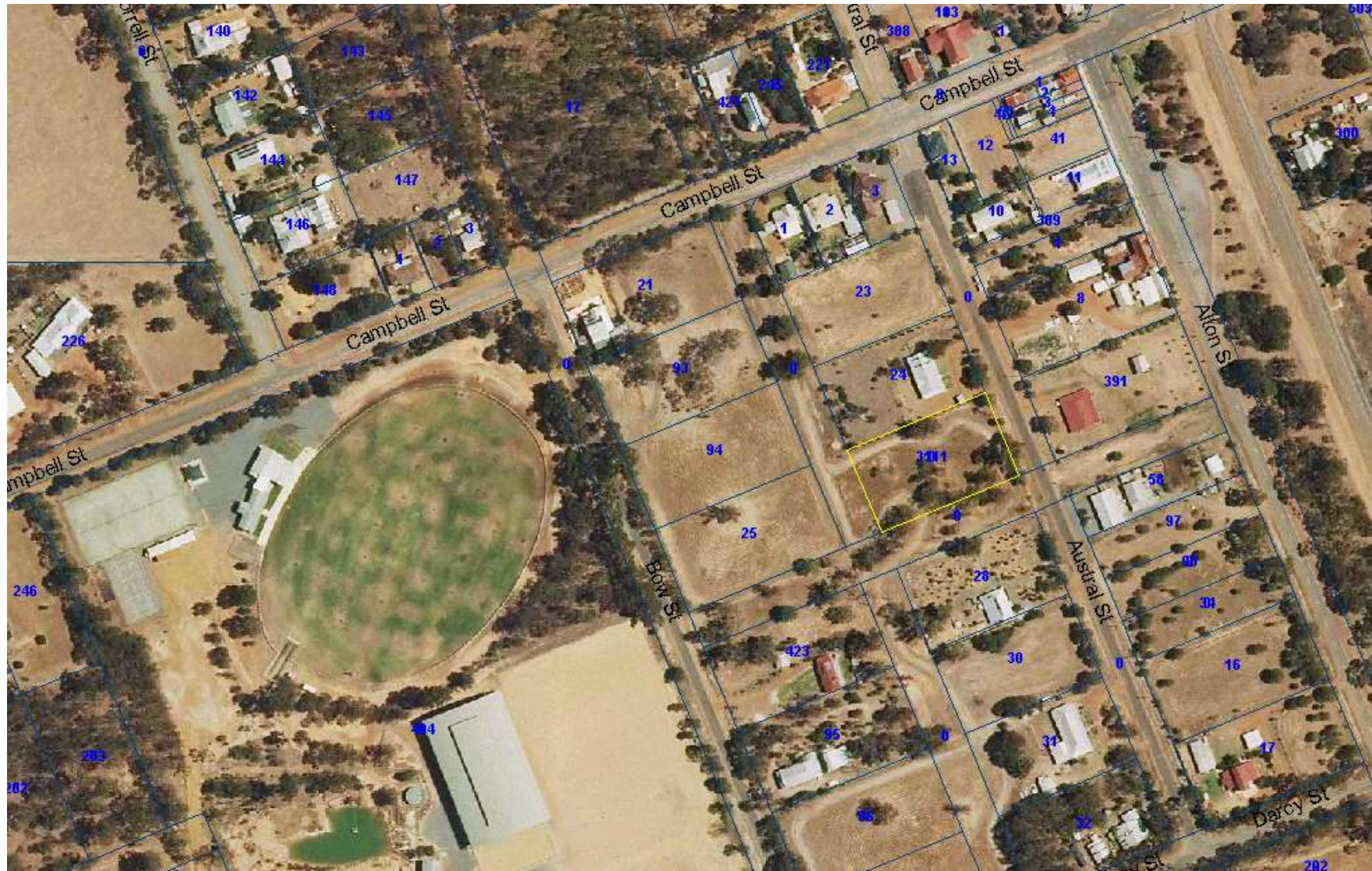
1. the Officer's Recommendation;
2. and amended Officer's Recommendation;
3. to review individually, at a later date, aspects of aged persons unit project.

Voting Requirements – Simple Majority

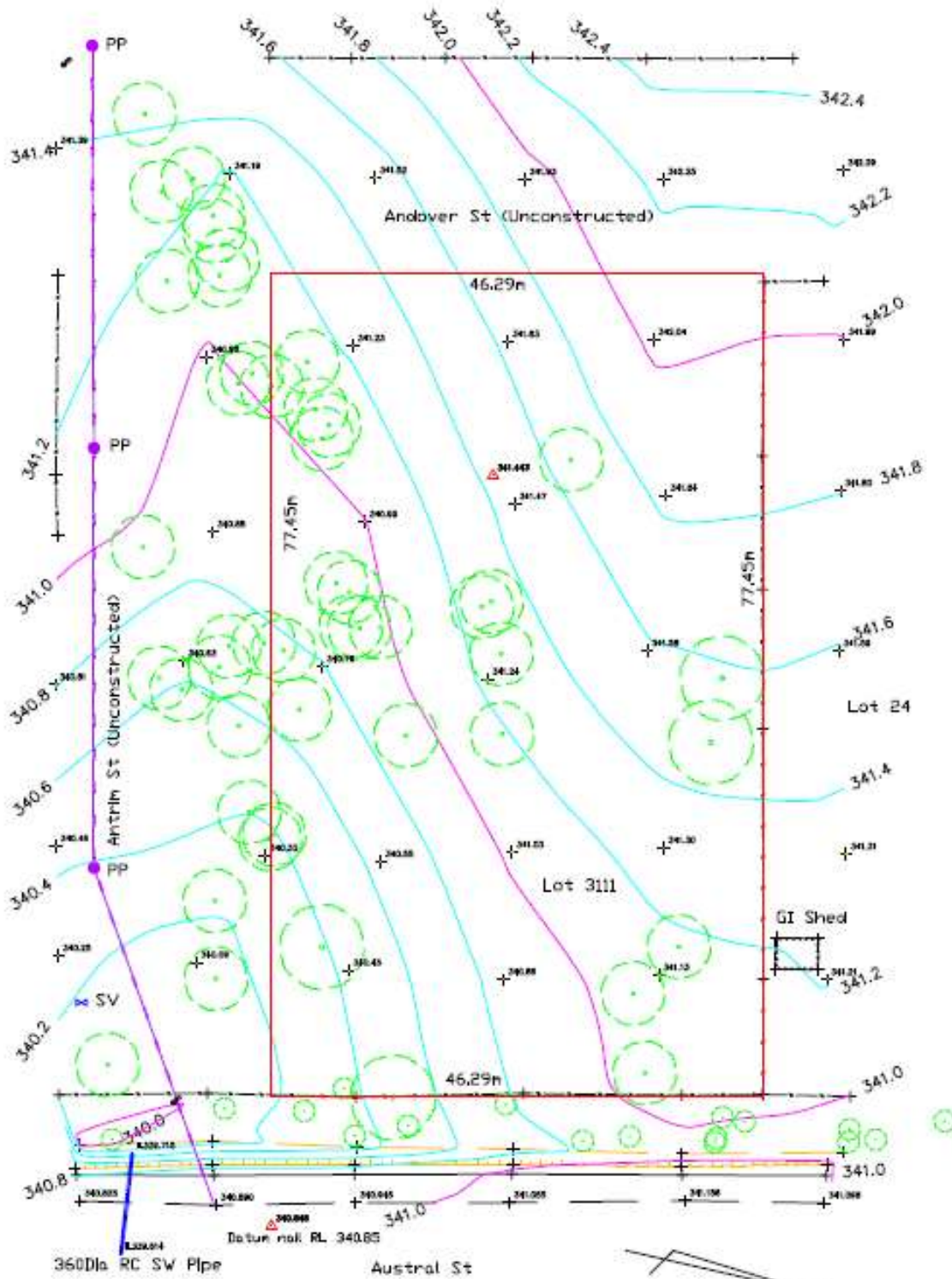
OFFICER'S RECOMMENDATION:

That Council:

1. **agree to participate in a Building Better Regions Fund application as part of the Wheatbelt South Aged Housing Alliance;**
2. **authorise the Chief Executive Officer to sign a Memorandum of Understanding with other Wheatbelt South Aged Housing Alliance members that:**
 - a. **is broadly similar in content to the previous Memorandum of Understanding; and**
 - b. **commits Council to a financial contribution in a Building Better Regions Fund application for 4 aged units in Cuballing for a contribution of up to \$110,000 per unit;**
3. **agree to expending funds to ensure the Lot 3111 Austral Street site is ready to commence in including the commencement of the design process by completing concept plans for the siting of 4 aged units;**
4. **has a preference for insitu construction rather than transportable/modular construction; and**
5. **has a preference for rental rather than lease for life for accommodating tenants.**



Feature Survey Proposed Aged Persons Accomodation
 Lot 3111 on IP 41651, Austral St, Shire of Cuballing



Contour Interval 0.2m
 Datum AHD
 Contours Interpolated from Spot Heights
 Boundaries in Approximate Position Only
 No Pegs Fd, Water, Power, Telstra Available, No Sewer Available.
 Trees: White Gum and Jam 0.3 Dia 8m High, 6m spread

PH and KE GDW (Licensed Surveyors) 98815140

9.2.3 Integrated Workforce Plan

Applicant:	N/A
File Ref. No:	ADM96
Disclosure of Interest:	Nil
Date:	12 th October 2017
Author:	Gary Sherry
Attachments:	9.2.3A Draft Integrated Workforce Plan

Summary

Council is to consider the draft Integrated Workforce Plan.

