



Shire of Busselton
Geographe Bay

Council Agenda

8 July 2009

ALL INFORMATION AVAILABLE IN VARIOUS FORMATS ON REQUEST

SHIRE OF BUSSELTON

AGENDA FOR THE COUNCIL MEETING TO BE HELD ON 8 JULY 2009

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SHIRE OF BUSSELTON**MEETING NOTICE AND AGENDA – 8 JULY 2009**

TO: THE SHIRE PRESIDENT AND COUNCILLORS

NOTICE is given that a meeting of the Council will be held in the Council Chambers, Administration Building, Southern Drive, Busselton on Wednesday, 8 July 2009, commencing at 5:30 pm.

Your attendance is respectfully requested.

MATTHEW SMITH
ACTING CHIEF EXECUTIVE OFFICER

23 June 2009

A G E N D A

1. **ATTENDANCE, APOLOGIES & LEAVE OF ABSENCE**

2. **OPENING PRAYER**

The Opening Prayer will be delivered by Pastor Nigel Wittwer of the Hope Christian Church.

3. **PUBLIC QUESTION TIME**

4. **SUMMARY OF RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE**

5. **APPLICATIONS FOR LEAVE OF ABSENCE**

6. **CONFIRMATION OF MINUTES**

6.1 Minutes of an Ordinary Meeting of the Council held on 24 June 2009.

7. **ANNOUNCEMENTS** by the Presiding Member without discussion

8. **PETITIONS AND MEMORIALS**

9. **DECLARATION OF DUE CONSIDERATION**

The Presiding Member will request Councillors to acknowledge, in accordance with Clause 8.1 of the Standing Orders, that they have given due consideration to the matters contained within the Agenda.

10. **DECLARATIONS OF INTERESTS**

11. **PRESENTATIONS BY PARTIES WITH AN INTEREST**

12. **BUSINESS FROM PREVIOUS MEETING**

13. LIFESTYLE DEVELOPMENT REPORT**13.1 DRAFT DISTRICT TOWN PLANNING SCHEME AMENDMENT NO. 136 & DEVELOPMENT GUIDE PLAN - LOT 1 BRASH ROAD, YALLINGUP - CONSIDERATION OF ADOPTION FOR FINAL APPROVAL**

SUBJECT INDEX:	Town Planning Schemes and Amendments
APPLICATION NUMBER:	14574AMD
STRATEGIC INITIATIVE:	4.3.1 Implement Environmental Strategy
BUSINESS UNIT:	Strategic Planning and Sustainability
SERVICE:	Strategic Land Use Planning
DATE OF COMPLETION:	13 August 2009
VOTING REQUIREMENT:	Simple
PROPOSAL:	Rezone Lot 1 Brash Road from 'Viticulture and Tourism' to 'Bushland Protection' – Consideration of Adoption for Final Approval
LOT SIZE:	20.0068 hectares
ZONE:	'Viticulture and Tourism'
POLICIES:	<ol style="list-style-type: none">1. Biodiversity Incentive Strategy for Private Land in the Shire of Busselton2. Local Rural Planning Strategy3. Leeuwin Naturaliste Ridge State Planning Policy4. Planning for Bushfire Protection
ATTACHMENT(S):	<ol style="list-style-type: none">A. Location PlanB. Draft Development Guide PlanC. Draft Fire Management PlanD. Schedule of Submissions

PRÉCIS

On 10 December 2008 the Council resolved (CO812/369) to initiate Amendment No. 136 to the Scheme to rezone Lot 1 Brash Road, Yallingup from 'Viticulture and Tourism' to 'Bushland Protection'. A draft Development Guide Plan was also adopted for community consultation, proposing two bushland protection lots.

The rezoning would facilitate subdivision of the subject land in accordance with the Shire's Biodiversity Incentive Strategy (BIS) and policies of the 'Bushland Protection' zone.

Amendment No. 136 and the draft DGP were advertised for 42 days and no objections were received. The Fire and Emergency Services Authority of WA (FESA) raised an issue that will require minor modification to the draft Fire Management Plan and draft DGP.

The National Trust has provided written confirmation that it is willing to be the covenanting authority for the remnant vegetation.

It is recommended that the Council adopt Amendment No. 136 and the draft DGP for final approval, subject to a minor modification.

PROPOSAL / BACKGROUND

Background

On 12 August 2003 Amendment No. 42 was published in the Government Gazette, introducing the 'Bushland Protection' zone and specific subdivision and development requirements for this zone (clause 90 of the Scheme). This provided for the implementation of the BIS.

Subject Land

The subject land is located approximately 7km south east of Yallingup townsite and 10km west of Carburnup townsite (Attachment A).

The site is undulating with contour heights ranging from 85m AHD near the northwest boundary to 120m AHD at the southeast boundary. A creek runs along the northern and western boundaries. A dam is located on the creek in the southwest corner of the property.

Remnant vegetation covers the majority of the subject land, with some cleared areas associated with an existing residence and outbuilding, fire protection zones and firebreaks/access tracks.

Adjoining the site's western boundary is Reserve 26065, which is vested with the Department of Environment and Conservation for the purpose of flora and fauna conservation. Lots adjoining the balance of the site are generally vegetated, but interspersed with cleared areas.

Proposal

Amendment No. 136 would rezone Lot 1 Brash Road, Yallingup from 'Viticulture and Tourism' to 'Bushland Protection'. The draft DGP proposes the creation of one additional lot (Attachment B).

Proposed Lot 1 is 14.47 hectares in area and would contain an existing residence, outbuilding and rainwater tank. Proposed Lot 2 is 5.52 hectares in area and would contain the existing dam. Building envelopes 1500m² in area are proposed for each lot.

Proposed Lot 1 would retain most of the existing access track to Brash Road. Both lots would share a portion of the access track, with a reciprocal right of access agreement to be implemented as a condition of subdivision. The balance of access to proposed Lot 2 would be via existing firebreaks and tracks (to be upgraded where necessary to a 4m trafficable width and 6m overall width) within a battleaxe leg.

A draft Fire Management Plan has been prepared in support of the proposal and depicts building protection/hazard separation zones, existing and proposed firebreaks, passing bays and emergency access (Attachment C).

Proposed Lot 1 contains an existing dwelling surrounded by a 25m building protection zone and a 75m hazard separation zone. Technically part of the hazard separation zone falls outside the subject land and this is unavoidable as it reflects the location of the dwelling. Fire management zones cannot be reduced as the dwelling has only been constructed to Level 1 of the Building Code of Australia standard 3959.

The proposal for a reduced hazard separation zone of 15m for proposed Lot 2 is conditional on a future dwelling being constructed to Level 2 AS 3959.

STATEMENT OF IMPACT

The 'Bushland Protection' zone is more restrictive than the 'Viticulture and Tourism' zone as fewer land uses are permitted under the Scheme.

It is a requirement of the BIS that the owner enter into a conservation covenant with an appropriate covenanting authority. The covenant would impose numerous other restrictions pertaining to the use and management of the land.

Despite this, the landowner has sought the rezoning, therefore it is understood that the impact would be beneficial as it would facilitate subdivision of the land.

The proposal would not have a significant impact on surrounding landowners as the anticipated development on the additional lot would be compatible with the rural character of the locality. The additional lot could only be developed with one dwelling in accordance with clause 90 of the Scheme and all development must be contained within the building envelope.

CONSULTATION

Subsequent to Amendment No. 136 being initiated by the Council, the relevant documentation was referred to the Environmental Protection Authority (EPA) for consideration of the need for formal assessment under Part IV of the *Environmental Protection Act 1986*. The EPA advised that the amendment did not require formal assessment and recommendations were not provided.

Amendment No. 136 and the draft DGP were advertised for 42 days in accordance with the *Town Planning Regulations 1967*. Three government agency submissions were received and no objections were raised (Attachment D). FESA, however indicated that the proposed width of the hazard separation zone for proposed Lot 2 would be inadequate. This is discussed further under 'officer comment'.