Background

The Shire of Cuballing is required to comply with the Integrated Planning and Reporting Framework (IPRF).

The IPRF is designed to ensure more effective delivery of the local government's strategic intentions, and to provide a process to:

- Ensure community input is explicitly and reliably generated;
- Provide the capacity for location specific planning where appropriate;
- Inform the long term objectives of the local government with these inputs;
- Identify the resourcing required to deliver against the long term objectives; and
- Clearly articulate long term financial implications and strategies

The IPRF will deliver:

- A long term strategic plan that clearly links the community's aspirations with the Council's vision and long term strategy;
- A corporate business plan that integrates resourcing plans and specific Council plans with the strategic plan; and
- A clearly stated vision for the future of the local government area.

Workforce Planning is one of the four key components of the Integrated Planning and Reporting Framework and Guidelines. Workforce planning is a continuous process of shaping the workforce to ensure it is capable of delivering organisational objectives into the future. It provides the framework for assessing the demand and supply of the workforce and aims to have the right people in the right place at the right time to affect the delivery of organisational goals, resourced through effective long term financial and business plans.

At the strategic level, the Integrated Workforce Plan should take into account the community aspirations, priorities and objectives identified in the Strategic Community Plan. The Integrated Workforce Plan is an essential component of the Corporate Business Plan, where it identifies the workforce requirements and strategies for current and future operations over the next four years or more.

Comment

The Shire of Cuballing engaged LG People to prepare the draft Integrated Workforce Plan. The draft plan is included at Attachment 9.2.3A.

Preparation of the draft Integrated Workforce Plan included:

- 1 reviewing existing Shire of Cuballing literature and documentation;
2. completion and assessment of a comprehensive written staff survey;
3. meetings with staff and stakeholders;

As well as considering industry and economy wide trends, the Integrated Workforce Plan

1. reviews the current Shire of Cuballing organisational capacity;
2. identifies and reviews the current Shire of Cuballing workforce profile including workforce skills, capacity and culture and workforce demographics;
3. identifies the workforce/workload impacts arising from the Community Strategic Plan 2017-2021; and
4. includes strategies to meet future workforce needs

A summary of the strategies identified include:

Division	Potential Resource or Role Changes	Potential Cost to Shire
Administration		
Potential for additional skills or capacity in periods of high workload or for projects	Increase hours of employment of current part time staff. This may be a temporary increase for specific projects or a permanent increase arising from increasing compliance.	Marginal wage costs will increase.
Provide additional capacity to match anticipated increasing administration compliance workload through hiring of Trainee	Trainee will complete less skilled tasks to allow senior staff greater capacity to complete detailed compliance staff	Trainee may attract subsidy for some wages and training costs. \$35,000
Governance		
Development and implementation of Governance Manual as induction and reference tool for Council	Nil at this time	Councillor Manual will be developed and published by existing administration staff for no additional cost.
Updating of Policies and processes in grievances and issues resolution and Project Management	Nil at this time	Updating of Policies and processes will be completed by existing administration staff for no additional cost.
Community Development		
Review of current skills and capacity against requirements of SCP	Increase hours of employment of current part time staff. This may be a temporary increase for specific projects/events or a permanent increase arising from increasing workload.	Marginal wage costs will increase.
Works		
Potential for additional capacity in periods of high workload or for projects	Establish a selection of local casual employees able to complete work from time to time as required	Increase costs of training and equipping casual employees. Marginal wage costs will also increase.
Potential for shortage of key skilled staff	Develop strategy/policy to increase multiskilling of staff through increased training and development of existing staff in key skill areas	Increased cost of training and reduction in output as inexperienced staff complete tasks

Strategic Implications

The draft Integrated Workforce Plan seeks to inform on strategic workforce issues that require management by the Shire of Cuballing over the life of the current Community Strategic Plan 2017-2021.

Statutory Environment

Local Government Act (1995)

5.56 Planning for the future

- (1) A local government is to plan for the future of the district.
- (2) A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.

19DA. Corporate business plans, requirements for (Act s. 5.56)

- 1) A local government is to ensure that a corporate business plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.
- 2) A corporate business plan for a district is to cover the period specified in the plan, which is to be at least 4 financial years.
- 3) A corporate business plan for a district is to —
 - d) set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and
 - e) govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and
 - f) develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.
- 4) A local government is to review the current corporate business plan for its district every year.
- 5) A local government may modify a corporate business plan, including extending the period the plan is made in respect of and modifying the plan if required because of modification of the local government's strategic community plan.
- 6) A council is to consider a corporate business plan, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.

*Absolute majority required.

- 7) If a corporate business plan is, or modifications of a corporate business plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.

Policy Implications – Nil

Financial Implications – Nil

Economic Implication - Nil

Social Implication - Nil

Environmental Considerations - Nil

Consultation - Nil

Options

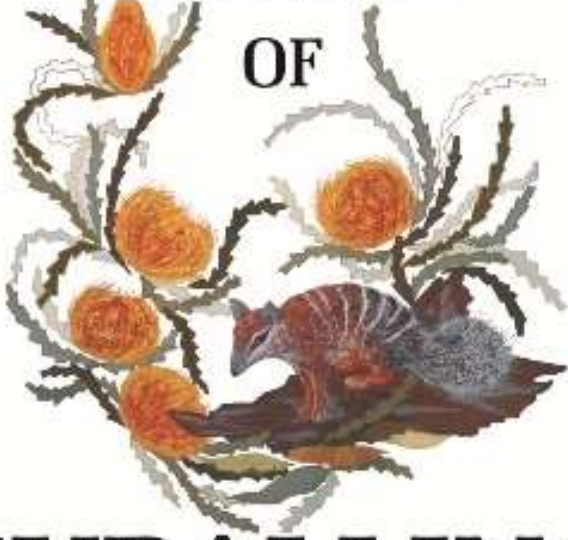
Council may resolve:

1. the Officer's Recommendation;
2. to adopt the Integrated Workforce Plan with amendment; or
3. to defer consideration at this time with staff to provide further information or amendment prior to consideration at a future time.

Voting Requirements – Simple Majority

OFFICER'S RECOMMENDATION:

That Council adopt the Integrated Workforce Planning Policy at Attachment 9.2.3A.

SHIRE
OF

CUBALLING

INTEGRATED WORKFORCE PLAN

2017-2021

Final Draft September 2017

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Executive Summary

The Council and Chief Executive Officer are totally committed to planning and resourcing a workforce that will take us into a sustainable future, whatever that may look like for us and our community. This Workforce Plan (WP) 2017 – 2021 acknowledges the workforce development work undertaken to date and has adopted a realistic and transparent approach to researching and initiating innovative workforce planning strategies.

We are committed to identifying and enabling resource sharing initiatives with our regional neighbours and beyond to improve frontline and backend services to our community and ensure a value for money outcome for our ratepayers and residents.

We need to constantly monitor our services and functions and take a continuous improvement approach to service delivery and sustainability across the region, that will be captured within the Integrated Planning and Reporting processes.

For the Shire to remain sustainable and competitive in a shrinking and vulnerable labour market the Shire must continue to identify, understand and improve upon its organisational workplace attributes and the contribution that it makes to the local government area and the region. Equally as importantly, the Shire must continue to develop and recognise the staff that work hard to deliver the services to the community and keep the Shire compliant with relevant legislation and regulatory needs.

The Workforce Plan will be reviewed annually and updated to reflect identified needs for the full life of the plan.