STATUTORY ENVIRONMENT

Shire of Busselton District Town Planning Scheme No. 20

Under Table 1 - Zone Objectives and Policies of the Scheme, the objectives of the Bushland Protection zone are:

"To restrict the land uses and type and scale of development that will be considered on lands possessing special biodiversity values to those that will not adversely affect those values, and to provide opportunity for the creation of a subdivision incentive for the protection of those values in perpetuity."

A flora and vegetation survey prepared by Onshore Environmental Consultants in support of the amendment and draft DGP, assessed the biodiversity conservation value of the remnant vegetation on the site. The assessment concluded that the subject land has a high biodiversity conservation value and supports approximately 20 hectares of poorly represented remnant native vegetation rated as being in excellent condition. No declared rare flora were recorded.

The assessment concluded that the subject land's connectivity to surrounding native vegetation of similar or better quality further increases the value of the site as a corridor for native fauna and improves the long term resilience of vegetation on the site.

A subsequent flora and vegetation survey was undertaken for the access routes, building envelope and fire protection zones for proposed Lot 2. No declared rare flora were recorded.

Clause 90 of the Scheme sets out provisions relating to subdivision and development within the 'Bushland Protection' zone that incorporates environmental protection measures for remnant vegetation and criteria for building envelope size, fire management and potable water supply.

Clause 108 of the Scheme addresses designated bushfire prone areas and is relevant to this draft amendment and DGP as the land is rated as having an extreme fire hazard level. The clause requires that dwellings within a bushfire prone area are subject to requirements pursuant to the Building Code of Australia and Australian Standard 3959 – 1999.

Amendment No. 136, the draft DGP and draft Fire Management Plan have addressed the requirements of the Scheme.

POLICY IMPLICATIONS

Biodiversity Incentive Strategy

The subject land fulfils the biodiversity value criteria for a subdivision incentive under the BIS. The site contains approximately 20ha of remnant vegetation that is in excellent condition, with at least 5 hectares of a poorly represented vegetation complex and is located within a 'key vegetation corridor' linking with State Forest/ National Park.

The potential lot yield is one additional lot for lots less than 40 hectares in area.

The BIS includes a requirement that the landowner enters into a conservation covenant with a recognised covenanting organisation with an established stewardship program, to ensure effective protection and management of conservation values in perpetuity.

The National Trust has submitted written confirmation that it is willing to be the covenanting authority for remnant vegetation on the proposed lots.

The operational guidelines of the BIS set out the general requirements and regulations that applicants must meet in addition to the covenant and zoning requirements. These include design considerations for the DGP, such as lot configuration, location of building envelopes and access.

The amendment and draft DGP are considered to be consistent with the BIS.

Shire of Busselton Local Rural Planning Strategy

The site is located within Precinct 4: Western Rural under the Shire of Busselton Local Rural Planning Strategy 2006.

The overall objective of the Strategy in relation to this precinct is to ensure that land use planning is consistent with the Leeuwin Naturaliste Ridge State Planning Policy and Scheme provisions.

Precinct objectives relevant to the subject land include protection of the biodiversity values of remnant vegetation (especially poorly represented vegetation) and protection of environmental corridors/habitat relied on by native fauna.

Conservation is identified as a desirable land use allocation within the precinct as well as subdivision in accordance with the BIS.

The amendment and draft DGP are consistent with the objectives of the Rural Strategy.

Statement of Planning Policy 6.1 - Leeuwin Naturaliste Ridge

The Leeuwin Naturaliste Ridge Statement of Planning Policy No. 6.1 (LNRSP) identifies the site as Natural Landscape Significance and Principal Agriculture (Viticulture and Grazing). The principal criterion for subdivision and development of the site is to conserve the landscape value and natural pattern of drainage and vegetation of the Yelverton Scarp (LUS 4.4).

The amendment and draft DGP are consistent with LUS 4.4 and the objectives and intent of the LNRSP, given the subject land is largely undeveloped and rezoning would facilitate the imposition of a conservation covenant to protect the vegetation in perpetuity.

Planning for Bushfire Protection Policy

The subject land has an extreme fire hazard rating. A Fire Management Plan has been prepared and is included as an appendix to this report.

A building protection zone is required in bushfire prone areas, between 20 - 40m in width (depending on the slope of the land), with fuels below 10cm in height. An additional hazard separation zone is required with fuel levels below 8 tonnes per hectare for jarrah/marri forest. A combination of the two zones should achieve a separation distance of 100m from the extreme bushfire hazard, or an acceptable solution, that meets the following performance criteria:

"PC 3.6.1 Subdivision and development design to incorporate hazard separation zones to separate habitable buildings from extreme bush fire hazards in order to protect them from burning debris (spotting, airborne embers), radiant heat and direct flame contact."

There is scope for hazard separation zones to be reduced if future habitable dwellings are constructed to Level 2 or higher Australian Standard 3959 and all other requirements of the policy are met.

FESA has advised that the Fire Management Plan is not consistent with the policy with respect to the width of the hazard separation zone for proposed Lot 2. This issue is discussed further in 'officer comment'.

The Fire Management Plan is considered to be otherwise compliant with the provisions of the policy.

FINANCIAL IMPLICATIONS

All relevant fees associated with the assessment and advertising of the amendment and draft DGP have been calculated in accordance with the *Town Planning (Local Government Planning Fees) Regulations 2000* and paid by the proponent.

Following the gazettal of the amendment, the subsequent subdivision would attract the standard monetary contributions toward road upgrading and bushfire protection. Additional rates generated from the proposed lots are anticipated by the BIS to fund rate incentives for vegetation conservation on other land.

STRATEGIC IMPLICATIONS

One of the initiatives of the Shire of Busselton *Strategic Plan 2006 – 2011* is to maintain appropriate bushland. The amendment is considered to be consistent with this strategic initiative as it would facilitate the protection of remnant vegetation in perpetuity via a conservation covenant.

OFFICER COMMENT

Minor adjustments to the draft DGP and draft Fire Management Plan are necessary to address the issue of the width of the hazard separation zone for proposed Lot 2.

Given the extreme fire hazard rating for the property, FESA has recommended that the hazard separation zone for proposed Lot 2 be increased from 15m to 20m. This adjustment would make the Fire Management Plan compliant with the *Planning for Bushfire Protection* policy.

To accommodate the wider hazard separation zone within proposed Lot 2, the building envelope would need to be relocated by 5m and this needs to be reflected on the draft DGP and draft Fire Management Plan. The building envelope would still be located in an area where the vegetation has been disturbed. The revised building envelope location would not impact on declared rare flora as none were recorded during two comprehensive flora and vegetation surveys undertaken on the subject land.

CONCLUSION

It is recommended that Amendment No. 136 and the associated draft DGP be adopted for final approval, subject to the minor modification suggested under 'officer comment'.

The recommendation is based on the proposal's consistency with the BIS and confirmation of the subject land's high conservation and biodiversity values by two flora and vegetation assessments. In recognition of these values, the National Trust has provided written confirmation that it is willing to become the covenanting agency for the remnant vegetation on the proposed lots.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The implementation of the officer recommendation would involve advice of the Council resolution to the applicant and this would occur within five working days of the resolution.

OFFICER RECOMMENDATION

1. That the Council, in pursuance of Part V of the Planning and Development Act 2005, adopt draft Amendment No. 136 ("Amendment") to the Shire of Busselton District Town Planning Scheme No. 20 ("Scheme") for final approval for the purposes of rezoning Lot 1 Brash Road, Yallingup from 'Viticulture and Tourism' to 'Bushland Protection', subject to the draft Development Guide Plan being modified in accordance with 2 below.
2. That the Council adopt for final approval the draft Development Guide Plan for Lot 1 Brash Road, Yallingup at Attachment B, pursuant to clause 25 of the Scheme, subject to the building envelope for proposed Lot 2 being moved 5m to accommodate a 20m hazard separation zone.