Gary Sherry

Chief Executive Officer

Workforce Plan Purpose and Integrated Planning Framework

The purpose of this document is to develop and implement structured systems and processes for workforce development that will be implemented across all aspects of the Shire’s planning, operations and services. This integrated approach will ensure that the Shire of Cuballing recruits, retains and manages the appropriate capacity and capability of human resource requirements needed to meet the strategic and operational objectives of the Shire and its community

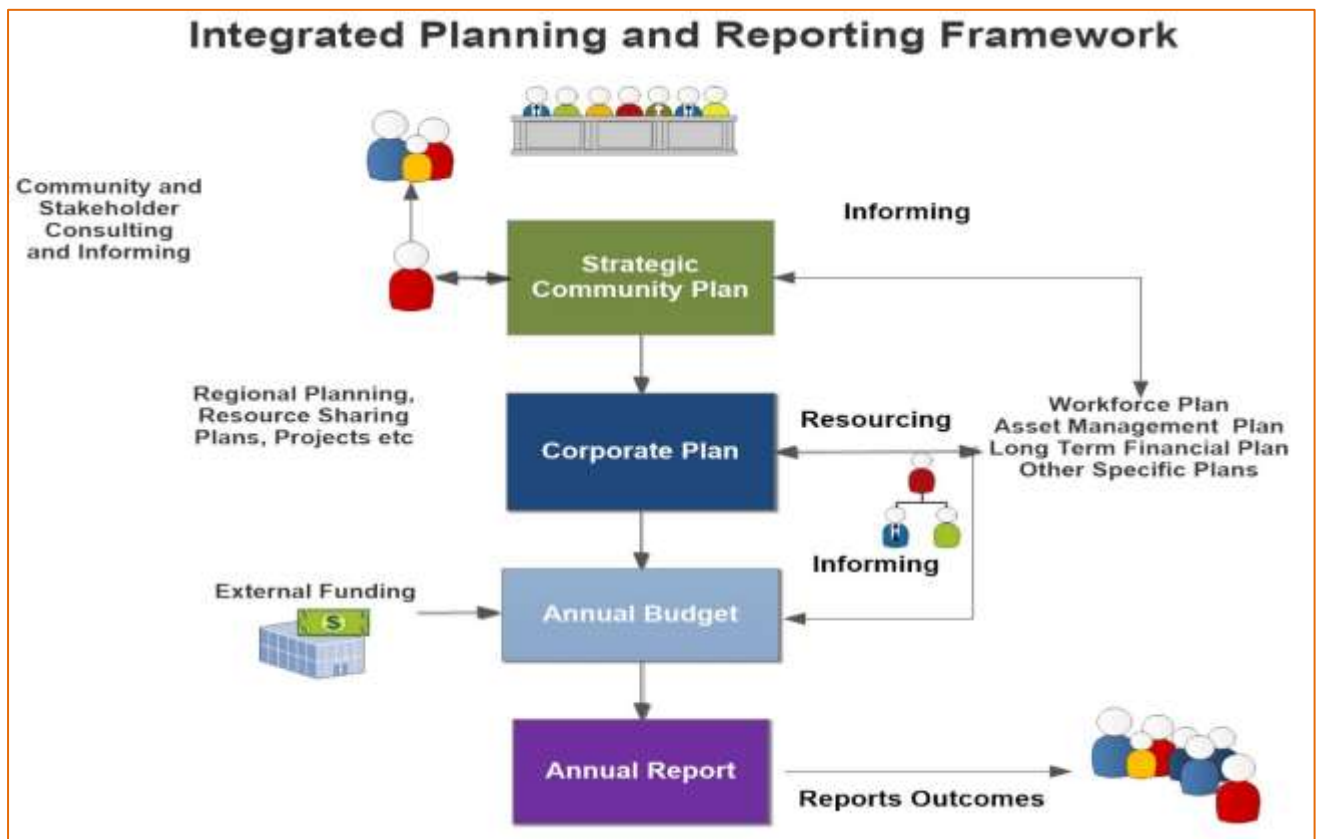
Integrated Workforce Planning in context

The workforce plan has been developed to address the requirements of the Local Government Act 1995 section S5.56 (1) A “plan for the future” and Regulations on how to achieve have been made under S5.56 (2):

- That Local Governments develop a Strategic Community Plan that links community aspirations with the Council’s long-term strategy.
- That the Local Government has a corporate business plan linking to long term financial planning that integrates asset management, workforce planning and specific council plans (Informing Strategies) with the strategic plan.

Regulation changes were gazetted in August 2011 with full compliance required by 30 June 2013

Integrated Planning and Reporting Framework



The Shire's integrated planning framework is comprised of the following plans/programs:

- ✚ **Strategic Community Plan (SCP)** – identifies the community's main aspirations and priorities for the future and outlines strategies for achieving these goals
- ✚ **Corporate Plan (CP)** – describes the activities we will undertake over the next four years to achieve the agreed short and long- term goals and outcomes.
- ✚ **Long Term Financial Plan (LTFP)** – details the financial resources needed to enact the corporate plan in the first four years and potential revenues and expenses for the next six years of the plan. This plan serves to inform and resource all aspects of the integrated planning activities as appropriate.
- ✚ **Asset Management Plan (AMP)** – This plan identifies and records the asset register, service level, activities and strategies to ensure the physical assets and infrastructure of the Shire are appropriately managed and maintained over their lifecycle, and appropriately disposed of or replaced at the end of that lifecycle.
- ✚ **Integrated Workforce Plan (IWP)** – This 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 expectations.

Aims and objectives of the Integrated Workforce Plan

This workforce plan aims to address the workforce needs of the Shire that arise from core function operations, projects, strategic initiatives and priorities. It also aims to build capacity and resilience to allow the Shire to respond to the changing environment and issues arising from external pressures and legislative compliance issues.

The Workforce Plan aims to ensure the Shire's workforce has the right skills, at the right time and in the right quantities to ensure sustainable service delivery in the future. It will address gaps between current and future workforce capability, identify areas of skills or capacity shortage, and outline strategies to address them. This information will inform the LTFP and the AMP to ensure the financial and physical resources of the workforce plan are included in those plans and planning activities.

Methodology

The methodology used will follow the practiced and principles of the WA Department of Local Government's Workforce Planning Guidelines Toolkit –



Ref: <http://integratedplanning.dlg.wa.gov.au> There are four distinct stages as outlined in the diagram from the toolkit at left.

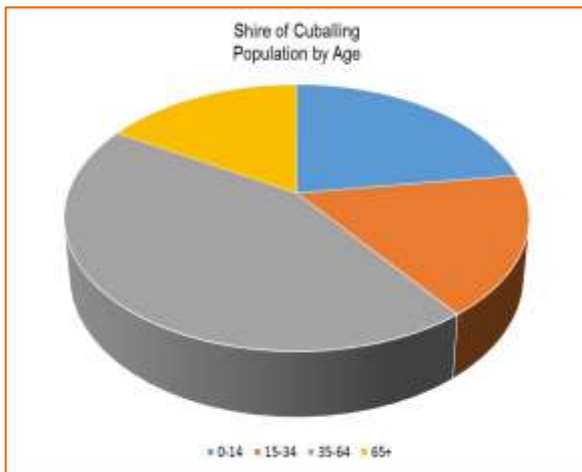
The process was carried out in a consultative and capacity building manner to ensure ownership and sustainability.

This plan will be used to guide recruitment, retention and workforce growth, development or changes over the term of its life.

The plan will be reviewed annually and will be updated as appropriate, with regard to the Corporate Plan and Long Term Financial Plan constraints and resource requirements.

The Shire of Cuballing

The Shire of Cuballing is primarily an agricultural shire that incorporates the small towns sites of Popanyinning, Cuballing and Yornaning in the Wheatbelt Region of Western Australia. The Shire has an estimated population of around 897 (ABS- 3218.0 Regional Population Growth, Australia) and is located 190 kilometres south east of Perth on the Great Southern Highway.



Differently to much of the wheatbelt, the Shire of Cuballing has consistently had a growing population (22% in the last decade) with an increasing number of people seeking the benefits that a small, friendly community like the towns of Cuballing and Popanyinning offer. Cuballing, which has a population of about 350. Popanyinning has a smaller population of about 250. The remainder of the Shire population lives outside the townsite boundaries on farming and lifestyle properties.

The population of the Shire of Cuballing is largely families with children. The most numerous age demographics are people aged between 35 and 64 and under 20.

Living in Cuballing, there is access to a comprehensive suite of sporting facilities, community service organisations and amenities. The larger centres of Narrogin, to the south, and Pingelly, to the north, provide schools, shopping, banking and medical facilities.

The economy of the Shire of Cuballing is based around the agricultural industry. In addition to the broad acre farming enterprises the main employers in the Shire of Cuballing are Birds Silos and Shelters, McDougall Weldments, Whitfords Fertilisers and Whangagin Grains. A number of more intensive agricultural enterprises, including cattle feedlots and piggeries, are developing in the Shire. The CBH Receival Site in Yornaning currently provides seasonal employment, but is expected to close by 2026. Increasingly transport links are key economic driver of agricultural industries.

The Shire of Cuballing has the tier 2 railway line and Great Southern Highway running north-south through the centre of the Shire. The Cuballing East Road has been identified as a Grain Freight Route linking grain growing areas to the east with the Great Southern Highway through to delivery centres in Brookton.

The close proximity of the towns of Narrogin and Pingelly allows local residents to work in these larger towns and enjoy the semi-rural lifestyle of the towns of Cuballing and Popanyinning. Cuballing is served by the Cuballing Tavern and the Cuballing Road House. Popanyinning has a general store and café. The potential for economic growth in Cuballing is good. Tourism is also a growing industry in Cuballing with the Dryandra State Forest and the Dryandra Regional Equestrian Centre as major draw cards. Nature and heritage trails in Popanyinning provide an avenue for tourists to experience the local history and wildflowers. Local accommodation includes Lazeaway Holiday Park, the Cuballing Tavern and the Lions Dryandra Village.

Key travel destinations from Cuballing (town centre) Perth – 2 hours 30 minutes / 193km; Narrogin - 15 minutes / 15km; Popanyinning - 13 minutes / 19km; Pingelly - 26 minutes / 36km. Travel times are by car and are approximates only, but demonstrate that it is practical for potential employees to travel relatively short distances from the Shire for more job opportunities and competitive remuneration.

Employment Related Demographics

Available Workforce

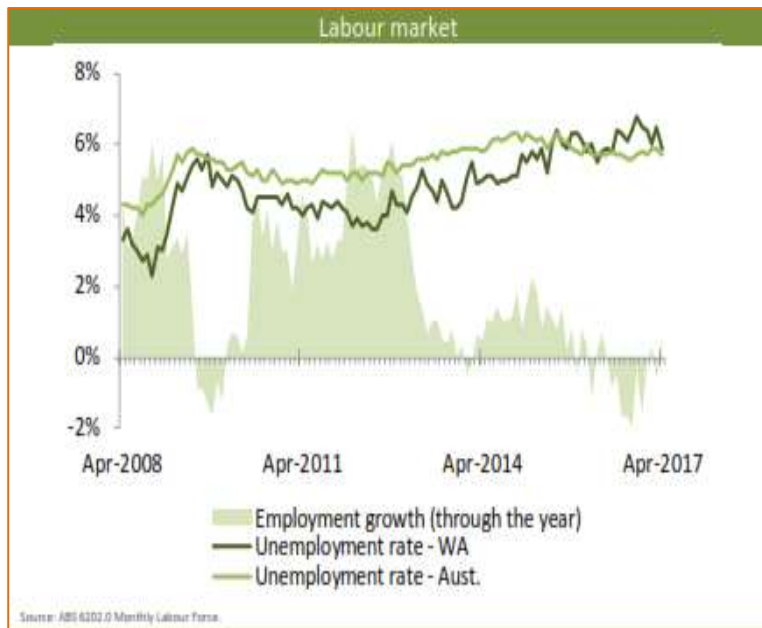
Estimated Resident Population - Persons - Total (no.)	891	893	895	888	897
Estimated Resident Population - Working Age Population (15-64)	64.2	64.1	63	61.7	60.8
Estimated Resident Population - Median Age - Usual Residents, Males	46.8	46.8	46.1	46.6	46.8
Estimated Resident Population - Median Age - Usual Residents, Females	41.4	40.6	40.5	41	41.3
Estimated Resident Population - Median Age - Usual Residents,	44	43.8	43.4	44	44.1

Local Businesses

Description	2011	2012	2013	2014	2015
Number of Businesses by Industry - Agriculture, forestry and fishing	67	62	62	62	61
Number of Businesses by Industry - Mining	0	0	0	0	0
Number of Businesses by Industry - Manufacturing	6	6	7	5	5
Number of Businesses by Industry - Construction	9	7	7	8	7
Number of Businesses by Industry - Wholesale trade	3	3	3	3	0
Number of Businesses by Industry - Retail trade	4	3	4	4	5
Number of Businesses by Industry - Transport, postal and warehousing	4	4	4	5	5
Number of Businesses by Industry - Rental, hiring and real estate services	3	3	3	3	3
Number of Businesses by Industry - Professional, scientific and technical services (no.)	3	3	3	5	3
Number of Businesses by Industry - Other services	3	3	3	3	0
Number of Businesses by Industry - Currently unknown	3	3	3	3	3
Number of Businesses by Industry - Total (no.)	105	97	99	101	92
Businesses with Employees	2011	2012	2013	2014	2015
Number of non-employing businesses (no.)	63	60	61	62	56
Number of employing businesses: 1-4 employees (no.)	31	23	29	30	32
Number of employing businesses: 5-19 employees (no.)	10	14	10	8	6
Number of employing businesses: 20 or more employees (no.)	0	0	0	3	3
Total Number of Businesses	104	97	100	103	97

Ref 2016 Census

Western Australian employment environment May 2017



Merchandise exports made the largest contribution to real GDP growth in 2015-16, up 6%, in line with annual average growth of 6% over the past ten years.

Real business investment fell 17% in 2015-16, compared with annual average growth of 6% over the past ten years.

The WA Treasury forecasts real merchandise exports to rise 8% and business investment to fall 32.5% in 2016-17.

The mining industry made the largest contribution to real GDP growth in 2015-16, up 7%.

Total Wheatbelt	
Mining Sales	\$2.0b
Agricultural Production	\$1.9b
Population	73,947 (0.7%)
Unemployed	7.2%

Western Australian Government Department of State Development;
Western Australian Economic Profile May 2017

WA Local Government Environment

Since the last workforce plan was developed, the drive for amalgamation has ceased but the appetite for regional cooperation and resource sharing has increased. With availability and affordability constraints in employing many specialist skills required by Local Government has been a key driver of this. With the slower mining and resources sector, the previous skills shortage in plant operators and technical support is not being experienced in most areas. There appears to be an increasing need for peer support, local or online training/ mentoring for finance and administration staff with skills and knowledge gaps.

The Shire's Internal Operating Environment

Governance and Management

There are currently six elected members representing the Community of the Cuballing region providing support and governance to the officers of the Shire and the wider community.

Organisational Capacity and Capability

Below is a Matrix Evaluation Scorecard, a perception based survey that rates the Shire's management systems from 1 to 4 (demonstrated competence levels) for each work process. **In 2013 the score was 81 points out of 144 (56.25%). In 2017 the score has improved to 102 /144 points.** The aim is to aspire to a minimal standard of 60%. These factors impact on the ability to achieve organisational goals and objectives and recruiting / retaining an effective workforce. The overall rating and risk factors are indicated by the following results and comments.

CAPACITY AND CAPABILITY SURVEY RESULTS 2017

HEADING	2013 SCORE	2013 RATING	2017 SCORE	2017 RATING	COMMENTS
Workplace Culture	6 /12	50%	6/12	50%	Still some improvements possible in better communicating purpose and direction in all areas
Leadership	3 /8	37.5%	7/8	88%	Marked improvement in this area
Management	6.5 / 16	40.62%	9/16	56%	Performance measurement can be improved by setting performance targets and measurements and seeking further revenue generating activities.
Planning	6/12	50%	6/12	50%	Effective strategic and operational planning is evident, a little more planning in human resourcing will add value to these processes
Human Resources	16/32	50%	21/32	66%	Doing well in this area. An improvement is to review / update policies and procedures in issue management and employee assistance programs.
Communications	5/8	62.5%	5/8	63%	Conflict resolution gaps will be addressed by improved policy and process outlined above.
Financial Management	19.5/24	81.25%	24/24	100%	Excellent result
Project management	6/12	50%	7/12	58%	Put project concept, feasibility, development, implementation and review processes in place underpinned by policy.
Information Technology	8/12	75%	10/12	83%	Infrastructure and management systems in place and working well.
Facility Management	5/8	62.5%	7/8	88%	No areas of concern identified in this area.
Total	81/144	56.25%	102/144	71%	

General Comments

These results demonstrate a marked improvement since the last survey in 2013, especially in the areas of leadership, financial management, information technology and facility management. The Shire leadership and management is in good shape, operations seem well resourced and the main area for improvement is in reviewing and updating policy and process across a few areas. In the main, organisational capacity and capability is well demonstrated.