- 3 The draft Fire Management Plan being modified to show a 20m hazard separation zone for proposed Lot 2.
4. That the Council endorse the Schedule of Submission prepared in response to the community consultation undertaken in relation to Amendment No. 136 and the draft Development Guide Plan.
5. That the Council, upon receipt of the modified Amendment documentation and Development Guide Plan, refer Amendment No. 136 to the Scheme and the Development Guide Plan so adopted for final approval, to the Western Australian Planning Commission with a request for the approval of the Minister for Planning.
6. That, where notification is received from the Western Australian Planning Commission that a modification of the Amendment is required prior to approval of the Amendment by the Minister, this modification is to be undertaken in accordance with the requirements of the Town Planning Regulations 1967, unless considered by the Shire of Busselton that the modification affects the intent of the Amendment, in which case it shall be referred to the Council for consideration.

13.2 SCHEME REVIEW: APPOINTMENT OF COMMUNITY REFERENCE GROUP

SUBJECT INDEX:	Scheme Review: Community Reference Group
APPLICATION NUMBER:	N/A
STRATEGIC INITIATIVE:	2.4.1.2 Consolidate Local Planning Strategy
BUSINESS UNIT:	Strategic Planning And Sustainability
SERVICE:	Strategic Land Use Planning
DATE OF COMPLETION:	10/07/09
VOTING REQUIREMENT:	Simple Majority
PROPOSAL:	Scheme Review: Appointment of Community Reference Group
LOT SIZE:	N/A
ZONE:	N/A
POLICIES:	<ol style="list-style-type: none"> 1. Scheme Review Communications Strategy 2007. 2. Shire of Busselton Strategic Plan 2006/2011. 3. Shire of Busselton Corporate Plan. 4. Shire of Busselton Stakeholder Management and Relationships Strategy (March 2007). 5. Communications Framework 2007. 6. Local Settlement Planning Strategy Consultation Strategy 2009.
ATTACHMENT(S):	<ol style="list-style-type: none"> 1. Community Reference Group Terms of Reference

PRÉCIS

Consistent with the recommendations of the Scheme Review Communications Strategy and the Local Settlement Planning Strategy Consultation Strategy it is proposed to establish a Community Reference Group. The purpose of the Community Reference Group (CRG) is to provide input to the Local Settlement Planning Strategy and then the Local Planning Strategy (LPS).

Appointment of the CRG and ongoing liaison with other targeted groups not represented will: build awareness of the planning process; build a stronger relationship with the community; identify community values and attitudes to key planning issues; test these are effectively represented in the process and ensure transparency and accountability of the outcomes.

This report recommends that the Council appoint eleven persons to the Community Reference Group representing the invited sectors of: Dunsborough locality; Busselton locality; Environment; Commercial business owner; Rural; Surfer/Youth; Cultural and Tourism.

It should be noted that whilst not all of the invited sectors are represented (ie Indigenous, Farm Business, Local Industry representative, Coast) it is considered that those sectors may be addressed through targeted meetings with specific groups on these issues.

PROPOSAL / BACKGROUND

At its meeting of 14 November 2007 the Council resolved to:-

- 1. Adopt the Shire of Busselton Scheme Review Process Communications Program for implementation.*
- 2. Endorse the establishment of a Scheme Review representative group to have input to the final Local Planning Strategy with final membership determined by Council...'*

Following the Council's adoption of the Scheme Review Communications Strategy (SRCS), in February 2009 the Council; "endorsed the Shire of Busselton Local Settlement Planning Strategy Communication Programme for implementation to be guided by the Council's endorsed strategic priorities and initiatives."

The purpose of the Local Settlement Planning Strategy (LSPS) Communication Program is to assist the project, to provide certainty to all stakeholders that views will be sought at various stages of the process as outlined, and with the goal to finalise the LSPS in a timely manner.

Formation of a Community Reference Group is consistent with the recommendations of both the above documents. The purpose of the CRG is to provide input to the LSPS (as a precursor to providing community input into the consolidation of all the sector-based strategies to develop a LPS, and to consolidate consultation efforts in latter stages of preparing the LPS.

The CRG is to be established during the development of the sector based strategies, specifically at the commencement of the LSPS to provide input to the development of this key strategy and a consolidated LPS. The Group will support the process for a time frame of approximately 12 to 18 months from mid 2009 to late 2010, and may reconvene towards the final approval stages of the Scheme Review to provide consistency of approach.

The LSPS has commenced and it is now proposed to establish the CRG to have input into the LSPS. The representation is to provide a broad based issues group covering a broad range of sectors of the community. These sectors are outlined in the LSPS Consultation Strategy as follows:

- * Youth
- * Indigenous
- * Environment
- * Surfer/Recreational Fisherman
- * Cultural
- * Commercial business owner
- * Farm business
- * Tourism Operator
- * Local industry representative
- * Busselton locality
- * Dunsborough locality

- * Rural
- * Coast

CRG members will be required to work with Shire staff, a facilitator and appointed consultants of the LSPS and other sector-based strategies to provide input to the development of the LSPS and LPS. The Terms of Reference of the CRG are outlined in Attachment A.

Nominations for expressions of interest were advertised in the 'Council for Community' and the Shire's website over four weeks. Nominees were advised that members will be selected based on the following attributes:

- * Understanding of sustainability and planning issues
- * Past and current involvement in the community (especially community groups and activities).

The following nominations were submitted:

Name	Sectoral interest
Joel Carter	Dunsborough locality. Part time resident also based in Perth. Town Planner.
Doug Lucas	Environment. Member of Toby Inlet Catchment Group (Inc)
Rachel Kemp	Environment. Geocatch representative, Community Garden
Leanne Bennett	Commercial business owner. Member of Dunsborough Yallingup Chamber of Commerce and Industry
Mandy Polley	Environment. Previously Geocatch. Helped establish local community group 'Above Water'.
Val Kaigg	Busselton locality. Long standing history with South West. Participant/contributor to sporting bodies, performing arts, Busselton Repertory Club.
Samantha Reece	Commercial business owner. Business operator. Involvement with Property Council, UDIA. Property owner.
William Shire	Rural. Rural property owner and developer.
Jeannette De Haas	Dunsborough locality. Local teacher, regular beach user.
Bronte Ryan	Surfer/Youth. Recreational surfer and completing last year at school.
Matt Walker	Tourism. CEO GBTA
Jane Holland	Cultural. President Geographe Arts Bureau. Practicing artist.

In accordance with the SRCS and LSPS Consultation Strategy, the Council's endorsement of the CRG membership is required.

STATEMENT OF IMPACT

There are no impacts on property owners as a result of the recommendation of this report.

CONSULTATION

This proposal is implementing the recommendations of the Council endorsed SRCS and LSPS Consultation Strategy (Communications Framework). There has been liaison with internal staff in the preparation of these strategies to ensure it is integrated with and becomes a part of the overall Shire approach to communication with the community. The input of the CRG will facilitate and become a key element in the promotion of a future vision for the Shire.

FINANCIAL IMPLICATIONS

Within the LSPS budget there is provision for the consultant to facilitate up to four meetings of the CRG with additional costs anticipated in the Scheme Review budget for the 2009-2010 financial year.

STRATEGIC IMPLICATIONS

The SRCS, LSPS Consultation Strategy and Scheme Review process supports the intent of the *Shire's Strategic Plan 2006-2011*, and is guided by its vision, principles and strategic priorities. The Guiding principles of Leadership, Partnership, Community Matters and Integrity underpin the Strategy, and its recommendations. The strategic priorities of the Shire and the Council will guide the key messages presented to the community throughout this process, these priorities are:

Strategic Priorities

- * We will be truthful, honest and available to listen to our community to ensure we have an informed decision making process.
- * We will protect our environment by managing and proactively planning safe and healthy facilities for this generation and future generations.
- * We will have a vision for the Shire that reflects our lifestyle and ever changing demographics through education and consultation with the community on projects that will be of great benefit to all

Strategic Initiatives

- * *Ensure that the Town Planning Scheme allows for sufficient densities of development within the identified population nodes to cater for the 25 year population projection.*

- * *Support development that is contained in identified nodes with defined boundaries.*
- * *Develop a new Town Planning Scheme to provide for the lifestyle we cherish and protect.*

The Shire of Busselton *Stakeholder Management and Relationships Strategy* addresses the value of stakeholders and effective communication between stakeholders in achieving the Shire's goals. Protocols in managing administrative tasks are clearly established and provide the necessary basis and channels for implementing the LSPS Consultation Strategy.