Financial position

The Shire is in a strong financial position. In 2015 the Shire of Cuballing was ranked 2nd of all the 141 Western Australian local governments in the Financial Health Indicator published by the Department of Local Government. 2015/16, the operating revenue for the Shire was \$1,982,621 million with operating expenditure of \$3,331,528 million in the same year. The Shire of Cuballing also received \$773,780 in non-operating grants, subsidies and contributions.

Organisation Risk Factors

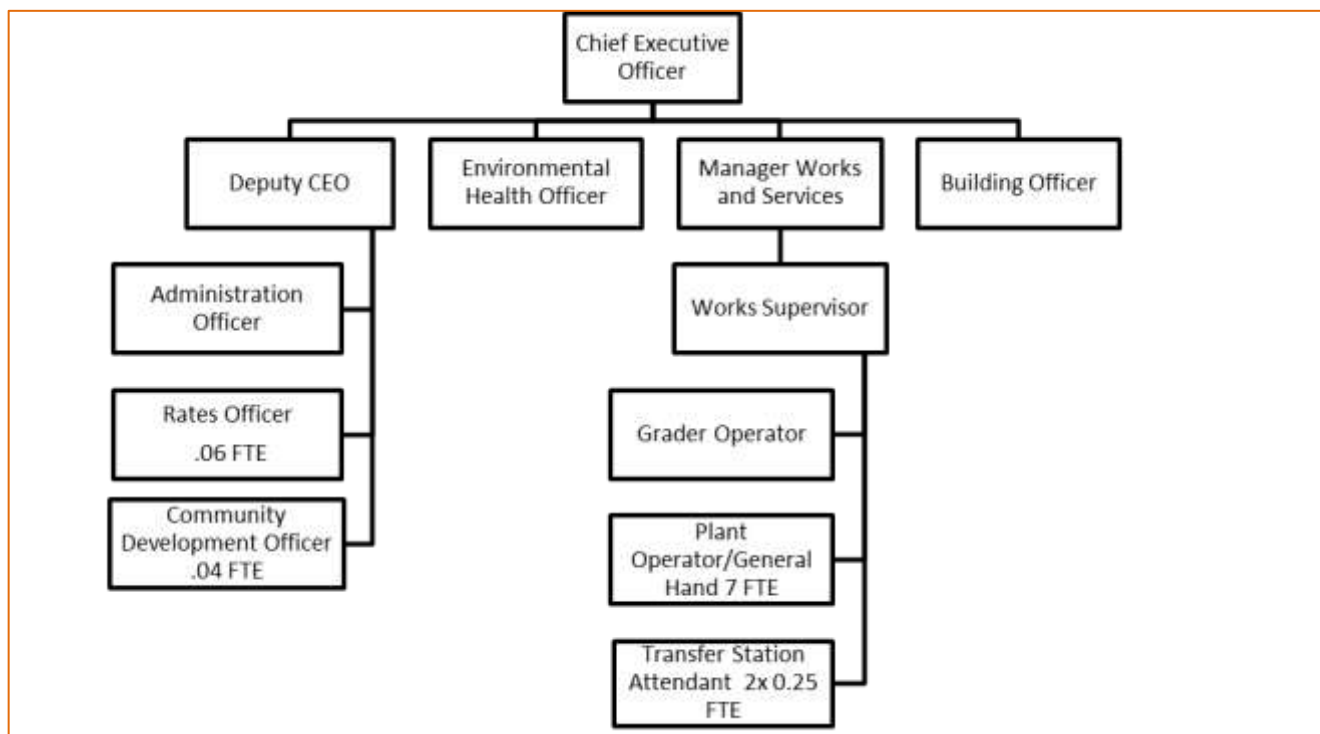
Given that the three most common risks in the workforce are:

- ✚ Lack of skills, knowledge and capacity to meet objectives of the Strategic Community and Corporate Plans
- ✚ Loss of knowledge and skills in a critical role or position
- ✚ Availability and willingness of people with specialist, management or leadership skills to work for the organisation
- ✚ The financial and physical resources to recruit and maintain an appropriate workforce

The Shire appears to have the organisational capacity to effectively and affordably deliver on its current strategic or operational objectives in the foreseeable future.

The Current Workforce Profile
Organisational Structure June 2017

Workforce Skills, Capacity and Culture - Staff Survey Feedback



Staff Survey

Staff were asked specific questions in the Workforce Planning Survey to determine the issues and constraints in doing a good job and achieving objectives, and asked what would they like to see changed. 12 people responded, (63% of staff). A summary of responses is outlined below.

Capacity

3 people indicated they work more than their contracted hours on a regular basis of greater than 10 hours per fortnight, these respondents indicated it was regular and agreed overtime, 5 people worked from 2-5 additional hours per fortnight, and 1 person indicated that it sometimes varied due to workload. These people cited having too much work to do in contracted hours.

Capability

5 staff indicated that they needed more training or education to carry out their job well, and 3 staff thought that they may need more training. 3 staff who manage people indicated they would benefit from further training in managing people or performance appraisals.

General Feedback

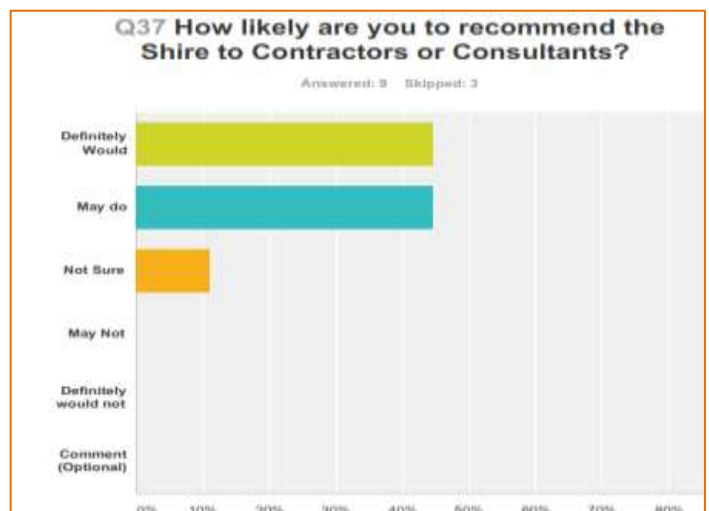
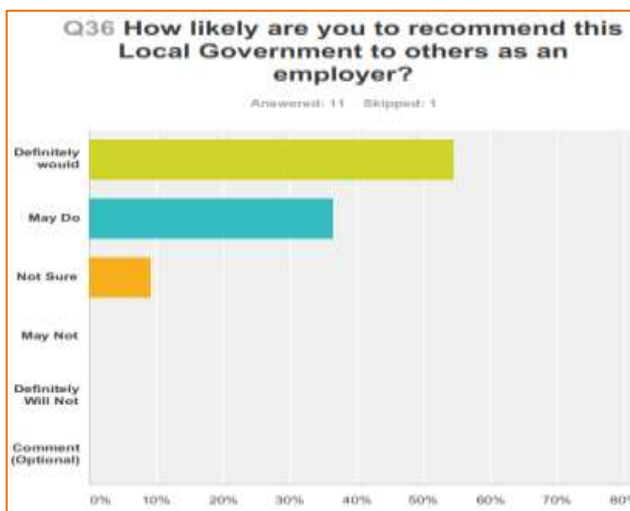
All staff were given the opportunity to answer the following questions about their ability to do a good job without barriers or constraints, and give feedback on working for the Shire and suggestions for improvement or change. Feedback is outlined as below that indicate that in the main there were no significant issues or constraints.

Constraints / Barriers / Issues	Like working for the Shire - Role / Workplace	Least Like working for the Shire - Role/Workplace
Time Management x1	Team work / achievement	Workmates achievement 9day fortnight
No - Because we have a small staff at times scheduling of activities can be difficult because of other constraints.	Staff easy to get along with	Nil x 2
No x 5	Get to work across a broad spectrum of tasks, keeps work interesting and challenging	LGIS and how they treat the injured worker
	I have worked here a long time and have good knowledge of the area and what needs to happen	Paper work
	Its where I live and close to home out of City life.	Being small there is little additional capacity for periods of high workload
	The staff	
	Good people. Being small gives flexibility	

Suggestions for improvement

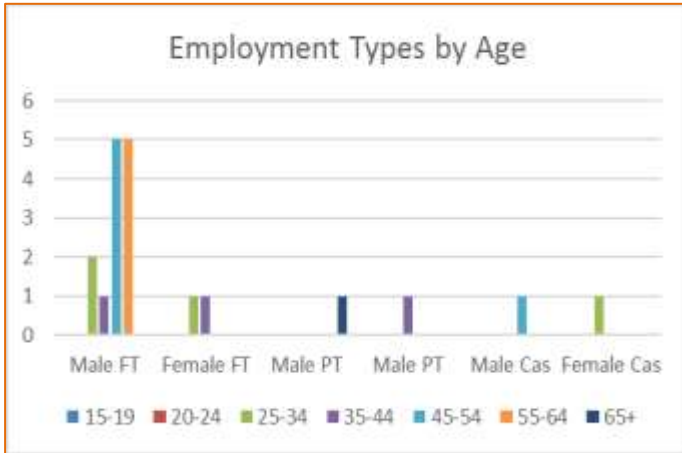
- ✚ No x 3
 - ✚ Prioritising jobs, allow more time for tasks that need it, and shorten where it is not required.
 - ✚ Having an additional employee or extra time from current administration employees would free up staff time to complete more tasks / projects
 - ✚ To have more workers
- If you could change one thing about your role or the workplace what would it be?
- ✚ Nil / N-A / Nil Changes; Less Hours; Make documentation match requirements / expectation.

Staff Satisfaction



Workforce Demographics

Gender, age and employment types

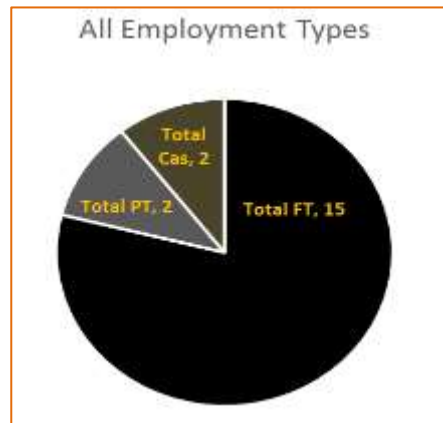
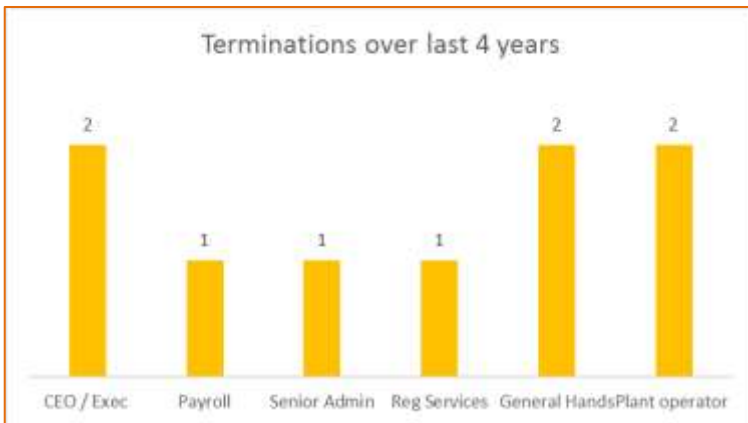


The Shire has 19 employees (16.11 FTE). In 2013 there was 15.87 FTE and an additional role (Planner) outsourced and used in an ad hoc manner. The average age of 50 years old (43.8 years in 2013). The gender balance is 74 % male 27% female, which reflects the size and nature of the workforce relative to inside staff and outside workers, where many positions are generally in male dominant roles. There are no staff aged under 24 years.

Types of employment

Since last WFP review in 2013 there is one additional full time position and a reduction of one part time and two casual positions that allows for better continuity, efficiency and effectiveness in service delivery.

Staff Turnover

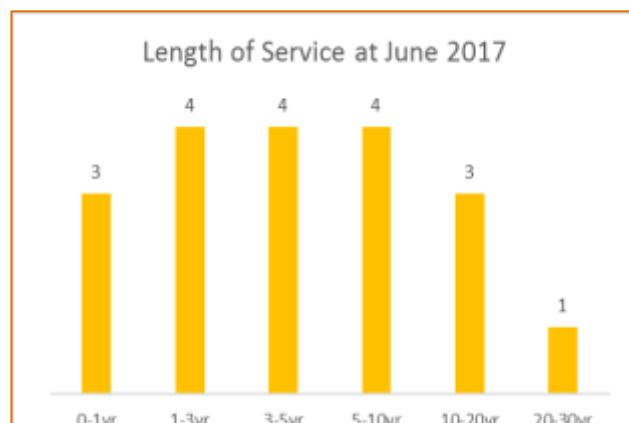


Positions turning over:

- CEO x 1
- Works and Services Manager x 2
- Payroll x 1
- Accountant x1
- Regulatory Services x 1
- General Hands x 2
- Plant Operator x 2

Tenure of employment

There is a healthy spread of length of experience in the Shire with most staff having over 3 years of service. There are four staff with over 10 years of service with one having 28 years of experience. Succession planning knowledge retention strategies should be considered in the roles that may hold extensive corporate knowledge and information.



Workforce Costs

The figures in the table below are purely Salaries and Wages - does not include 9% superannuation or employees receiving additional matching superannuation. Not included are protective clothing, uniforms, training, annual and long service leave accrual, CEO housing, utilities and vehicle, Works Manager and Works Supervisor Vehicle. All leave taken is included in Gross Salary actuals below.

Financial Year	Budget	Actual	Variance	% of Rates
2011/12	942,909	875,066	- 7.19%	116 %
2012/13	1,003,391	927,516	- 7.56%	118%
2013/14	1,000,391	931,415	-6.89%	108%
2014/15	1,032,867	1,077,835	4.35%	114%
2015/16	1,111,895	1,047,896	-5.76%	106%
2016/17	1,058,650	1,090,598	3.02%	104%

Resource Capacity

The table below highlights the trend in the population and resourcing position of the Shire of Cuballing over the 5-year period between the last two Census', 2006 and 2011 through to 2016.

Resource Profile	2006 (05/06 where applicable)	2011 (11/12 where applicable)	2016 (15/16 where applicable)
Population	817	891	897 (estimated)
Number of Electors		567	624
		5 Part Time/Casual & Planning outsourced	14 F/T 5 Part Time/Casual
		15 FTE	15.4 FTE
Rates	521,614	698,309	993,139
Other Grants	1,240,688	3,635,876	1,736,981
Capital Expenditure	905,889	1,914,767	1,500,980

Resource Profile	2006 (05/06 where applicable)	2011 (11/12 where applicable)	2016 (15/16 where applicable)
Operational Expenditure	1,635,408	3,249,967	3,354,244
Value of Assets	15,556,439	19,548,195	50,388,085

Current Workforce Risk Profile

On reviewing the employee demographics, staff survey results and the financial position of the Shire, there are no significant risks identified.

In capacity and workflow required to carry out the current requirements of the Shire and the Community, there is an indication for a review of capacity and skill levels in the administration area.

There may be a need for interventions to increase efficiency and effectiveness and reduce risk to staff wellbeing and ability to cope with workload.

The costs of employment as a percentage of rates needs to be monitored to ensure sustainability.

WORKFORCE IMPACT OF THE STRATEGIC COMMUNITY PLAN 2017 – 2021

The goals and objectives outlined below have been developed following the community consultation and engagement processes. These will require a variety of workforce resources over time.