The CRG will facilitate communication with the community throughout the remainder of the Scheme Review process.

STATUTORY ENVIRONMENT

The CRG will provide input at a strategic level through its input to development of the LSPS and LPS. Whilst the LSPS and LPS provide a strategic framework to a future local planning scheme the CRG will not provide input at a statutory level.

As the Group will not be formed as a formal committee pursuant to the Local Government Act, is not able to make recommendations direct to the Council or make decisions in its own right, it is not bound by the conflict of interest provisions that would apply to a formal committee.

POLICY IMPLICATIONS

There are no policy implications of the recommendations of this report. There are also no existing policies that bear consideration with respect to this matter.

OFFICER COMMENT

In consideration of the above nominations it is apparent that nominations have covered the sectors of: Environment; Surfer; Cultural; Commercial business owner; Tourism Operator; Busselton locality; Dunsborough locality; and Rural. The sectors not specifically covered include: Indigenous, Farm business, Local Industry and Coast

Whilst not all of the desired sectors are represented it is considered that those sectors may be addressed through targeted meetings with specific groups or on specific issues..

It should be noted that in addition to the CRG it was the intention that other consultation initiatives would be utilised throughout the process as outlined in the SRCS and LSPS Consultation Strategy. Targeted consultation is currently occurring through the Community Focus Groups and other identified groups (such as development and sporting groups) as part of the LSPS. Meetings with other groups and interests not outlined above may occur through the process.

It should be noted that with regard to youth that in addition to the CRG, liaison is being undertaken with the local senior high school students. Students of at least three schools in the Shire have indicated they will develop ideas and/or projects for input to the Scheme Review process. The ideas generated from this exercise will form a youth perspective that Shire planners, CRG and the Council will have an opportunity to view.

With regard to the nominations it is apparent there are three nominations largely focussed on the Environment sector. Whilst the environment is key to the consideration of issues in the Shire, it is considered that three representatives would unbalance the sector representation. It is recommended that one of the nominated representatives (Geocatch representative, Rachel Kemp) not be appointed, given that Geocatch has representation and involvement as a member of the Local Environmental Planning Strategy Community and Industry Reference Group and Technical Working Group.

CONCLUSION

It is recommended that the Council endorse the appointment of the following persons to the Community Reference Group: Joel Carter; Doug Lucas; Leanne Bennett; Mandy Polley; Val Kaigg; Samantha Reece; William Shire; Jeannette De Haas; Bronte Ryan; Jane Holland and Matt Walker.

TIMELINE/S FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Implementation will involve the sending of correspondence to individuals that nominated advising of the Council resolution. That will occur within ten working days of the meeting.

VOTING REQUIREMENT

Simple Majority

OFFICER RECOMMENDATION

That the Council:

1. Appoint the following persons to the Community Reference Group: Joel Carter; Doug Lucas; Leanne Bennett; Mandy Polley; Val Kaigg; Samantha Reece; William Shire; Jeannette De Haas; Bronte Ryan; Jane Holland and Matt Walker.
2. Advise all those that nominated of the Council resolution.

13.3 DRAFT DISTRICT TOWN PLANNING SCHEME AMENDMENT NO. 145 - PROPOSED REZONING OF LOT 3 PEEL TERRACE, BUSSELTON FROM 'RESIDENTIAL R30' TO 'RESIDENTIAL R30' AND 'ADDITIONAL USE'.

SUBJECT INDEX:	Town Planning Schemes and Amendments
APPLICATION NUMBER:	WAPC09/0009
STRATEGIC INITIATIVE:	2.4.1 Support development that is contained in identified nodes with well defined boundaries
BUSINESS UNIT:	Strategic Planning and Sustainability
SERVICE:	Strategic Land Use Planning
DATE OF COMPLETION:	27 July 2009
VOTING REQUIREMENT:	Simple Majority
PROPOSAL:	Amend District Town Planning Scheme No. 20 to rezone Lot 3 Peel Terrace, Busselton from 'Residential R30' to 'Residential R30' and 'Additional Use'
LOT SIZE:	1,012m ²
ZONE:	Residential R30
POLICIES:	1. Car Parking Policy 2007
ATTACHMENT(S):	A. Location Plan B. Development Concept Plan C. Definition of 'Residential Enterprise'

PRÉCIS

The Council is requested to initiate an amendment to the Scheme to rezone Lot 3 Peel Terrace, Busselton from 'Residential R30' to 'Residential R30' and 'Additional Use' (residential enterprise and office).

The intent of the proposed amendment is to facilitate the staged use and development of the existing premises from home occupation to office, whilst retaining the base residential zoning.

An indicative concept plan has been submitted with the proposed amendment and illustrates how the land could ultimately be developed for office purposes.

The proposal is considered to have merit and initiation of the amendment is recommended.

PROPOSAL / BACKGROUND

Subject Land

The site is 1,012m² in area and is located immediately south of the Busselton central business district (Attachment A). The subject land is currently developed with a brick and tile single storey house and fibro-cement/zincalume outbuilding. The land is flat with numerous non-native trees and shrubs.

The property has frontage to Peel Terrace with an existing driveway and crossover. The house is connected to reticulated sewer, water, electricity and telecommunications, and the site has access to reticulated gas.

The site is located within a pocket of land currently zoned 'Residential' with a density coding of R30. Immediately to the west, land is zoned 'Restricted Business' and accommodates Mitre 10. Land to the east along Peel Terrace is zoned 'Business', and includes a carwash facility, St Vincent de Paul, senior citizens centre, backpackers hostel, family centre and the tourist bureau.

Land on the northern side of Peel Terrace is also zoned 'Business' and includes fast food outlets, hotel, motel and shops.

Proposal

A small family-run building company currently operates from the existing dwelling as a home occupation. The proponents wish to expand the business but are hampered by current floor space and zoning restrictions.

The proposed amendment would facilitate extensions to the existing premises to additional office space, with a client/staff car park and storage building.

The proposed amendment would apply an 'Additional Use' to the subject land, with permitted land uses being 'Residential Enterprise' and 'Office'. 'Residential Enterprise' is proposed to facilitate the transition of the use of the dwelling from principle place of residence and home occupation to office.

To achieve the objectives of the amendment, it is proposed to include the land within an Additional Use area pursuant to Schedule 4 of the Scheme, as outlined in the table below:

Particulars of Land	Land Use Permitted/Specified	Conditions
Lot 3 (House 6) Peel Terrace, Busselton	1. Residential Enterprise 2. Office	The additional uses specified shall be deemed to be "AA" uses for the purposes of clause 21 of the Scheme.

A concept plan has been submitted with the proposed amendment and illustrates how the site might be developed for an expanded office premises (Attachment B). The concept plan is indicative only and does not have any formal status.

The concept plan illustrates potential extensions to the front and rear of the existing dwelling, driveway, car parking for staff and clients and a storage shed.

STATEMENT OF IMPACT

The proposed amendment would enable the staged use and development of the premises from a home occupation to full office facilities. The proponent has sought the scheme amendment, therefore it is understood that the impact would be beneficial, as it would enable the proponent's business to expand.

The site has access to full services and the proposal would not place additional demands on the provision of servicing infrastructure.

Peel Terrace (between West Street and Causeway Road) has a diminished residential amenity and a predominance of business land uses. The site already accommodates a small business and the expansion of the business would be in keeping with nearby commercial land uses.

CONSULTATION

There is no requirement under the *Planning and Development Act 2005* to advertise a proposed scheme amendment prior to it being initiated by the Council. Accordingly, no advertising has occurred to date.

If the Council resolves to initiate the proposed amendment, the relevant amendment documentation would be referred to the Environmental Protection Authority (EPA) for consideration of the need for formal assessment under Part IV of the *Environmental Protection Act 1986*. Should the EPA resolve that the draft amendment does not require formal assessment it will be advertised for a period of 42 days in accordance with the *Town Planning Regulations 1967*.

STATUTORY ENVIRONMENT

District Town Planning Scheme No. 20

The subject land is zoned 'Residential' with a density coding of R30 under the Scheme. Under this zoning, 'Residential Enterprise' is an 'SA' use (may only be carried out with planning consent issued following public advertising) and 'Office' is not a permitted use.

General policies of the 'Residential' zone relevant to the proposed amendment are:

To provide for other uses (including medium density in-fill development) only where they –

- (i) are compatible with the residential environment and afford services to residents at a local level; and*
- (ii) are unlikely to adversely affect residential amenity or place demands on services beyond the level reasonably required for detached housing.*

To provide for home-based employment where such will not –

- (i) involve exposure to view from any public place of an unsightly matter, or any raw material, equipment. Machinery, product or stored finished goods; and*
- (ii) have a material, adverse impact on residents.*

The residential amenity of Peel Terrace is diminished by the predominance of commercial land uses and the level of through traffic between West Street and Causeway Road. The subject land already has a commercial function as a small home-based business is operated from the existing dwelling. The expansion of the existing business would be consistent with nearby business land uses. The subject land has access to full services and development subsequent to gazettal of the amendment would not require additional services.

'Residential Enterprise' is defined in Schedule 1 – Interpretations of the Scheme and establishes parameters for the operation of a residential enterprise that relate to, inter alia, floor space, staff numbers, client visitation, operating hours, signage and impacts on neighbourhood amenity (Attachment C).

Clause 56 of the Scheme establishes additional requirements applying to the 'Residential Enterprise' use class as follows:

- (1) where the Council approves of an application to conduct a Residential Enterprise, such approval -*
 - (a) shall be personal to the person to whom it was granted;*
 - (b) shall not be transferred or assigned to any other person without the further specific consent of the Council;*
 - (c) shall apply only in respect of the land specified in the approval; and*
 - (d) does not run with the land in respect of which it was granted.*

In terms of parking provision, clause 68 of the Scheme requires:

- * The provision of off-street parking of motor vehicles without charge to the general public in all development in the Business zone or development of a commercial nature;*
- * That parking areas be paved, drained and marked to the satisfaction of the Council and maintained thereafter and shall be designed so as to enable all vehicles to return to the street in forward gear.*

Subsequent to gazettal of the proposed amendment, the requirement for planning consent prior to the establishment of a 'Residential Enterprise' and 'Office' will allow the Shire to apply the provisions of the Scheme to ensure appropriate development outcomes.

POLICY IMPLICATIONS

Car Parking Policy 2007

The subject land is located adjacent to the outer core area of the Busselton CBD precinct under this policy. The policy requires that all new office developments outside the Busselton CBD precinct provide car parking bays on the basis of one bay per 30m² of ground floor gross leasable area.

Compliance with this policy will be determined when a development application is submitted subsequent to gazettal of the proposed amendment.

Shire of Busselton (Unadopted) Draft Local Commercial Planning Strategy

The draft Local Commercial Strategy (which has not been endorsed for advertising by the Council) will provide a long term planning framework to co-ordinate adequate provision and location of retail, commercial and industrial development in the Shire.

The draft Strategy states that the Busselton CBD is bounded to the south by Peel Terrace, and commercial development (facilitated by the 'Restricted Business' and 'Business' zones) has extended to the west and south of the CBD (West Street and Peel Terrace). The draft Strategy supports the consolidation of the CBD and discourages ad hoc ribbon commercial development along Bussell Highway, away from the CBD.

The draft Strategy does not offer specific guidance on the four residential lots (including the subject land) that have frontage to Peel Terrace and are located between the 'Restricted Business' and 'Business' zones. There are, however, considered to be grounds for the individual rezoning of the subject land ahead of the draft Strategy, and this is discussed further under 'officer comment'.

FINANCIAL IMPLICATIONS

All relevant fees associated with the assessment and advertising of the proposed amendment have been calculated in accordance with the *Town Planning (Local Government Planning Fees) Regulations 2000* and paid by the proponent.

STRATEGIC IMPLICATIONS

One of the Business and Economic Well Being strategic objectives of the Shire of Busselton *Strategic Plan 2006 – 2011* is to promote an environment that supports and encourages business that contributes to the community. Furthermore, a strategic initiative (Built and Physical Infrastructure Well Being) is to ensure that development is contained in well defined nodes with well defined boundaries. The proposed amendment is considered to be consistent with this objective and initiative.

OFFICER COMMENT

The proposed amendment raises the following issues: the rezoning of the land ahead of the draft Local Commercial Planning Strategy and the appropriateness of the rezoning at this location. There are, however, considered to be grounds for individual rezoning of the subject land, which are outlined below.

The subject land is located in a well defined and established commercial area, being adjacent to the Busselton CBD and 'Restricted Business' and 'Business' zones outside the CBD. The proposed amendment would retain the base 'Residential' zone, whilst allowing for the consolidation of the current business activity. This is considered to be consistent with the general intent of the draft Local Commercial Planning Strategy in relation to the Busselton CBD and its immediate surrounds.

The residential amenity of Peel Terrace, between West Street and Causeway Road is diminished by the existing 'Restricted Business' and 'Business' zones and level of through traffic. Notwithstanding this, the 'Additional Use' zoning would enable the base zone of 'Residential' to be retained and allow a mixed use development of residential enterprise and office. This is considered to be consistent with the general policies of the 'Residential' zone pursuant to the Scheme.

The subject land is already utilised for business purposes as a small building company operates onsite as a home occupation. The proposed amendment would facilitate the expansion of the premises into an office. Given that there is a predominance of commercial activities along both sides Peel Terrace, the proposed amendment is considered to be commensurate with nearby land uses.

The premises on the subject land are connected to reticulated sewer, water, electricity and telecommunication, and access to gas is available. The proposed amendment would not place additional demands on the provision of servicing infrastructure.

Planning consent would be required prior to the establishment of a 'Residential Enterprise' and 'Office', subsequent to the gazettal of the proposed amendment. This would allow the Shire to apply the provisions of the Scheme to ensure appropriate development standards and outcomes.

CONCLUSION

The proposal is considered to be consistent with the planning framework. It is therefore recommended that the proposed amendment be initiated for community consultation.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The implementation of the officer recommendation will involve the provision of advice to the applicant of the Council resolution and this will occur within five working days of the resolution.

OFFICER RECOMMENDATION

1. That the Council, in pursuance of Part V of the Planning and Development Act 2005, adopts draft Amendment No. 145 ('Amendment') to the Shire of Busselton District Town Planning Scheme No. 20 for community consultation for the purpose of rezoning Lot 3 Peel Terrace, Busselton from 'Residential R30' to 'Residential R30' and 'Additional Use' and including in Schedule 4 - Additional Uses - the following provisions:

Particulars of Land	Land Uses Permitted/Specified	Conditions
Lot 3 (House 6) Peel Terrace, Busselton	1. Residential Enterprise 2. Office	The additional uses specified shall be deemed to be "AA" uses for the purposes of clause 21 the Scheme.

2. That as the draft Amendment is in the opinion of the Council consistent with Part V of the Act and regulations made pursuant to the Act, that upon preparation of the necessary documentation, the draft Amendment be referred to the Environmental Protection Authority (EPA) as required by Part V of the Act and on receipt of a response from the EPA indicating that the draft Amendment is not subject to formal environmental assessment, be advertised for a period of 42 days, in accordance with the Town Planning Regulations 1967.

14. SYSTEMS AND INFORMATION REPORT**14.1 FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 31 MAY 2009**

SUBJECT INDEX:	Financial Operations
STRATEGIC INITIATIVE:	5.1.3 Ensure regulatory requirements are met
BUSINESS UNIT:	Financial
SERVICE:	Financial management and control
DATE OF COMPLETION:	Not applicable
VOTING REQUIREMENT:	Simple Majority
ATTACHMENT(S):	Financial Activity Statements to 31 May 2009

PRECIS

A local government is to prepare, on a monthly basis, a statement of financial activity that reports on the Shire's financial performance in relation to its adopted budget. The report is to include details of budget estimates and financial performance against those estimates to the end of the month to which the statement relates, is to disclose any material variances identified as a result of the above, and is also required to detail the net current asset position for the reporting period.

This report has been compiled to fulfil the statutory reporting requirements of the Local Government Act and associated Regulations and also to provide the Council with an overview of the Shire's financial performance on a year to date basis for the period ending 31 May 2009.

BACKGROUND

The Local Government (Financial Management) Regulations detail the form and manner in which financial activity statements are to be presented to the Council. Financial activity statements are to be presented to the Council on a monthly basis and are to include the following:

- * Annual budget estimates
- * Budget estimates to the end of the month in which the report relates
- * Actual amounts of revenue and expenditure to the end of the month in which the statement relates
- * Material variances between budget estimates and actual revenue/ expenditure/ (including an explanation of any material variances)
- * The net current assets at the end of the month to which the statement relates (including an explanation of the composition of the net current position)

Additionally, and pursuant to Regulation 34(5) of the Local Government (Financial Management) Regulations, a local government is required to adopt a material variance reporting threshold in each financial year. At its meeting of 28 January 2009, the Council adopted (C0901/007) a 10% material variance reporting threshold in respect of the 2008/09 financial year, based on the year to date

budget variances as detailed in the 'Income Statement by Nature and Type' financial report.

CONSULTATION

Not Applicable

STATUTORY ENVIRONMENT

Section 6.4 of the Local Government Act and Regulation 34 of the Local Government (Financial Management) Regulations detail the form and manner in which a local government is to prepare financial activity statements.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Any financial implications are detailed within the context of this report.

STRATEGIC IMPLICATIONS

This matter aligns with the Council's Strategic Plan 2006-2011 and principally the following Strategic Objective:

* *Organisational Well Being*

To manage the business of the Shire in a responsible and accountable manner utilising organisational sustainability principles

STAFF COMMENT

In order to fulfil statutory reporting requirements, the following reports, which include additional financial data considered relative, are attached:

* Income Statement by Nature and Type

This report provides details of the Shire's operating revenues and expenditures on a year to date basis by nature and type (i.e. description). The respective totals in this report reconcile with the operating revenues and expenditures as contained within the Statement of Financial Activity (refer below) that is reported on a local government program basis.

* Statement of Financial Activity

This report provides details of operating revenues and expenses on a year to date basis (by local government program). The report is further extrapolated to include details of non-cash adjustments and capital revenues and expenditures. The resultant net current position in this report reconciles with that contained in the Net Current Position report summary.

* Net Current Position

This report provides details of the composition of the net current asset position on a year to date basis, and reconciles with the net current position as per the Statement of Financial Activity.

In addition to the above reports, a number of capital expenditure budgets have been further itemised to provide greater detail on expenditure activity. These items are as follows:

- Land and Buildings
- Plant and Equipment
- Furniture and Equipment
- Infrastructure

COMMENTS ON FINANCIAL ACTIVITY TO 31 MAY 2009

OPERATING ACTIVITY

As at 31 May 2009:

- * There is a favourable variance of some 5.9% in operating revenue
- * There is an adverse variance of some 2.1% in operating expenditure

A summary of material variances within the operating revenue and expenditure activities (on a year to date basis) is provided within the body of this report.

CAPITAL ACTIVITY

As at 31 May 2009:

There is an adverse variance of some 64% in capital revenue
There is a favourable variance of some 41% in capital expenditure

Capital Revenue

As detailed above, as at 31 May 2009, there is an adverse variance in capital revenue in the order of 64%. The below table details the Shire's capital revenue budget and actual revenue on a year to date basis.

Description	Actual YTD \$	Budget YTD \$	Annual Budget \$	Variance YTD \$	Variance YTD %
Proceeds from Sale of Assets - Plant	151,054	512,000	536,000	-360,946	-70.5%
Proceeds from New Loans	0	600,000	12,100,000	-600,000	-100.0%
Self Supporting Loans -Principal Repayments	130,644	152,493	166,356	-21,849	-14.3%
Transfers from	1,064,714	2,411,623	2,630,861	-1,346,909	-55.9%

Description	Actual YTD \$	Budget YTD \$	Annual Budget \$	Variance YTD \$	Variance YTD %
Restricted Assets					
Transfers from Reserves	1,481,600	4,097,005	4,469,452	-2,615,405	-63.8%
TOTAL	2,828,012	7,773,121	19,902,669	-4,945,109	-63.6%

The current reportable variances in relation to capital revenue activities are summarised as follows:

* *Proceeds from Sale of Assets - Plant*

This variance is primarily attributable to delays in the plant replacement program for 2008/09, and more specifically in relation to light vehicle changeovers. It should be noted however that at least 11 light vehicles are due to be sold at auction during June 2009, which will result in a considerable reduction in the current variance position.

* *Proceeds from New Loans*

The current years budget includes new loans totalling \$12.1M, comprising:

Busselton Jetty Refurbishment Project	\$11.0M
Construction of Group Fitness Room - GLC	\$0.6M
Reserve Acquisition	\$0.5M

As was advised to the Council as part of the annual budget review, none of the above loans will be drawn this financial year. Clearly the associated expenditures will also not be incurred this financial year and as such, the net effect will be neutral (with the exception of budgeted principal and interest payments on the new loan facilities).

* *Self Supporting Loans - Principal Repayments*

The current variance is due to timing differences only.

* *Transfers from Restricted Assets*

Transfers from Restricted Assets are only processed consequent to the associated expenditure being incurred. As the current budget does not provide for period budgeting in respect of capital works, the Transfers from Restricted Assets budget is extrapolated on a straight line basis. As related works projects (principally capital) are completed throughout the remainder of the financial year, further transfers from restricted assets will be processed. It should be noted that approximately \$750K in such transfers were processed during May 2009 alone.

* *Transfers from Reserves*

From a budgeting perspective, Transfers from Reserves are similar to Transfers from Restricted Assets (refer above). Consequently, variances will occur until such time as funded projects are completed and the Shire's cash-flow requires funds be transferred from (invested) reserve monies. It should be noted that where a budgeted Reserve transfer does not occur this

financial year, there will be an off-setting reduction in associated expenditure, thereby resulting in a neutral financial impact (from a budget perspective). Notwithstanding this, all remaining transfers from reserves applicable to the 2008/09 financial year, will be addressed during June 2009.

Capital Expenditure

As at 31 May 2009, there is a favourable variance in capital expenditure in the order of 41%. The below table details the Shire's capital expenditure budget and actual expenditure on a year to date basis.

Description	Actual YTD \$	Budget YTD \$	Annual Budget \$	Variance YTD \$	Variance YTD %
Land & Buildings	1,243,380	2,276,174	3,204,675	-1,032,794	-45.4%
Plant & Equipment	2,423,408	3,010,000	3,040,000	-586,592	-19.5%
Furniture & Equipment	1,050,678	1,074,159	1,137,760	-23,481	-2.2%
Infrastructure	7,686,435	17,493,566	20,283,664	-9,807,131	-56.1%
Loan Repayments - Principal	532,954	636,768	694,656	-103,814	-16.3%
Transfers to Restricted Assets	1,662,278	1,616,821	1,763,805	45,457	2.8%
Transfers to Reserves	2,335,734	2,755,862	9,605,381	-420,128	-15.2%
TOTAL	16,934,867	28,863,350	39,729,941	-11,928,483	-41.3%

The current year to date variance in relation to the above items (approximately \$11.9M) can be attributed to a number of factors.

As detailed earlier in this report, the attachments hereto include categorised listings of the following capital expenditure activities; that detail individual line item variances:

- * Land and Buildings
- * Plant and Equipment
- * Furniture and Equipment
- * Infrastructure

The current reportable variances in relation to other capital expenditure activities are summarised as follows:

- * *Loan Repayments - Principal*
This variance is due to the inclusion in the adopted budget of principal repayments on new loans that will not be drawn in the current financial year (equating to \$97K for the full financial year).

* *Transfers to Reserves*

With the exception of the budgeted transfer of unspent loan monies in relation to the Busselton Jetty reconstruction, transfers to reserves are budgeted to occur each month, as is interest paid on those funds. As all scheduled transfers have been processed to 31 May 2009, the current variance is primarily attributable to the shortfall in credit interest paid on reserve monies (due to both lower than projected returns and also monies held in term deposits yet to mature).

VARIANCE REPORTING

At its meeting of 28 January 2009, the Council adopted a variance reporting threshold for the 2008/09 financial year to be set at 10% of the relevant Nature and Type 'year to date' budget amount. As detailed in the Income Statement by Nature and Type report attached, there are numerous areas in which this threshold is presently being exceeded.

The following table identifies and generally comments on operating revenues and expenditures (by nature and type) whereby the variance threshold of 10% is presently being exceeded on a year to date basis:

OPERATING REVENUE BY NATURE & TYPE					
Description	Actual YTD \$	Budget YTD \$	Variance YTD \$	Variance YTD %	Comments
Government Grants and Subsidies	5,885,588	3,555,247	2,330,341	65.6%	The current variance is primarily due: <ul style="list-style-type: none"> ▪ Claims for the reimbursement of expenses incurred in relation to the Busselton Jetty reconstruction ▪ Receipt of the 'unbudgeted' 1st instalment in respect of the Dunsborough Oval reconstruction grant
Other Revenue	653,127	271,692	381,435	140.4%	The current variance is primarily due to: <ul style="list-style-type: none"> ▪ Higher than projected revenue from numerous fines and penalties that are presently exceeding YTD budget estimates by \$39K ▪ Receipt of Leavers Wristband sales revenue of approximately \$305K. It should be noted that these funds do not form part of the Shire's general revenue and will be restricted pending finalisation of Leaver's Appreciation Fund donation payments.
Interest Earnings	785,931	1,759,400	-973,469	-55.3%	Due to a change in accounting methodologies, this category now contains late payment interest and instalment plan interest (both related to rates). The favourable YTD variance in relation to these items is approximately \$38K (due primarily to additional late payment interest charges).

OPERATING REVENUE BY NATURE & TYPE					
Description	Actual YTD \$	Budget YTD \$	Variance YTD \$	Variance YTD %	Comments
					<p>In respect of interest earnings from deposited funds, it should be noted that whilst the formal budget allocation sits with the 'interest earnings' line item, there are a number of other (unbudgeted) line items that need to be considered when reviewing net deposit interest earnings.</p> <p>Subsequent to the adoption of the 2008/09 annual budget, and as part of the annual financial report compilation, in consultation with the Shire's Auditors, the method of reporting 'interest earnings' was amended such that unit price movements in managed funds would be recognised separately from the previous 'net interest' reporting format. As a result, four new items have been added to the 'Income Statement by Nature and Type' report, with the net of these reflecting what was previously included in 'interest earnings'. These items are as follows:</p> <p><u>Revenue</u> Distributions - YTD \$785K Fair Value Adjustment - YTD \$0K</p> <p><u>Expenditure</u> Loss on Redemption - YTD \$255K Fair Value Adjustment - YTD \$423K</p> <p>Cognisant of the actual deposit interest earnings to 31 May 2009 of \$568K, net interest earnings amounted to \$675K, against a YTD budget of \$1.58M.</p> <p>A number of factors have and will continue to impact upon the variance reporting of interest earnings during 2008/09.</p> <p>Firstly, current financial conditions have adversely affected investment returns, with the interest rates cuts this year adversely impacting on investment earnings, including those funds held in term deposits.</p> <p>Secondly, the later than anticipated issue of rates notices this year has impacted upon the investment returns on a YTD basis. That is, rates monies were not available for investment until late November, thereby reducing the capacity to earn interest.</p> <p>Finally, with a greater level of funds now being channelled to term deposits, interest will only be brought to account on maturity</p>

OPERATING REVENUE BY NATURE & TYPE					
Description	Actual YTD \$	Budget YTD \$	Variance YTD \$	Variance YTD %	Comments
					<p>of those deposits. As such, there will be ongoing variances throughout the remainder of the financial year as term deposits mature/ roll over.</p> <p>It is anticipated that interest earnings will fall short of annual budget estimates in 2008/09 by approximately \$900K (due to the factors as discussed above).</p>
Profit on Asset Disposal	53,572	220,500	-166,928	-75.7%	The current variance is primarily due to delays in relation to the 2008/09 budgeted plant and equipment acquisition/ replacement program. As is detailed in this report, with at least 11 light vehicles due to be auctioned in June 2009, this revenue item will increase accordingly (albeit it must be noted that this is essentially an accounting entry only).

OPERATING EXPENDITURE BY NATURE & TYPE					
Description	Actual YTD \$	Budget YTD \$	Variance YTD \$	Variance YTD %	Comments
Materials & Contracts	8,519,336	9,564,419	-1,045,083	-10.9%	<p>The overall variance in this expenditure type comprises variances in a large number of individual activities (in excess of 160).</p> <p>By definition, Material and Contracts comprises all expenditure on materials, supplies and contracts not specifically listed under any other heading and includes; the supply of goods and materials, consultancies, legal expenses, maintenance agreements, communication expenses and so forth.</p> <p>As part of the new corporate software implementation, a more comprehensive level of expenditure detail is able to be encapsulated in respect of the 'works' related material and contract expenses. As this detail was not able to be provided as part of the 2008/09 budget development, the majority of the 'works' related budget allocation was assigned to a single account. However, as actual costs are being captured at the more detailed level, it</p>

OPERATING EXPENDITURE BY NATURE & TYPE					
Description	Actual YTD \$	Budget YTD \$	Variance YTD \$	Variance YTD %	Comments
					<p>is difficult to track financial performance in any individual area as no specific budgets are assigned thereto.</p> <p>Notwithstanding the above, expenditure in this area has continued to move toward alignment with YTD budget estimates as the financial year has progressed. For example, the YTD variance as at September 2008 was 34.3% and this variance has reduced by an average of 3.0% each month since.</p> <p>Current variances (not attributable to works related expenditures) include:</p> <ul style="list-style-type: none"> ▪ Consultancy expenses are presently \$880K below YTD budget estimates ▪ Leasing costs are presently \$43K below YTD budget estimates ▪ Trade subscription expenses are presently \$41K below YTD budget estimates ▪ Non-capital equipment expenses are presently \$40K below YTD budget estimates
Depreciation on Non-current Assets	7,107,922	6,188,574	919,348	14.9%	<p>As part of the new corporate software implementation, an extensive review was undertaken in relation to depreciation data. One of the aims of the review was to align 'like' asset depreciation rates wherever possible. As an outcome of that review, the actual depreciation expense for the Shire will exceed budget estimates by approx \$1.0M in 2008/09, with the most significant asset class being that of Plant and Equipment.</p> <p>Unfortunately as this review was not completed until after the annual budget was presented to the Council, the 2008/09 annual budget does not reflect the outcomes of the review process.</p> <p>Notwithstanding the above, it should be noted that whilst this 'non-cash' expense will affect the projected net result as at 30 June 2009, it will not affect the 'net current asset position' due to the offsetting adjustment for non-cash items.</p>
Interest Expenses	176,958	542,090	-365,492	-67.4%	This item relates to interest payments on borrowing facilities (shire and self-supporting). The primary variances on a

OPERATING EXPENDITURE BY NATURE & TYPE					
Description	Actual YTD \$	Budget YTD \$	Variance YTD \$	Variance YTD %	Comments
					year to date basis comprise: <ul style="list-style-type: none"> ▪ The YTD budget includes interest payments on new borrowing facilities proposed to be drawn in 2008/09 totalling \$12.1M (none of which will now be drawn this financial year). On a YTD basis, this alone equates to a favourable variance of approximately \$387K. ▪ Overdraft interest paid of \$36K has exceeded YTD budget estimates by \$35K
Other Expenditure	1,719,041	1,493,611	225,430	15.1%	The current variance is primarily due to: <ul style="list-style-type: none"> ▪ Members related expenses are presently \$80K below YTD budget estimates (including allowances, travelling expenses etc) ▪ Public relations and corporate expenses are presently exceeding YTD budget estimates by approximately \$63K ▪ Donations and sponsorships expenditure is presently exceeding YTD budget estimates by approximately \$115K (principally timing matter only) ▪ Pay-out of a resident funded Aged Housing unit for approximately \$97K has been incurred

SUMMARY

For the period ending 31 May 2009, operating revenue (as a percentage of year to date budget estimates) increased by approximately 4.25% as compared to the previous month's performance, primarily due to the receipt of approximately \$2.0M in government grants and subsidies (Busselton Jetty and Dunsborough Oval).

Conversely, operating expenditure fell marginally against the previous month's performance (0.25%), due to a numerous (insubstantial) movements within this category.

With respect to capital activities, there was a fall in the capital revenue (adverse) variance of approximately 8.5% at the end of May, due principally to the transfer of \$750K from restricted assets during the month. The favourable variance in capital expenditure also fell during May, by approximately 3.75%, with this principally due to the acceleration of the plant replacement program.

Whilst current indications (based on historical financial trends) continue to project a deficit position at the end of the 2008/09 financial year, measures implemented to curb controllable expenditure (where possible) within the current financial year

may result in the deficit being less than previously anticipated. Notwithstanding this, with the current performance in operating activities suggesting that annual budget estimates will be achieved (both revenue and expenditure) the final net current asset position will be largely dependant upon the extent that the capital works program is achieved by year end.

TIMELINE/S FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not applicable

OFFICER RECOMMENDATION

That the statutory financial reports for the period ending 31 May 2009 be received

14.2 LIST OF PAYMENTS MADE - MAY 2009

SUBJECT INDEX:	Financial Operations
STRATEGIC INITIATIVE:	5.1.3 Ensure regulatory requirements are met
BUSINESS UNIT:	Finance
SERVICE:	Financial management and control
DATE OF COMPLETION:	Not Applicable
VOTING REQUIREMENT:	Simple Majority
ATTACHMENT(S):	List of Payments made - May 2009

PRÉCIS

This report provides details of payments made from the Shire's bank accounts for the month of May 2009, for noting by the Council and recording in the Council Minutes.

BACKGROUND

The Local Government (Financial Management) Regulations, and more specifically Regulation 13, requires that when the Council has delegated authority to the Chief Executive Officer to make payments from the Shire's bank accounts, that a list of payments made is prepared each month for presentation to, and noting by, the Council.

CONSULTATION

Not applicable

STATUTORY ENVIRONMENT

Section 6.10 of the Local Government Act and more specifically, Regulation 13 of the Local Government (Financial Management) Regulations, refer to the requirement for a listing of payments made each month to be presented to the Council.

POLICY IMPLICATIONS

Where applicable, payments are made in accordance with relevant Council policies.

FINANCIAL IMPLICATIONS

All payments are made in accordance with the Council's adopted budget.

STRATEGIC IMPLICATIONS

Not applicable

STAFF COMMENT

Not applicable

TIMELINES FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not applicable

OFFICER RECOMMENDATION

That the voucher numbers M092723 – M093114, EF003629 – EF003944, T006484 – T006501 and DD001133 – DD001143, together totalling \$4,058,906.93 be noted.

15. COMMUNITY INFRASTRUCTURE REPORT

Nil.

16. COMMUNITY AND ORGANISATIONAL DEVELOPMENT REPORT

Nil.

17. CHIEF EXECUTIVE OFFICER'S REPORT

Nil.

18. MOTIONS of which notice has been given**18.1 WHITE COCKATOOS / CORELLAS**

NoM NO: 09/10: 1

Councillor Bernie Masters has given notice of his intention to move the following motion at the Council Meeting on 8 July 2009:

MOTION

- 1. That the CEO request the Department of Environment and Conservation to determine whether the white cockatoos (corellas) frequently seen at the Busselton beachfront and whose numbers have been building up over the last 5 to 10 years are species native to the south west of Western Australia or whether they are exotic species likely to be escapees from aviaries.*
- 2. If the species are identified as exotic to the south west of WA and providing they are not just range extensions of WA species which have naturally migrated to the Busselton area, that the CEO request the Department of Environment and Conservation and the Department of Agriculture and Food to take appropriate action to humanely cull the birds so that they do not pose a threat to the natural environment of the region.*

REASON

Not only has Australia seen the loss of many of its unique birds, animals and plants in the 200 years since European colonisation but many species of exotic wildlife have been introduced to this country and spread widely, with their population numbers often reaching extremely high numbers. The fox and rabbit are two well known exotic animals that were introduced from Europe and which have been responsible for significant environmental and economic damage. Similarly, in the Eastern States, the Common Starling and European House Sparrow now occur in their millions, causing major damage to agricultural crops.

For the last 10 years or so, one or more species of white cockatoo - corellas - have been found in the Busselton townsite in ever-increasing numbers. If they are exotic species from the Eastern States that have escaped from aviaries or moved

here from populations known to occur in the Perth metropolitan area, they pose significant risks to local species of parrots which use the same size and types of nesting hollows. They also pose a risk to some agricultural crops. However, it is possible that the corellas are species already occurring in the south west of the state and have moved unaided into the Shire as a result of climate change, clearing of original vegetation and/or the planting within Busselton's urban areas of vegetation which is more attractive to the birds than the trees and shrubs that previously grew here.

Should the corellas be found to be exotic species, then a humane cull should be supported by the Shire to prevent on-going damage (for example, to the Norfolk Island pines on the beachfront) and to ensure that the species' populations do not climb to very large numbers.

STAFF COMMENT (Community Infrastructure Directorate)

Shire officers have discussed briefly with the Department of Environment and Conservation (DEC) and have been told that DEC has been working with specialists to find suitable control measures.

DEC has also provided a written response to Councillor Masters with similar information as supplied to the Shire.

It is understood the 'little Corella' is exotic to the south west and generally found in the wheat belt; why they have moved is unknown. The little Corella is apparently flocking with the 'eastern long bill Corella' generally found from South Australia to the east coast. The eastern long bill Corella also is considered an aviary escapee with up to 10 birds being allowed per person without a licence to keep birds.

The type of controls usually applied to 'pest' birds are:

- * Shooting - Difficult to undertake in urban areas given firearm usage requirements;
- * Poisoning - Difficult to implement in urban areas due to threat to other birds and pets;
- * Trapping - Has to be managed in a manner not to cause injury and is difficult to implement

DEC have stated that funding is required to address the problem in a managed way including finding nesting sites and the opportunity to control the pest outside urban areas. The Dept of Agriculture and Food has also listed the eastern long bill Corella on the Declared Pest List.

The damage noticed by Shire staff around the Busselton area has been generally the attack on other exotic trees including the Norfolk Island pines and Eucalyptus maculata both not endemic to Western Australia.

Officers are happy to support the NoM which will require further contact with the DEC and possibly the Department of Agriculture and Food (DAF) and request they take action. However it must be pointed out that Shire has no authority over the DEC or DAF to insist they resolve the issue with the Corella and they may reject our requests.

19. **CONFIDENTIAL REPORTS**

Nil.

20. **NOTICES OF MOTION** proposed for consideration at a future Meeting

21. **QUESTIONS FROM MEMBERS WITHOUT NOTICE**

22. **NEXT MEETING**

Wednesday, 22 June, 2009, commencing at 5.30 p.m.

23. **CLOSURE**