1. **Social - Our Community, Neighbourhoods, Recreation and Culture.**
2. **Environment** - Our Environment, Resource Management and Services
3. **Economy** - Our Economy, Infrastructure, Systems and Services
4. **Economy** - Our Economy, Infrastructure, Systems and Services
5. **Governance & Organisation** - Our Council, Services, Policies and Engagement

Strategies to achieve Goals and objectives of the Strategic community plan

1. SOCIAL Goals - Our Community, Neighbourhoods, Recreation and Culture.
 - A healthy and caring community which has strong support for all ages and abilities
 - A safe community where residents feel secure and comfortable at home, work and play
 - A healthy community engaging in positive and rewarding lifestyles with access to recreational and leisure opportunities
 - A vibrant community, enjoying access to a wide range of quality arts and cultural activities

	Strategy	Outcome	Workforce / Workload Impact
1.1	Create a vibrant social environment that is accessible and inclusive for all ages and abilities	The community feel welcome involved and connected to each other	Community development role or other methods to promote activities and connection opportunities through the community.
1.2	Create a vibrant built environment that is accessible and inclusive and reflects the Shire's identity and local heritage	Active, attractive and affordable towns which the community are proud of and engaged in	Absorbed in Town Planning and Council decision making process.
1.3	Encourage and support volunteers and community groups	Active and growing volunteer and community groups	Communication with and recording of volunteers and community groups
1.4	Facilitate improved access to health and welfare programs and education opportunities	The community has access to a broad range of improving health and welfare programs and education opportunities	Relevant Lobbying and communication of service availability to the community
1.5	Provide and promote sport, recreation and leisure facilities and programs	A variety of accessible sport and recreation opportunities and activities	Determine current level of activity and determine needs for provision of additional programs or activities
1.6	Support local arts and cultural activities	A variety of arts and cultural activities can be pursued by locals	Ensure communication channels to identify support needs.
1.7	Create and maintain a safe environment for the community	A feeling of safety within our neighbourhoods and a sense of being looked out for	Lobbying and ensuring the Shire participates in, or promotes community safety programs and activities

	Strategy	Outcome	Workforce / Workload Impact
1.8	Manage environmental health risks in the Shire	A Shire which seeks to mitigate environmental health risks to ensure a healthy and safe community	EHO to identify and qualify risks and report to CEO and Council as appropriate

2. Environment Goals- Our Environment, Resource Management and Services

- Valuing our unique environment and ensuring the natural resources within the Shire are recognised as an important asset and managed in a sustainable manner
- Recognising the environmental and recreational value of Council reserves, and managing them in a way that will preserve them for future generations to enjoy
- Aiming for the equitable and sustainable development of land within the Shire of Cuballing that provides a genuinely desirable lifestyle
- Managing waste and recycling in a manner that is environmentally sustainable and meets the expectations of the community

	Strategy	Outcome	Workforce / Workload Impact
2.1	Protect, restore and enhance the Shire's natural assets	An environment which is effectively managed for future generations and for the intrinsic value of its biodiversity	Absorbed in normal activities as appropriate or additional funding may be sought for specific projects
2.2	Educate the community on ways to use our environment responsibly and build environmental awareness	A community which values and respects the environment	Communication / Education plan required as well as promoting others' programs
2.3	Provide equitable access for all users to our environment while balancing the protection of natural assets	A range of parks, reserves and trails which the broadest community can access	Included in Town Planning activities and potential for funded and resourced projects activity.
2.4	Sustainably manage our waste, water, energy use and facilities and investigate opportunities to reduce their impacts on our environment	A sustainable and progressive approach to managing the impacts of waste, water and energy use on the environment	Generally absorbed in operations and Council decision making.
2.5	Plan for and adapt to changes in our climate and the impacts of increased water and energy vulnerability	A Shire which address the challenges and opportunities presented by climate change and water and energy vulnerability	Generally absorbed in operations, participation in regional activities and in Council decision making.

3. Economy Goals - Our Economy, Infrastructure, Systems and Services.

- Community infrastructure and services delivered in a timely manner, are well utilised, effective and meet the expectations of the community
- Transport systems that are functional, efficient, economical and safe, coupled with continuous improvement to meet the safety and amenity needs of the community
- Managing community assets in a whole of life and economically sustainable manner
- Promoting sustainable and diverse economic development opportunities that make the Shire of Cuballing an attractive place to live, work and visit

	Strategy	Outcome	Workforce / Workload Impact
3.1	Deliver a diverse range of affordable services and infrastructure across the Shire	A range of services, facilities and programs that the broadest community can access	Absorbed in general operations with an eye to funding opportunities for further services, programs or facilities.
3.2	Ensure essential services and infrastructure are aligned to community needs now and in the future	Services and infrastructure which meets the needs of the broadest community and responds to changing priorities	Absorbed in general operations
3.3	Deliver and advocate for a diverse and safe transport system which is efficient and meets the needs of all users	A diverse and safe transport system that balances the needs of all users including pedestrians, cyclists, private vehicles, public transport and freight	Lobby or participate in regional planning as well as appropriately providing services or facilities to meet community aspirations
3.4	Create and strengthen partnerships to advocate for and deliver community facilities, and services and major infrastructure	The community has access to a range of education, health, cultural, recreational and transport opportunities to maximise their potential	Relevant regional, state and federal agency collaboration and cooperation relevant to the role or position in the Shire
3.5	Maintain a robust asset management practices and maintenance programs	Assets which meet the expectations of the community	Incorporated in key roles but may need additional skills and capacity at times
3.6	Facilitate and guide high quality and efficient building and development across the Shire	A community with high quality and efficient buildings and development	As above
3.7	Advocate and plan for local economic development in a sustainable manner	A growing community supported by improved job opportunities and diversity in our industries, businesses and housing	Economic Development and business support as part of regional strategy or have assigned officer if skills available. If not may need to be outsourced.

4. Governance & Organisation Goals- Our Council, Services, Policies and Engagement
- An independent Council that is supported by an excellent organisation
 - Governance structures that ensure accountable, transparent and ethical decision making
 - Building the organisation and managing its structure, finances and assets in a sustainable manner
 - A Council that proactively engages with all elements of its community to make decisions that reflect positively on the future of the Shire of Cuballing

	Strategy	Outcome	Workforce / Workload Impact
4.1	Councillors provide strong and visionary leadership	A clear direction for the future.	New Councillor induction and ongoing training and development for existing Council
4.2	Maintain a clear, transparent and ethical decision-making process	Openness and transparency in Council decisions	Governance Manual developed and implemented
4.3	Ensure open and consistent communication between the Shire and the community	The community is aware of Council decisions and activities	Communication of council decisions and rational linked to position description of appropriate officer.
4.4	Actively engage with the community to inform decision making and improve conversations within the community	The community have a variety of opportunities to be involved and able to make meaningful contributions to decision making	Website management and other channels to ensure community engagement opportunities are well promoted.
4.5	Be innovative in the management of Shire operations, services, staff and resources to create a resilient and financially stable Shire	A Shire that is progressive, sustainable, resilient and adaptive to changes	Involve staff in review and development discussions and activities.
4.6	Employees actively contribute to improved operational service delivery and ensure excellent customer service	Employees continually improve the operational service delivery and the community receives excellent customer service	Appropriate provision of appropriate training and development for staff

PERFORMANCE MEASUREMENT

Performance measures and timelines will be outlined in the Corporate Business Plan and communicated to staff through direct consultation and the performance appraisal processes.

Future Workforce gaps, issues and risks

Current and future operating environments

Generally, there seem to be a good range of skills, knowledge and capacity to deliver the current levels of service, although it is acknowledged that the level of work required at certain times of the year may require additional resources. The primary strategy going forward is to systematically review all current services and service levels, to determine what level of resourcing is affordable to ensure quality services, adhere to legislative compliance and to meet community expectations. Identified systems, policies and process gaps or omissions can be addressed over time to ensure consistency and sustainability in functions, services and reporting.

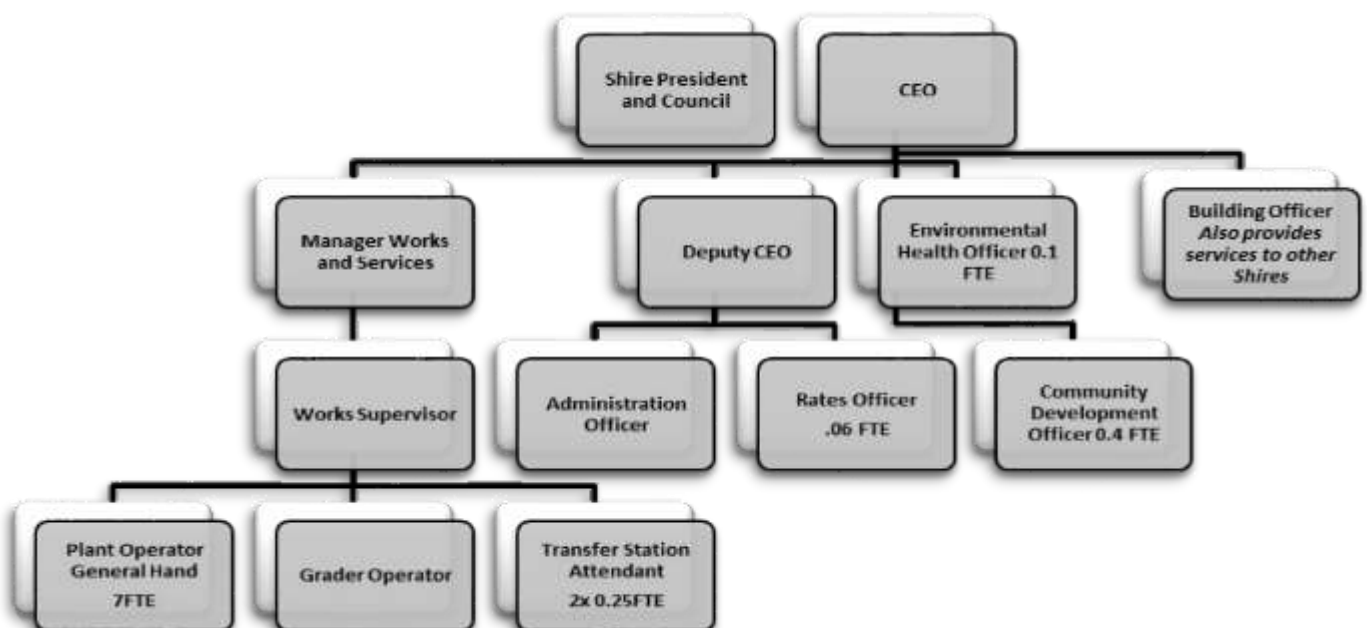
There may be a need to assess the level of community expectations from the engagement process and explore options for resource sharing of specialist or hard to source skillsets, or services that are only needed intermittently. The integrated planning components require ongoing management development, implementation, review and updating. This is in addition to grant writing, acquittal, community development and project management activities that are predominantly carried out by the CEO, Deputy CEO and Works Manager currently. Further skills, knowledge and capacity may be needed in these areas and can be obtained either by training and development of existing staff, additional resources employed or outsourcing. There is now a long term financial strategy in place to ensure the Shire is in a strong position to address the challenges and constraints of the Local Government environment.

Corporate Business Plan Actions

While the Corporate Plan is not yet completed at the time of this report due to time constraints, indications are that the forthcoming year is going to be one of succession and knowledge management and consolidation. Current service levels across the Shire will remain as status quo, and the Shire will function in business as usual mode.

Future Structure and Strategy

Structure - The chart below outlines the ongoing structure for 2017/18



Strategies to meet future workforce needs

Following the review part of workforce planning process, the following short-term strategies have been developed that will position the Shire to respond to the challenges and opportunities over the next four years

Division	Potential Resource or Role Changes	Potential Cost to Shire
Administration		
Potential for additional skills or capacity in periods of high workload or for projects	Increase hours of employment of current part time staff. This may be a temporary increase for specific projects or a permanent increase arising from increasing compliance.	Marginal wage costs will increase.
Provide additional capacity to match anticipated increasing administration workload through hiring of Trainee	Trainee will complete less skilled tasks to allow senior staff greater capacity to complete detailed compliance staff	Trainee may attract subsidy for some wages and training costs. \$35,000
Governance		
Development and implementation of Governance Manual as induction and reference tool for Council	Nil at this time	Councillor Manual will be developed and published by existing administration staff for no additional cost.
Updating of Policies and processes in grievances and issues resolution and Project Management	Nil at this time	Updating of Policies and processes will be completed by existing administration staff for no additional cost.
Community Development		
Review of current skills and capacity against requirements of SCP	Increase hours of employment of current part time staff. This may be a temporary increase for specific projects/events or a permanent increase arising from increasing workload.	Marginal wage costs will increase.
Works		
Potential for additional capacity in periods of high workload or for projects	Establish a selection of local casual employees able to complete work from time to time as required	Increase costs of training and equipping casual employees. Marginal wage costs will also increase.
Potential for shortage of key skilled staff	Develop strategy/policy to increase multiskilling of staff through increased training and development of existing staff in key skill areas	Increased cost of training and reduction in output as inexperienced staff complete tasks

WORKFORCE PLANNING COSTS

Summary of funding impact for implementation of the 2017/21 Workforce Plan

Strategy Area	2017 /18	Source of Funds and %	2018/19
Administration	Allocate resources for overtime of part-time staff	General Revenue - 100%	To be determined in WFP review
Community Development	Allocate resources for overtime of part-time staff	General Revenue - 100%	To be determined in WFP review
Works	Increased multiskilling and staff training	General Revenue - 100%	To be determined in WFP review

Note: There are estimates of direct costs for strategies in this workforce plan. It is anticipated that in implementation there may be short or long term additional costs to Council dependent on the timing of delivery the immediate availability of relevant candidates in recruitment strategies, and potential costs for succession planning or transitions to retirement in short-term overlap of roles to enable knowledge transfer.

Implementation Plan

Key process management issues are to be identified and addressed in a timely fashion using the following implementation processes

Process	Responsibility	Timeline
Council and Executive commitment endorsed through policy	CEO and Council	Oct 2017
Management and implementation resources assigned	CEO and Executive	Nov 2017
Workforce Planning data management systems developed and implemented	CEO	Nov 2017
Workforce planning review and reporting procedures established	CEO and Executive	May 2017
WFP Communicated and Implemented	CEO and Executive	Nov 2017
Incorporated in all planning decision making processes, including Council Agenda	CEO and Executive	Nov 2017
Organisational and individual performance expectations set, documented and monitored through the performance appraisal process.	CEO and Executive	May 2018
KPIS and reporting requirements communicated to all staff and contractors	CEO and Executive	May 2017
Relevant aspects built included in PDs and performance appraisal at all levels	CEO and Executive	Ongoing
Timelines and review requirements clearly scheduled and followed up.	CEO and Executive	Ongoing

Embedding Workforce Planning Processes in Shire Culture

The techniques used to identify the human resource risks and resource requirements associated with the ongoing development, growth and operations of the Shire include:

Activity	Detail / Timeframe	Participants
Strategic HR supply and demand assessment as part of the decision- making processes	In planning processes and phased implementation timelines.	Council, Executive and key stakeholders
Corporate HR needs analysis	In annual planning cycle and at key review points.	Council, Executive and key stakeholders
Operational skills, knowledge and capacity assessment	In staff turnover, project development, service expansion, reduction or changes.	All relevant Officers
Business continuity needs	Ongoing with regular review of skills and knowledge required to keep essential services running in times of staff turnover, sickness or extended leave.	All relevant managers and staff
Review of current skills, knowledge, roles positions and capacity and assessment of future organisational and project plans in relation to human resource needs.	Annually, in performance appraisal processes, in staff turnover and as relevant in organisational planning cycles.	Relevant Elected Members Executive Managers and Officers

Monitoring, Evaluation of Outcomes and WFP review

The following activities will be used to monitor and manage the ongoing workforce planning progress towards objectives and to ensure that the Workforce Plan is a living document that remains relevant and appropriate to guide planning and decision making.

- Review of HR data and trends once HR data banks are established
- Review of staff and customer service survey results relevant to Human resources
- Review if workforce planning processes, principles and practices are included in the annual planning cycle
- Review of workforce implications being considered in Council decision making and project planning
- Annual review of Human resource KRAs and KPIs as an organisation as individuals
- Review of the HR risks and the effectiveness of their treatments annually
- Inclusion of workforce planning outcomes in annual report

Workforce Plan Review

This Plan will be reviewed annually as part of the planning cycle and adjusted and reported on accordingly to ensure ongoing integration with the long term financial and asset management plans. All updates will be communicated to relevant stakeholders.



10. CONFIDENTIAL MATTERS:

10.1.1 Chief Executive Officer – Performance and Salary Review

OFFICER'S RECOMMENDATION:

That Council:

- 1. completes the review process by accepting the findings of the collated Chief Executive Officer Review document as presented in Attachment 12.1.1A;**
- 2. accept the Key Performance Indicators (KPIs) as detailed in the review document as presented in Attachment 12.1.1A and these KPIs will form the basis for measurement with the Chief Executive Officers 2017-18 Review;**
- 3. agree to vary the Chief Executive Officer's employment Contract by deleting the existing Clause 9 and replace with Clause 9 as detailed in Attachment 12.1.1B; and**
- 4. thank the Chief Executive Officer for his performance over the past 12 months.**

11. ELECTED MEMBERS' MOTION OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN:

12. URGENT BUSINESS WITHOUT NOTICE WITH THE APPROVAL OF THE PRESIDENT OR MEETING:

Nil at this time

13. NEXT MEETING

Special Meeting of Council, 5.30pm, Monday 23rd October 2017 at the Shire of Cuballing Council Chambers, Campbell Street, Cuballing.

Ordinary Council Meeting, 2.00pm, Thursday 16th November 2017 at the Shire of Cuballing Council Chambers, Campbell Street, Cuballing.

14. CLOSURE OF MEETING: