

Council Agenda

9 November 2016

ALL INFORMATION AVAILABLE IN VARIOUS FORMATS ON REQUEST

CITY OF BUSSELTON

MEETING NOTICE AND AGENDA – 9 NOVEMBER 2016

TO: THE MAYOR AND COUNCILLORS

NOTICE is given that a meeting of the Councilwill be held in the Meeting Room One, Community Resource Centre, 21 Cammilleri Street, Busselton on Wednesday, 9 November 2016, commencing at 5.30pm.

Your attendance is respectfully requested.

MIKE ARCHER

CHIEF EXECUTIVE OFFICER

28 October 2016

CITY OF BUSSELTON

AGENDA FOR THE COUNCIL MEETING TO BE HELD ON 9 NOVEMBER 2016

TABLE OF CONTENTS

ITEM	NO.	SUBJECT	PAGE NO.
1.	DECLARA	TION OF OPENING AND ANNOUNCEMENT OF VISITORS	5
2.	ATTENDA	NCE	5
3.	PRAYER.		5
4.	PUBLIC Q	UESTION TIME	5
5.	ANNOUN	CEMENTS WITHOUT DISCUSSION	5
6.	APPLICAT	TION FOR LEAVE OF ABSENCE	5
7.	PETITION	S AND PRESENTATIONS	5
8.	DISCLOSU	JRE OF INTERESTS	5
9.	CONFIRM	IATION AND RECEIPT OF MINUTES	5
		Council Meetings	
	9.1	Minutes of the Council Meeting held 26 October 2016	
	Committe	ee Meetings	6
	9.2	Minutes of the Airport Advisory Committee Meeting held 19 October 2016	
	9.3	Minutes of the Policy and Legisaltion Committee Meeting held 20 October 2016	6
	9.4	Minutes of the Audit Committee Meeting held 26 October 2016	6
10.	REPORTS	OF COMMITTEE	7
	10.1	Airport Advisory Committee - 19/10/2016 - BUSSELTON MARGARET RIVER AIRPORT - AIRPORT UPDATE	7
	10.2	Policy and Legislation Committee - 20/10/2016 - NON-EXCLUSIVE COMMERCIAL USE OF CITY LAND	12
	10.3	Audit Committee - 26/10/2016 - CITY OF BUSSELTON 2015/2016 ANNUAL FINANCIAL REPORT, AUDITORS REPORT AND MANAGEMENT LETTER	34
	10.4	Audit Committee - 26/10/2016 - LOCAL GOVERNMENT AUDIT REGULATION 17 - REVIEW OF RISK MANAGEMENT	
	10.5	Audit Committee - 26/10/2016 - REVIEW OF ORGANISATIONAL SYSTEMS AND PROCEDURES - INTERNAL CONTROL	
	10.6	Audit Committee - 26/10/2016 - LOCAL GOVERNMENT (AUDIT) REGULATION 17 - AUDIT OF LEGISLATIVE COMPLIANCE	187
11.	PLANNIN	G AND DEVELOPMENT SERVICES REPORT	208
	11.1	ADOPTION OF THE REVISED ENVIRONMENT STRATEGY	208
12.	ENGINEE	RING AND WORKS SERVICES REPORT	266
13.	COMMUI	NITY AND COMMERCIAL SERVICES REPORT	266
	13.1	CITY OF BUSSELTON ECONOMIC DEVELOPMENT STRATEGY (2016-2026)	266
14.	FINANCE	AND CORPORATE SERVICES REPORT	349
15.	CHIEF EXI	ECUTIVE OFFICER'S REPORT	349
	15.1	COUNCIL ENDORSEMENT OF THE 2015- 2016 CITY OF BUSSELTON ANNUAL	

		REPORT	349
	15.2	COUNCIL MEETING SCHEDULE FOR 2017	351
	15.3	COUNCILLORS' INFORMATION BULLETIN	355
16.	MOTIONS	OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN	373
17.	CONFIDE	NTIAL REPORTS	373
18.	QUESTIO	NS FROM MEMBERS	373
19.	PUBLIC Q	UESTION TIME	373
20.	NEXT ME	ETING DATE	373
21	CLOSLIDE		272

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

2. <u>ATTENDANCE</u>

Apologies

Approved Leave of Absence

Cr Terry Best Cr Gordon Bleechmore

3. PRAYER

The Prayer will be delivered by Reverend Brenton Prigge of Busselton Uniting Church.

4. PUBLIC QUESTION TIME

Response to Previous Questions Taken on Notice

Public Question Time

5. ANNOUNCEMENTS WITHOUT DISCUSSION

Announcements by the Presiding Member

Announcements by other Members at the invitation of the Presiding Member

- 6. APPLICATION FOR LEAVE OF ABSENCE
- 7. <u>PETITIONS AND PRESENTATIONS</u>
- 8. <u>DISCLOSURE OF INTERESTS</u>
- 9. **CONFIRMATION AND RECEIPT OF MINUTES**

Previous Council Meetings

9.1 Minutes of the Council Meeting held 26 October 2016

RECOMMENDATION

That the Minutes of the Council Meeting held 26 October 2016 be confirmed as a true and correct record.

Committee Meetings

9.2 Minutes of the Airport Advisory Committee Meeting held 19 October 2016

RECOMMENDATION

- 1) That the minutes of the Airport Advisory Committee meeting 19 October 2016 be received.
- 2) That the Council note the outcomes from the Airport Advisory Committee meeting 19 October 2016 being:
 - a) The Busselton Margaret River Airport Airport Update item is presented for Council consideration at item 10.1 of this agenda.
 - b) The general discussion is noted.

9.3 <u>Minutes of the Policy and Legisaltion Committee Meeting held 20 October 2016</u>

RECOMMENDATION

- 1) That the minutes of the Policy and Legislation Committee meeting 20 October 2016 be received.
- 2) That the Council note the outcomes from the Policy and Legislation Committee meeting 20 October 2016 being:
 - a) The Non-Exclusive Commercial Use of City Land item is presented for Council consideration at item 10.2 of this agenda.
 - b) The general discussion item on Operational Use of Corporate Credit Cards item is noted.

9.4 Minutes of the Audit Committee Meeting held 26 October 2016

RECOMMENDATION

- 1) That the minutes of the Audit Committee meeting 26 October 2016 be received.
- 2) That the Council note the outcomes from the Audit Committee meeting 26 October 2016 being:
 - a) The City of Busselton 2015/2016 Annual Financial Report, Auditors Report and Management Letter item is presented for Council consideration at item 10.3 of this agenda.
 - b) The Local Government Audit Regulation 17 Review of Risk Management item is presented for Council consideration at item 10.4 of this agenda.
 - c) The Review of Organisational Systems and Procedures Internal Control item is presented for Council consideration at item 10.5 of this agenda.
 - d) Local Government (Audit) Regulation 17 Audit of Legislative Compliance item is presented for Council consideration at item 10.6 of this agenda.

10. REPORTS OF COMMITTEE

10.1 <u>Airport Advisory Committee - 19/10/2016 - BUSSELTON MARGARET RIVER AIRPORT -</u> AIRPORT UPDATE

SUBJECT INDEX: Busselton-Margaret River Airport

STRATEGIC OBJECTIVE: Infrastructure assets are well maintained and responsibly managed to

provide for future generations.

BUSINESS UNIT: Commercial Services
ACTIVITY UNIT: Commercial Services

REPORTING OFFICER: Airport Operations Coordinator - David Russell AUTHORISING OFFICER: Manager, Commercial Services - Jennifer May

VOTING REQUIREMENT: Simple Majority

ATTACHMENTS: Nil

This item was considered by the Airport Advisory Committee at its meeting on 19 October 2016, the recommendations from which have been included in this report.

PRÉCIS

This report provides an overview on the Busselton-Margaret River Airport (BMRA) operations and activities for the reporting period 1 July 2016 to 30 September 2016.

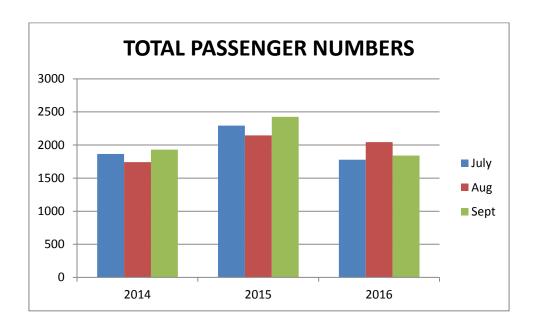
BACKGROUND

Quarterly Update

The BMRA has seen a decline in the overall FIFO passenger numbers compared to the same period for 2014 and 2015 which can be attributed to the withdrawal of the Maroomba / Ad Astral services to the Karara mine site in December 2015. However, FIFO passenger numbers relating to the Virgin Australia Regional Airlines (VARA) services remain in line with previous years numbers.

Below is a table indicating the number of FIFO/ Charter passengers travelling through BMRA for the reporting period 1 July 2016 to 30 September 2016:

	Departing FIFO/Charter Passengers			Arriving FIFO/Charter Passengers		
	2014	2015	2016	2014	2015	2016
July	1036	1277	995	830	1016	784
August	1069	1189	1153	673	956	890
September	1077	1280	1065	854	1145	775
TOTAL	3182	3746	3213	2357	3117	2449



The total number of departing FIFO services from BMRA is currently 10 flights per week.

A total of 771 aircraft landings were recorded for the period July-September 2016, a decrease from the numbers reported for the same period in 2014 (939) and 2015 (1142), this decrease is potentially due to a wet winter with higher than average cross winds experienced.

Potential Business Opportunity

City Officers received an application from an individual (Mr Blakers) trading as South West Aircraft Maintenance to operate an Aircraft Maintenance Facility from the BMRA in late 2015 which has recently been progressed by the applicant.

The proposal to operate a maintenance facility is based on the following;

- All the aircraft serviced will be under 5700kgs, including but not limited to Cessna, Piper and Beechcraft aircraft, and smaller recreational registered aircraft (RAA);
- Aircraft will be single engine, piston aircraft and carry from 2 to 8 people;
- Estimated annual aircraft numbers are;
 - o 1st year 10 aircraft
 - o 2nd year 20 30 aircraft
 - o 3rd year -50 aircraft.

The type of maintenance will be mainly scheduled maintenance consisting of oil changes, filters and airframe inspections including some airframe repairs consisting of riveting and a minimal amount of aircraft painting.

Proposed trading hours are as follows;

- Monday to Saturday 7.00 am to 5.00pm;
- Sunday and Public Holidays as needed within the hours of 7.00am to 5.00pm.
- All aircraft movements will operate within the conditions of the BMRA Noise Management Plan (NMP).

Mr Blakers has been made aware of the requirements of the NMP and also of any environmental requirements relating to the operations of a maintenance facility which would form part of any potential City approval.

Mr Blakers requires approval from the City to operate a maintenance facility from any one of the BMRA hangars prior to applying to CASA for a Certificate of Approval (to operate a maintenance facility) which requires a business address and approval from the Aerodrome operator. Officers understand that Mr Blakers has not finalised any arrangements with existing hangar owners (either sub-leasing or purchase) and will wait until he has secured his CASA Certificate of Approval before doing so.

However, in accordance with the existing hangar leases, the terms and conditions stipulate the following;

Section 7; Use of Hangar Area which details the permitted use of the hangar space;

The lessee shall not:

- a) Use of permit to be used the Hangar Area or any part thereof for any purpose other than for aircraft hangarage and work associated with the construction, repair and maintenance of aircraft for personal use which is of a minor nature only such as to be incidental to the hangarage of aircraft;
- b) Carry on a business at or from the Hangar Area without the written approval of the Shire of Busselton;

As such the hangar owner group will need to request approval from the City to vary the existing lease to allow the aircraft maintenance facility to operate from the hangar at the BMRA. Once a written request has been received from the hanger owner group, Officers can progress the required City approval under the CEO's delegated authority

STATUTORY ENVIRONMENT

The BMRA operates in accordance with the following: Aviation Transport Security Act 2004, Aviation Transport Security Regulations 2005, CASA MOS 139, Council's Transport Security Plan and City policies and procedures.

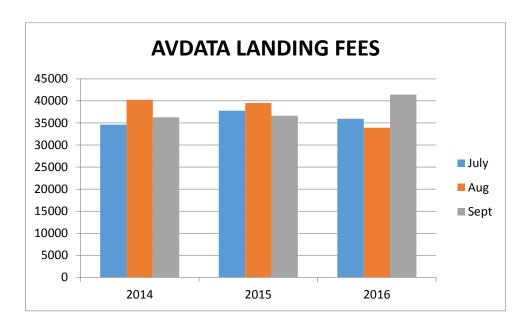
RELEVANT PLANS AND POLICIES

There are no policy implications with this report.

FINANCIAL IMPLICATIONS

Airport revenue for the 2016/2017 financial year to 30 September is \$164,019 compared to a projected year to date (YTD) budget of \$259,680. The main reasons for revenue being less than expected is due to the City having not received payment of VARA's August passenger fees estimated at \$23,000, and outstanding Avdata landing fee collection estimated at \$72,000. Car parking revenue is slightly less than expected with an income of \$59,566 compared to the projected YTD budget of \$66,249 which has been partly been impacted by increased carpooling by patrons.

The graph below shows the landing fees collected by Avdata for the reporting period July- September 2016 in comparison to the same period for 2014 and 2015, noting that that the City has not received the landing fees for August and September 2016.



Airport expenditure for 1 July 2016 to 30 September 2016 is \$180,312 compared to a projected YTD Budget amount of \$208,949. Expenditure is less than expected due to some of maintenance tasks being deferred until the drier summer months.

There are no financial implications as a result of this report.

Long-term Financial Plan Implications

There are no financial implications as a result of this report.

STRATEGIC COMMUNITY OBJECTIVES

The BMRA is consistent with following the City of Busselton's strategic Objectives:

Well Planned, Vibrant and Active Places:

- Infrastructure Assets that are well maintained and responsibly managed to provide for future generations;
- Connected City of Busselton Transport options that provide greater links within our district and increase capacity for community participation.

RISK ASSESSMENT

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk assessment framework. The assessment sought to identify 'downside' risks only rather than 'upside' risks and where the risk, following implementation of controls, has been identified as medium or greater. No such risks were identified.

CONSULTATION

Consultation with Department of Transport, South West Development Commission, Aviation Projects, Government agencies, Airport stakeholders, Office of Transport Security (OTS), Civil Aviation Safety Authority (CASA), Virgin Australia Regional Airline, the Busselton Aero Club, Service Agencies, Albany, Esperance, Geraldton Airports and Australian Airports Association has been occurring on a regular basis concerning many topics and issues relating to the Airport.

OFFICER COMMENT

FIFO/ Charter passenger numbers through the BMRA have decreased slightly compared to the same period last year and officers expect passenger numbers to remain in line with budgeted forecasts for the remainder of the financial year.

The July- September period has seen operational improvements, maintenance and scheduled inspections taking place including the installation of a new main electrical distribution board and a new electrical board in the terminal office.

Officers are also assessing new drone rules introduced by CASA in early October and any potential impact to the City.

Officers have attended industry meetings with CASA regarding aviation safety hosted by the Busselton Aero Club, the Australian Airports Association W.A. division meeting held in early August and the W.A. Police South West Joint Investigation Group incorporating protective security and critical Infrastructure in the region.

The City has received a request for approval for a GA/RAA maintenance facility to operate from the BMRA. However, approval is required from the City to vary the lease to allow a commercial business to operate from the hangars. Approval is also required from CASA for a certificate of approval to operate a maintenance facility and a letter of support is required by CASA from the aerodrome operator.

At the Council meeting of 8 July 2015, the Council endorsed that the Chief Executive Officer be delegated authority to approve any further variations to the leases between the City of Busselton and Busselton Hangar Owners Pty Ltd, the Geographe Hangar Owners Group Inc. and the Busselton Flyers Pty Ltd for the purposes of operating aviation related commercial businesses to operate from the hangars at the Busselton Regional Airport (C1507/190). As such a CEO approval will be sought once a written request has been received from the relevant hangar owner group (and South West Aircraft Maintenance) for approval to operate from the BMRA hangars.

CONCLUSION

The wet weather has delayed some maintenance over the winter period however the airport operations team is looking forward to an exciting and busy time during the drier months with the commencement of airside construction for the BMRA expansion.

As always officers will be providing a high level of customer service and ensuring the airport is operating safely during this year and into the airport expansion project.

Currently a number of small aviation businesses operate from the BMRA and contribute to the recreational and general aviation community based at the Airport. The addition of a GA and RAA maintenance facility has the potential to grow the GA community and increase visitation to the BMRA by pilots and CEO approval will be sought by Officers following a written request from the hangar owner group and operator.

OPTIONS

The Airport Advisory Committee chooses not to accept the Officers report.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not Applicable

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

That the Airport Advisory Committee;

1. Receive and note the Airport operations report.

10.2 Policy and Legislation Committee - 20/10/2016 - NON-EXCLUSIVE COMMERCIAL USE OF CITY LAND

SUBJECT INDEX: Trading in Public Places

STRATEGIC OBJECTIVE: A City where the community has access to quality cultural, recreation,

leisure facilities and services.

BUSINESS UNIT: Health Services

ACTIVITY UNIT: Environmental Health

REPORTING OFFICER: Manager Health Services - Tanya Gillett

AUTHORISING OFFICER: Director, Planning and Development Services - Paul Needham

VOTING REQUIREMENT: Simple Majority

ATTACHMENTS: Attachment A Draft Policy.

This item was considered by the Policy and Legislation Committee at its meeting on 20 October 2016, the recommendations from which have been included in this report.

PRÉCIS

The Council is asked to consider adopting a policy, presented in draft form, which sets out an overall framework for the management of the 'Non-Exclusive Commercial Use of City Land'. Note that the policy does not deal with: leasehold, commercial use of City land; with the use of City land for events or markets; or with the short-term hiring of City property for functions or similar; the approaches to management of which are guided by other policies or frameworks. The policy does, however, relate to the following kinds of activities on City land—

- Mobile food/drink traders;
- Itinerant food/drink traders;
- Al fresco dining (other than where this is facilitated via a lease);
- Recreational activities of some kinds (i.e. 'exercise permits'), but not general sporting use of ovals or similar;
- Tours or similar;
- Traders engaged in the short-term hiring of recreational equipment; and
- Some trading that operates from more or less temporary premises and/or from fixed premises, but on the basis of relatively short-term arrangements, such as trading from a converted/adapted sea container, or from some other relocatable and/or low cost structure.

The development of the draft policy reflects the increasing potential for commercial use of public land, and the need to develop a coherent, fair and workable approach to managing that activity. Particular attention has been paid to developing a policy: that applies consistent principles to different kinds of activities and situations; is administratively simple and comprehensible; and which achieves the best outcomes for the community as a whole. In some instances, the policy represents a significant departure from current practice, and in other cases it does not.

Development of the draft policy also follows earlier Council adoption of a draft policy relating to 'Trading in Public Places', which has subsequently been subject of public consultation. It is envisaged that the draft policy now proposed, if adopted by the Council, will be quickly followed by more detailed policies outlining, in more detail, the approach to be applied to various subsets of the activities that would be covered by the overall 'umbrella' policy relating to most kinds of 'Non-exclusive commercial use of City land'.

BACKGROUND

As is the case in many other local government areas, there is a range of commercial activity that occurs on local government owned and/or managed land in the City of Busselton. That includes commercial activity undertaken on land leased from the City (which has been subject of recent policy development/review). An example of this kind of situation is the *Equinox*, a business that Councillors would be very familiar with. Where commercial activity of this kind occurs –

- The cost of the lease reflects the market value of the land (i.e. the market value either as negotiated giving consideration to advice from a licensed valuer, and/or as determined by an open, competitive process of some kind, in accordance with the requirements of the local government legislation); and
- Other costs associated with developing and operating a 'permanent, fixed business' on
 private land also generally apply (e.g. payment of local government rates, payment of
 other infrastructure rates and charges, meeting the costs of employing staff to operate a
 business on a year round basis, and meeting the costs associated with developing and
 maintaining the building/s that house/s the business/es).

The frameworks associated with facilitating and regulating commercial activity of this kind are well established and reasonably well understood, and there is generally understood to be a 'level playing field' for this kind of activity, relative to similar activity on private land. With this kind of activity there is also a financial return to the City (and therefore the community as a whole) reflective of the value of the land (and, by extension, the value of the infrastructure developed and maintained by the City that enhances the value of the land – e.g. the very significant infrastructure investments made by the City, largely utilising ratepayer and taxpayer funds, on behalf of the community, at the Busselton Foreshore).

There are, however, other kinds of commercial activity that also take place on City land, or which may in future take place on City land, and the frameworks associated with some of those other kinds of commercial activity are sometimes not as well established or as well understood. Those kinds of activities include various kinds of mobile, short-term or ephemeral ways of conducting business, such as markets or mobile food vans. There are also particular concerns in some quarters about whether activity of this kind may —

- Benefit from an 'uneven playing field' relative to permanent, fixed businesses, in particular those offering equivalent goods and/or services;
- Undermine the viability of equivalent permanent, fixed businesses; and/or
- In an overall sense, generate less social and/or economic benefit than equivalent permanent, fixed businesses.

Those concerns may or may not be justified (and those kinds of concerns are outlined and discussed in more detail later in this report), but it is also often true that those other kinds of commercial activity may in some instances –

- Provide a relatively low-cost and low-risk basis for new business development;
- Provide a service in a location where services would not otherwise be provided;
- Assist in activating and increasing the vibrancy of public spaces, and in some cases improve the broader commercial/trading environment in the area;
- Deliver additional financial return to the City (and therefore the community as a whole) related to the value of City land, and the value of infrastructure developed and maintained by the City;

- May provide a service (service in the broad sense, 'experience' might be a better word than 'service' in this context) that is genuinely different to that which can be provided by seemingly equivalent permanent, fixed businesses; and
- May complement and support a more conventional, fixed, permanent business, providing additional income for the business, making more effective use of fixed assets (such as commercial kitchens), and building both the business and the brand (i.e. where the business consists of both a fixed, permanent premises and mobile or ephemeral elements).

Examples of these other kinds of commercial activity on City land include –

- Events, and the trading activity associated with events;
- Markets;
- Buskers/street entertainers;
- Mobile traders (i.e. traders, usually food/drink traders, that operate from particular locations for certain periods of time, e.g. the various food vendors that operate from time to time from a location like the King Street Car Park);
- Itinerant traders (i.e. traders, again usually food/drink traders, that offer goods and services by travelling around the District, stopping only for as long as it takes to serve customers in a particular location, e.g. a 'Mr Whippy Van');
- Al fresco dining on footpaths or other City land adjacent or close to a permanent, fixed business;
- Recreational activities of various kinds (including sporting events, fitness classes or similar, and things like mobile climbing walls or water playgrounds);
- The running of tours or similar, which wholly or partly take place on City land and/or using City infrastructure (e.g. the jet boat tours which alight from the Busselton Jetty, and at times stop off in Meelup Regional Park);
- Businesses involved in the short-term hiring of recreational equipment, such as bikes, kayaks or jet skis;
- Activities associated with the short-term hiring of City property (e.g. hiring a City building for a function — which may or may not be a 'commercial' activity, but even where it is not a commercial activity, there may be alternative, privately owned locations for the function); or
- Trading that operates from more or less temporary premises and/or from fixed premises, but on the basis of relatively short-term arrangements, such as trading from a converted/adapted sea container, or from some other relocatable and/or relatively low cost structure (although note that once there is a significant degree of 'permanence' associated with a business and/or structure in this kind of example, it becomes indistinguishable from a more conventional leasehold situation, described in the opening paragraphs of this section of the report).

As is also the case in many other local government areas and, in fact, in many other places in the world, the scale and scope of ephemeral commercial activity, and the activity occurring in public spaces and places of all kinds, has grown substantially in recent years. Because of the high variability and seasonality of demand (which may have reduced over recent years, but is still high relative to many other places), the tourist/visitor economy generally, the number and scale of events in the District and the attractiveness of the District from a lifestyle point of view, the City is at or near the forefront of this trend, in comparison with other locations in Western Australia. There is also considerable pressure and opportunity to allow the trend to continue.

The level of activity and the desire in some quarters to further increase the level of activity is, if nothing else, making the current governance arrangements unworkable. At present, there are approvals in place for the following (in addition to an extensive range of activity which falls outside the scope of the proposed policy) -

- 37 mobile food vendors (consisting of 15 ice cream, 10 coffee, eggs, Indian, Mexican, Mediterranean, health food, seafood, fresh fruit and vegetables, 2 burgers and fish & chips);
- 11 itinerant food vendors (9 ice cream and 2 coffee);
- 3 recreational vendors (2 stand-up paddle boards and Jet Adventures);
- 10 'commercial hire sites' (including kayaks, 'Climbtastic', 'Aquatastic', surfing school, and surf cats); and
- 16 outdoor exercise operators.

These traders are currently operating at 30 locations across the District. The City continues to receive approximately eight requests per week for new sites/businesses. This includes a mixture of all of the types of traders listed above.

There is some suggestion that the increased pressure to accommodate these kinds of activities locally is due to the 'mining downturn', with those no longer able to find secure or attractive employment in the mining or related sectors seeking other opportunities. Whilst that may well be true to some degree, it needs to be recognised that this trend is not confined to Western Australia or even to Australia, and is in fact a trend that is present in much of the world, including in many places that are not experiencing the effects of a mining downturn. Instead, these pressures appear to be part of broader socio-economic shifts, characterised by —

- A search for lower-cost and/or more flexible business models, with lower fixed costs and lower barriers to entry (mobile food vans, for instance, are in some respects an example of this);
- Related to the above, increasing regulatory and compliance burdens being applied to most 'conventional' business activity have also increased barriers to entry and business costs generally, and, as one would expect, there has been increased interest in business models where those regulatory and compliance burdens may be lower this is a form of what could be called 'regulatory arbitrage' (Note that these burdens have almost entirely been in the form of State or Commonwealth imposed requirements for environmental protection, consumer standards, workplace regulation and social protections e.g. universal access requirements which have undoubted benefits, but also have costs.);
- Using or re-using existing assets in new and/or more intensive ways (*Uber* is an example
 of this, with a substantial part of the attractiveness of the business model, at least
 initially, being the use of what would otherwise be private cars, only actually in
 productive use for a very small proportion of the time. Providing space for ephemeral
 food retailers in high amenity areas like the Busselton Foreshore, which would
 otherwise be less intensively used, is also an example of this.);
- The development of internet based 'platforms', which can aggregate demand and in some cases allow a series of small businesses to compete more effectively with larger business (*Uber* is also an example of this, as is *AirBnB*, although they are themselves now quite large businesses the latter has disrupted the tourism accommodation business in many parts of the world, although not to a significant extent in Busselton, which has a long tradition of holiday homes and other flexible, small-scale and sometimes relatively

low-cost approaches to providing holiday accommodation. An application called *Healthy Spot* is also an attempt to develop a platform to aggregate demand and to allow small health and fitness businesses to compete more effectively, and there are numerous other examples.);

- Effective use of the internet by small, new or unconventional businesses for marketing
 purposes more generally, for instance by allowing a business to build awareness online
 instead of through conventional advertising, or even online advertising, or paying for a
 high profile business location (this could be as simple as a mobile food van posting
 information about their location at a particular time on Facebook);
- In the face of the increasing corporatisation and globalisation of business, the search for a greater sense of connection with local people and local businesses, and the search for what are perceived to be more 'authentic' products or experiences; and
- The increasingly blurred boundaries between shopping and recreation, and between the social and the economic, in many contexts.

There are no doubt other shifts underway, other ways of describing these shifts, and significant scope for discussion and debate about the desirability and/or direction of some or all of these shifts. It is, though, clear that we are going through a period of significant change and uncertainty, and that the City is at or near the forefront of at least some of these changes in the Western Australian context. That represents a significant opportunity for the City and its residents, but also creates a range of challenges. Aspects of all these shifts also have an effect on the use of, or the desire to use, public land for commercial purposes. Not allowing use of public land in these new and/or more flexible ways may simply result in the activity taking place on private land instead (an example of where this kind of activity is already occurring on private land is 'The Shed' market in Abbey, near Monaghan's Corner). That may address some of the concerns related to the new activities, but not necessarily all, and may well result in an overall outcome that is not as desirable as what might be achieved otherwise.

It is in this broader context that the City has sought to develop an overall framework to guide the 'commercial' use of City land, and a draft policy relating to the 'Non-exclusive commercial use of City land' has been developed for the Council's consideration (see **Attachment A**). The draft policy is not intended to be a complete policy framework to guide decision-making at the detailed level, but is intended to provide the overarching policy direction. The policy would then be supplemented by more detailed Council policies and/or practices, procedures and guidelines; those would be developed once the overarching policy direction has been determined by the Council.

Note in particular that the draft policy does not relate to the use or development of City land through a leasehold mechanism because, as has already been described, the framework for regulating that kind of activity is already well established and reasonably well understood. The draft policy also does not relate to the regulation and management of events and/or markets, or to the short-term hiring of City property for functions or similar, as those kinds of activities are subject of separate policies and a range of other considerations often not directly relevant to the matters that are subject of the draft policy. The frameworks and issues related to leasehold use of City land, events and markets, the short-term hiring of City property for functions or similar, as well as the frameworks governing similar activities on private land have, however, all been considered in developing the draft policy.

The development of the draft policy has also been prompted by issues that have been raised and related discussion regarding the review and development of a number of more specific policies, including those relating to 'commercial hire sites', 'trading in public places' and 'outdoor eating facilities'. The Council, at its meeting of 14 October 2015, had, in fact, adopted a draft 'Trading in Public Places Policy' for consultation purposes (a copy of which can be provided to Councillors if required). The outcomes of the consultation process are outlined in the 'Consultation' section of this

report. There have also been a number of informal briefing sessions with Councillors on these and related issues.

Further consideration and discussion by officers, though, has identified a significant concern that the City may not be progressing towards development of an integrated or coherent policy approach that would be in the best, long-term interests of the City, its residents and ratepayers. It was considered that some more fundamental re-thinking and reassessment was required before officers would be in a position to recommend that the Council adopt the then draft policy in final form (also noting there were a number of potential modifications that had already been discussed with Councillors following the consultation period). That re-thinking and re-assessment is described in the 'Officer Comment' section of this report.

STATUTORY ENVIRONMENT

- Land Administration Act 1997 and associated regulations
- Local Government Act 1995 and associated regulations
- Planning and Development Act 2005 and associated regulations
- Building Act 2012 and associated regulations
- Health Act 1911 and associated regulations
- Public Health Act 2016
- Food Act 2008 and associated regulations
- Local Planning Scheme 21 and associated structure plans and policies
- Activities in Thoroughfares and Public Places and Trading Local Law
- Property Local Law
- Jetties Local Law
- Airport Local Law

RELEVANT PLANS AND POLICIES

- Busselton Foreshore Master Plan
- Busselton City Centre Conceptual Plan
- Dunsborough Town Centre Conceptual Plan
- Commercial Hire Site Policy Reference No. 008*
- Trading in Public Places Policy Reference No. 020*
- Mobile Vendors on the Busselton Jetty Policy Reference No. 006*
- Community Facilities Bookings Policy Reference No. 027
- Markets Policy Reference No. 074
- Events Policy Reference No. 231
- Leases of City Land and Buildings Policy Reference No. 248

The policies above marked with an asterisk are envisaged for revocation and replacement by the draft policy and/or the subsequent more detailed Council policies and/or practices, procedures and guidelines that will follow, and a report setting that in more detail would follow Council's consideration of this report.

FINANCIAL IMPLICATIONS

The City's 2016/17 schedule of fees and charges contains a range of fees relevant to the scope of the proposed policy, as follows –

DESCRIPTION	ADOPTED	ADOPTED	ADOPTED
	FEE	FEE	FEE
	2015/16	2016/17	2016/17
	(Exc GST)	(Exc	(Inc
		GST)	GST)
PLANNING & DEVELOPMENT SERVICES			
HEALTH RELATED FEES			
Food Premises Fees			
Application for Registration/ Notification of Food Premises	60.00	62.00	62.00
Review of Registration/Notification of Food Premises	58.00	60.00	60.00
Transfer of Registration Fee	60.00	62.00	62.00
Inspection fee - Low Risk	89.00	92.00	92.00
Inspection fee - Medium Risk	190.00	196.50	196.50
Inspection fee - High Risk	190.00	196.50	196.50
Inspection of premises on request	167.00	173.00	173.00
Copy of Food Sampling Results Certificate	26.00	27.00	27.00
Temporary Food Business assessment fee (per occasion)	33.00	40.00	40.00
Temporary Food Business assessment fee (annual)	New	180.00	180.00
Stallholders			
Application for Stallholders Permit Fee/Renewal of Stallholder's			
Permit Fee/ Transfer of Stallholders Permit			
per occasion	30.00	31.00	31.00
Up to 3 months	40.00	41.50	41.50
6 months	60.00	62.00	62.00
12 months	120.00	125.00	125.00
Application for Transfer of Stallholder's Permit	30.00	31.00	31.00
Traders			
Application for Trader's Permit	60.00	150.00	150.00
Application for Transfer of Trader's Permit	New	150.00	150.00
Itinerant Trader Permit Fee	800.00	2,500.00	2,500.00
Trader's Permit – Bond Fees	1,086.00	1,125.00	1,125.00
Trader's Permit Fee – Zone 1			
Prime sites (e.g. established coastal and foreshore nodes) as			
depicted within Trading in Public Places Policy			
3 months	200.00	750.00	750.00
6 months	400.00	1,500.00	1,500.00
12 months	800.00	3,000.00	3,000.00
Trader's Permit Fee – Zone 2			
Other sites as depicted within Trading in Public Places Policy			
3 months	200.00	500.00	500.00
6 months	400.00	1,000.00	1,000.00
12 months	800.00	2,000.00	2,000.00
Outdoor Eating Facility			
Application for Outdoor Eating Facility Permit	100.00	105.00	105.00
Outdoor Eating Facility Permit Fee/Renewal of Outdoor Eating	100.00	105.00	105.00
Facility Permit Fee			
Minimum Outdoor Eating Facility Fee/ year - <10m2	50.00	52.00	52.00
Outdoor Eating Facility Fee/ year/ non liquor-licenced area - < 30m2	100.00	105.00	105.00
Sacross Earning Facility Feer year, northiquot necricea area = \ 301112	100.00	103.00	103.0

DESCRIPTION	ADOPTED FEE 2015/16	ADOPTED FEE 2016/17	ADOPTED FEE 2016/17
	(Exc GST)	(Exc GST)	(Inc GST)
Outdoor Eating Facility Fee/ year/ non liquor-licenced area - > 30m2	250.00	260.00	260.00
Outdoor Eating Facility Fee/ year/ Liquor-licenced area - < 30m2	300.00	310.00	310.00
Outdoor Eating Facility Fee/ year/ Liquor-licenced area - > 30m2	500.00	518.00	518.00
Application for Transfer of Outdoor Eating Facility Permit	100.00	105.00	105.00
Street Entertainers			
Application for Street Entertainer Permit Fee/Renewal of Street Entertainer Permit Fee	0.00	0.00	0.00
COMMUNITY & COMMERCIAL SERVICES			
EVENTS & CASUAL GROUND HIRE			
Commercial Use of Reserves (Sports Grounds)			
Per day - plus power for use of site	377.27	390.45	429.50
Per half day - plus power for use of site	190.91	197.73	217.50
Commercial Use of Reserves (Other Reserves)			
Per day - plus power	195.45	202.27	222.50
Per half day - plus power	100.00	103.64	114.00
Ground Hire Bonds (to be applied to Community Events)			
Mandatory Bond against rent default, damage etc.:			
Ground Hire Bond (Other Reserves)	Fee	500.00	500.00
Premium Ground Hire Bond (Sporting Grounds, Foreshore)	Fee	1,000.00	1,000.00
Wedding Ceremonies			
Application Administration Fee - Applied to a Council Venue not	70.00	72.27	79.50
<u>Traders</u>			
Application for Trader's Permit	60.00	150.00	150.00
Application for Transfer of Trader's Permit	New	150.00	150.00
Itinerant Trader Permit Fee	800.00	2,500.00	2,500.00
Trader's Permit – Bond Fees	1,086.00	1,125.00	1,125.00
Trader's Permit Fee – Zone 1 Prime sites (e.g. established coastal and foreshore nodes) as depicted			
within Trading in Public Places Policy			
3 months	200.00	750.00	750.00
6 months	400.00	1,500.00	1,500.00
12 months	800.00	3,000.00	3,000.00
Trader's Permit Fee – Zone 2			
Other sites as depicted within Trading in Public Places Policy	200.00		
3 months	200.00	500.00	500.00
6 months 12 months	400.00 800.00	1,000.00 2,000.00	1,000.00 2,000.00
12 months	300.00	2,000.00	2,000.00
MISCELLANEOUS			
Commercial Use of Marine Berthing Platforms - Whale			
Watching / Tour Vessels			
Monthly Fees (Maximum duration of use permitted) -			
Registered Length of Vessel: 0m to less than 10m	New	500.00	500.00

DESCRIPTION	ADOPTED FEE 2015/16 (Exc GST)	ADOPTED FEE 2016/17 (Exc GST)	ADOPTED FEE 2016/17 (Inc GST)
Registered Length of Vessel: 10m to less than 15m	New	550.00	550.00
Registered Length of Vessel: 15m to less than 25m	New	600.00	600.00
Registered Length of Vessel: over 25m	New	700.00	700.00
Annual Fees (Maximum duration of use permitted) -			
Registered Length of Vessel: 0m to less than 10m	New	3,500.00	3,500.00
Registered Length of Vessel: 10m to less than 15m	New	4,000.00	4,000.00
Registered Length of Vessel: 15m to less than 25m	New	4,500.00	4,500.00
Registered Length of Vessel: over 25m	New	5,000.00	5,000.00
Refundable Bonds -			
Registered Length of Vessel: 0m to less than 10m	New	2,500.00	2,500.00
Registered Length of Vessel: 10m to less than 15m	New	3,500.00	3,500.00
Registered Length of Vessel: 15m to less than 25m	New	4,500.00	4,500.00
Registered Length of Vessel: over 25m	New	6,000.00	6,000.00
NATURALISTE COMMUNITY CENTRE			
NCC Grounds Hire			
Commercial half day	New	109.09	120.00

The fees and charges set out above are established under the *Local Government Act*, and reflect the administrative cost associated with assessing and managing applications – they do not represent a return on the value of the land or infrastructure that the business uses and/or benefits from. The City does, however, have an ability to require a licence (or similar) to conduct activity on City land and can, through that process, effectively charge for the use of the land and infrastructure. This is discussed further in the 'Officer Comment' section of this report.

It should also be noted that some of the fees and charges set out above were increased, in some cases significantly, relative to the equivalent fee last financial year. In many instances, the new fees have not been implemented, in part because they assumed the completion of policy review that is not actually complete and/or because existing approvals have not yet lapsed. The more fundamental re-thinking and reassessment of policy direction that this report sets out has, however, also potentially identified a need to further review and reconsider the fees and charges — and it is envisaged that would occur as part of the preparation of the City's 2017/18 budget.

Whilst it is considered that most of the fees and charges set out above are appropriate, there are concerns that some of them may be excessive when applied to certain classes or types of activity, and would render such activity unviable. The main area of concern is the application of the new Trader's Permit fees to fitness classes or similar, where an annual fee of \$3,000 for a 'Prime Site' could conceivably represent 25-50% of total revenue for some existing operators (for that particular part of their operations).

Long-term Financial Plan Implications

There are no significant Long Term Financial Plan implications of the recommendations of this report. It is envisaged, though, that the recommendations of the report would have a positive, but relatively small and difficult to quantify, increase in the net financial return to the City, its residents and ratepayers, arising from the non-exclusive commercial use of City land. That increase would likely arise both from an increase in revenue and, once the new policy framework has been successfully

implemented, a reduction in costs (mostly associated with a reduction in what has now become a very significant allocation of officer time to management of these activities).

STRATEGIC COMMUNITY OBJECTIVES

This proposal aligns with the City of Busselton Strategic Community Plan 2013 (revised 2015) as follows:

- Key Goal Area 1 Caring and Inclusive Community A welcoming, inclusive, healthy and capable community that provides accessible services for all residents.
- Key Goal Area 2 Well Planned, Vibrant and Active Places An attractive City offering great places and facilities promoting an enjoyable and enriched lifestyle.
- Key Goal Area 3 Robust Local Economy A strong local economy that sustains and attracts existing and new business, industry and employment opportunities.

RISK ASSESSMENT

An assessment of the potential implication of implementing the officer recommendation has been undertaken using the City's risk assessment framework.

The assessment highlighted sought to identify 'downside' risks only rather than 'upside' risks and where the risk, following implementation of controls identified, is medium or greater.

Risk	Controls	Consequence	Likelihood	Risk Level
Reputational risk –	Streamlined approach to	Minor	Possible	Medium
Comparable activities	activities proposed on			
proposed on City land	City land with consistent			
with multiple	application processes and			
application processes	fee structures across all			
and fee structures	areas			

CONSULTATION

A draft 'Trading in Public Places Policy' was advertised for public comment for a period of 8 weeks from 18 November 2015 until 15 January 2016. That included two advertisements being placed in a local newspaper and a letter being sent to all current permit holders advising of the consultation period. At the completion of the consultation period, 11 submissions were received from the following –

- 1 x Dunsborough- Yallingup Chamber of Commerce and Industry;
- 1 x Busselton Chamber of Commerce and Industry;
- 4 x current Trading in Public Places permit holders;
- 2 x current Commercial Hire Site permit holders;
- 1 x submission representing 2 fixed food businesses Busselton;
- 1 x absentee owner Dunsborough; and
- 1 x 'regular visitor to the region', supporting a particular food van.

The key issues raised in the submissions may be described as follows –

• Fairness –traders paying similar contributions to operate on public land in prime positions as business within fixed premises;

- Impact on business This includes the impacts of traders on fixed rate-paying business and the impacts of traders on other traders. Comments included the City approving too many traders in close proximity to fixed business and to each other, the need for traders to be permitted for longer than 4 hour intervals and traders not being required outside large scale events;
- Location the distance between traders and fixed business controls ('300 metre rule' et al) resulted in support from fixed business for an arbitrary distance to be implemented;
- Amenity Residential property owners adjacent to predetermined locations raised issues with the visual impact of traders and the noise emanating from generators;
- Parking Traders raised the uncertainty of finding parking for their vans in already popular carparks which occurs due to traders having to move after four hours or having to commence trading at times when cars are parked within the approved but not demarcated areas for traders. This often requires traders to park outside of approved areas or in locations that are unsafe for queuing pedestrians or other vehicles; and
- Expression-of-Interest Evaluation Process issues were raised with the number of traders permitted at the then predetermined locations, traders not utilising their allocated positions and the current rolling over of the approval process being anticompetitive as it restricts new businesses from entering into the market particularly in prime locations.

OFFICER COMMENT

As noted in the 'Background' section of this report, following and as part of the process of considering issues raised during recent consultation about a draft 'Trading in Public Places Policy', officers had identified a need to re-think and reassess the proposed direction before officers would be in a position to recommend that the Council adopt the then draft policy in final form. That process of re-thinking and reassessment commenced with the identification and discussion of four key questions —

- 1. What types of activities need to be identified and considered?
- 2. How are those activities regulated and managed currently?
- 3. What are the regulatory options?
- 4. What do we want to achieve? (Or, what should the policy objectives be?)

Each of these questions is outlined and discussed below, under relevant sub-headings, followed by a brief summary of the direction set out in the draft policy.

What types of activities need to be identified and considered?

The draft policy relates to the following kinds of non-exclusive commercial use of City land -

- Mobile traders (i.e. traders that operate from particular locations for certain periods of time, e.g. the various food vendors that operate from time to time from a location like the King Street Car Park);
- Itinerant traders (i.e. traders that offer goods and services by travelling around the District, stopping only for as long as it takes to serve customers in a particular location, e.g. a 'Mr Whippy Van');
- Al fresco dining on footpaths or other City land adjacent or close to a permanent, fixed business (other than where this is facilitated via a lease);

- Recreational activities of various kinds (including fitness classes or similar i.e. 'exercise permits' and things like mobile climbing walls or water playgrounds);
- The running of tours or similar, which wholly or partly take place on City land and/or using City infrastructure (e.g. the jet boat tours which alight from the Busselton Jetty, and at times stop off in Meelup Regional Park);
- Businesses involved in the short-term hiring of recreational equipment, such as bikes, kayaks or jet skis; and
- Trading that operates from more or less temporary premises and/or from fixed premises, but on the basis of relatively short-term arrangements, such as trading from a converted/adapted sea container, or from some other relocatable and/or relatively low cost structure (although note that once there is a significant degree of 'permanence' associated with a business and/or structure in this kind of example, it becomes indistinguishable from a more conventional leasehold situation, described earlier in this report).

The draft policy does not, however, relate to the following kinds of activities -

- Events, and the trading activity associated with events;
- Markets;
- Buskers/street entertainers;
- Activities associated with the short-term hiring of City property (e.g. hiring a City building for a function);
- General sporting use of ovals or similar; or
- Leasehold use/development of City land.

The reason that the draft policy does not relate to those kinds of activities is because they are subject of separate policies and a range of other considerations often not directly relevant to the matters that are subject of the draft policy.

How are those activities regulated and managed currently?

The following is a summary of how the activities that are subject of the draft policy are regulated and managed currently.

Mobile traders (i.e. traders that operate from particular locations for certain periods of time)

These are currently governed by the *Activities in Thoroughfares and Public Places and Trading Local Law 2015* and applying the City Policy entitled *Trading in Public Places – Standard Conditions of Approval Policy.* When space is available for a trader at a predetermined location and there is no current permit holder selling the same goods or services at that location, permits are granted for applications as they are received. It should be noted that due to almost all predetermined locations being fully occupied, a moratorium for any new mobile traders has been in place at the City for approximately 6 months. Traders are generally not permitted to trade from any one location for more than 4 hours in any given day, and there are many locations where there are multiple, often overlapping approvals, and the current approach is now quite clearly unsustainable.

Itinerant traders (i.e. that offer goods and services by travelling around the District, stopping only for as long as it takes to serve customers in a particular location)

These are currently governed by the Activities in Thoroughfares and Public Places and Trading Local Law 2015 and applying the City Policy entitled Trading in Public Places – Standard Conditions of

Approval Policy. Permits are generally granted as they are received, and traders are not permitted to operate in central or high profile locations. This approach is still largely workable and appropriate.

Al fresco dining on footpaths or other City land adjacent or close to a permanent, fixed business

Alfresco dining licences were previously granted under the *City of Busselton By-law Relating to Eating areas in Streets and Other Public Places*; which was repealed concurrently with the gazettal of the *Activities in Thoroughfares and Public Places and Trading Local Law 2015.* Since this time, no permits or licences have been issued for alfresco dining, but there is a provision for this to occur within the new Local Law.

Recreational activities of various kinds (including fitness classes or similar, and things like mobile climbing walls or water playgrounds)

Exercise fitness classes are currently administered under the provisions of the *Local Government Property Local Law 2010* and applying the *Community Facilities Bookings Policy*. When there is no current exercise permit holder at that location and the trainer can provide proof that they are certified to provide the training, permits are granted for applications as they are received.

Other recreational pursuits are also administered under the *Local Government Property Local Law 2010* and applying the *Commercial Hire Sites Policy*. An Expression of Interest for available locations is advertised twice per year and businesses successful through this process enter into a license agreement with the City.

The running of tours or similar

These are currently, largely unregulated by the City of Busselton in practice, but do constitute trading activity on City land in some instances.

Businesses involved in the short-term hiring of recreational equipment

These are currently administered under the *Local Government Property Local Law 2010* and applying the *Commercial Hire Sites Policy*. An Expression of Interest for available locations is advertised twice per year and businesses successful through this process enter into a license agreement with the City.

Trading that operates from more or less temporary premises and/or from fixed premises, but on the basis of relatively short-term arrangements

These are currently administered under the *Local Government Property Local Law 2010* and applying the *Commercial Hire Sites Policy*. A business enters into a license agreement with the City while these arrangements are in place.

What are the regulatory options?

Much of the activity subject of this report consists of the sale of food and drink, requiring the registration of food premises pursuant to the *Food Act 2008*. Generally, that will require registration of the food premises with the City. That does not, however, allow them to trade as such in the City. That would require one or more of the other approvals or similar outlined and discussed below. Also note that the *Food Act* registration process does not provide a broader basis for regulating food businesses, it can only address food safety considerations.

Note that where trading involves mobile or itinerant food vans or similar, the same business may be operating in more than one local government area. In such cases, the food premises only needs to be registered with one local government pursuant to the *Food Act*, rather than all of the local government areas in which they may operate. As such, some mobile/itinerant food traders operating in the City may be registered as a food premises with another local government (note that, in such

cases, the City would require confirmation of a current registration before issuing a permit to trade as such).

Some of the kinds of activity subject of this report will involve use of land, infrastructure or buildings, use or development of which may, in some instances, require development approval (or 'planning approval' or 'planning consent' – the exact term best used has changed over time) pursuant to the *Planning and Development Act 2005* and/or a building permit pursuant to the *Building Act 2012*. In most cases, however, if such development is being undertaken by the proponent, it would require 'exclusive possession' of land, and would therefore require a lease, and as such would not be subject of the draft policy. Further, neither the *Planning Act* nor the *Building Act* provides a broader basis for regulating use of City land, but can only address development considerations. It is conceivable, however, that some activity subject of this policy will require a development approval and/or a building permit, in addition to one or more of the other approvals or similar outlined and discussed below.

The options that exist for the broader regulation of the non-exclusive commercial use of City land generally consist of –

- 1. Requirements for and powers to grant 'permits' pursuant to the Activities in Thoroughfares and Public Places and Trading Local Law and/or the Property Local Law;
- Less well-described, but broader powers to enter into 'agreements' pursuant to those same local laws, which are in some respects closer to a 'licence', as described below; and
- 3. Powers to enter into 'licences', which can be registerable interests in land, either where the City has freehold title to land, or where the City has been granted 'power to licence' as part of a management order over Crown Land.

Most of the activities subject of the draft policy will require a 'permit', as set out in Option 1 above. Where there is identified to be a need/rationale to pay for the use of the City land and/or infrastructure over and above the value of the permit fee/charge set out in the Schedule of Fees and Charges, then there will also be a requirement for an 'agreement' or 'licence', as per Option 2 or 3 above. Option 3 will, however, only be necessary and appropriate where a significant investment is being made and/or there is a need for a registerable interest in land. Note that there is not currently a power to licence on all Crown Land that the City manages, and so if a licence is deemed necessary, it may need to be preceded by the obtaining of a power to licence.

In many cases, there will be a number of regulatory options and/or combinations of regulatory options that can be considered. The draft policy identifies as a guiding principle that, where there is more than one regulatory option, once it is clear that a particular activity or proposal is broadly supported, that the most administratively simple option, or combination of options, will be used. It is envisaged that administrative systems and procedures would be established to ensure that, other than in the most complex of cases, multiple approvals would be assessed and issued in a seamless fashion, and in many cases the applicant may not actually be aware that they have applied for and/or obtained multiple approvals. Food premises registrations, development approvals and/or building permits if required would, however, still be dealt with separately, although obviously in as coordinated a fashion as possible.

Both the Activities in Thoroughfares and Public Places and Trading Local Law and the Property Local Law, as well as establishing the requirement for a permit for certain activities and empowering the City to grant such permits, also effectively establish a right for someone intending to undertake such activities to make an application to do so. Any such application must then be assessed by the City in a fair, consistent, efficient and reasonable fashion, guided by the relevant considerations set out in the respective local laws. Where an applicant is not satisfied with a decision of the City, a right will exist for the applicant to lodge an application for review with the State Administrative Tribunal (SAT).

In the case of both local laws, policies adopted by the Council would be relevant and important considerations, particularly if they are properly made policies, consistent with the broader principles that need to be applied. If an application is submitted which is inconsistent with a policy that restricts or regulates particular kinds of activities in particular locations, the policy would generally be a reasonable basis on which to refuse the application. This is important because one of the proposed directions set out in the draft policy (and in the earlier draft policy) is a move from a largely reactive to a more pro-active approach to the granting of permits in many instances – through an expression-of-interest process - with *ad hoc* proposals not being supported in many cases. Such an approach would need to be supported by robust policy. The intended approach is discussed in a little more detail later in this report, but would need to be further defined as part of future policy/practice development and implementation.

What do we want to achieve? (Or, what should the policy objectives be?)

Officers have identified the following proposed objectives, which have guided development and form part of the draft policy –

- 1. Achieving fair outcomes, in both procedural and outcome terms, in relation to the treatment of different businesses, business models and activities;
- 2. Preserving and enhancing the vibrancy and attractiveness of City, Town and other activity centres, and other important public spaces, such as the Busselton and Dunsborough Foreshores;
- 3. Providing convenient and attractive services to residents and visitors;
- 4. Encouraging innovation, new business development, and economic and employment growth;
- 5. Generating financial return to ratepayers associated with use of City land and infrastructure;
- 6. Supporting the delivery of other City strategies and objectives; and
- 7. Ensuring legal robustness, simplicity and comprehensibility, and administrative efficiency and workability.

It needs to be acknowledged that these objectives will not always align with each other, and in some situations, both in terms of the development and the application of policy, the different objectives will need to be balanced and assessed against each other. There is also seen to be a need to consider what some of these objectives might really *mean*, as otherwise they could be seen as mere 'motherhood' statements, which everyone would agree with in an abstract sense, but which actually mean quite different things to different people. Set out below is a discussion of two of the key objectives, Objectives 1 and 2, the 'fairness' objective and the 'vibrancy' objective.

The 'fairness' objective

The proposed 'fairness' objective (Objective 1) is as follows –

Achieving fair outcomes, in both procedural and outcome terms, in relation to the treatment of different businesses, business models and activities.

The fairness objective is perhaps the most difficult to grasp. For instance, is it 'fair' to allow a relatively low fixed cost business (such as a mobile trader) to sell, say, fish and chips, within proximity of a permanent, fixed business also selling fish and chips? If it is not, would it be fair to allow the mobile trader to sell hamburgers instead? Would it be fair to prevent someone developing the low-cost business, who perhaps has less access to capital than the owner of the permanent, fixed business does, or who perhaps will provide a more convenient service to some customers than is provided by the permanent, fixed business? Is it fairer to have the mobile business further away from

the fixed business, thereby discouraging people from making a choice to shift their custom from the fixed to the mobile business, or is it actually fairer to locate the businesses closer to each other, providing greater opportunity for the owner of the fixed business to attract custom away from the mobile business?

There are not actually clear or objective answers to these questions, especially in an abstract or conceptual sense, and the perception of what may be fair or not, in a given situation, will often depend upon the perspective of those making the judgement. What is very clear, though, is that 'rules' requiring that mobile or low cost businesses not be located within some specified distance of an equivalent, permanent, fixed business, whilst perhaps creating an impression of greater fairness in the minds of the owners of that business (possibly, because it makes it harder to actually see or develop an awareness of the trade being generated by the mobile business which might otherwise come to their business), may well —

- Not actually deliver better business outcomes for permanent, fixed businesses (for example, they may result in activity shifting away from where the business is located);
- Undermine other City objectives, for instance to activate public space; and
- Not have a sound basis in the broader policy and administrative principles that should be applied (which essentially require that regulations be developed and applied in a manner that seeks to achieve legitimate policy objectives, but not seek to specifically regulate competition between different businesses).

What is also clear, though, is that, unless it is necessary to achieve legitimate policy objectives, the City should not make public land available for business activity in a way that involves an effective 'subsidy' of a private business, including a private business that may, to some degree, be competing with another business that does not enjoy the same subsidy. If the City was actually paying money to a business, where that payment was not associated with the purchase of a good or service, that would clearly constitute a subsidy, and could be described as an 'explicit subsidy'. An example of where this occurs is the City's support for some events, which clearly constitute subsidies; but equally clearly, there is a sound policy basis for subsidies of this kind, e.g. to encourage events that will build community and/or attract visitors to the District and deliver economic benefits. Another example is the City's Façade Refurbishment Subsidy Programme, which is intended to encourage refurbishment and improvement of building facades in key City and Town Centre locations, and therefore to improve the attractiveness of those locations, the ultimate purpose of which is to achieve better social and economic outcomes for the community as a whole.

More difficult to identify and assess, though, are what could be described as 'implicit subsidies'. An example of an implicit subsidy is the benefit that a mobile food van obtains as a result of the infrastructure developed by the City in a location like Meelup Beach, in the form of the access roads, car parking, ablutions and landscaping that allow the trader to access that location and make the location more attractive for their customers. Where commercial activity occurs on private land or on City land via leasehold arrangements, in most cases the value of the land and infrastructure being utilised will effectively be 'embedded' in the costs incurred by the business (as the value of the land or property will then be a key determining factor in the cost of a lease over the land/property and the level of local government rates to be paid). In those situations, there is no implicit subsidy (note that it is not quite that simple, for instance, a local government when leasing land may agree to reduced or rent free periods in some situations to achieve broader and/or longer term objectives, or the City may upgrade infrastructure in particular locations and the costs of doing so will not be met entirely by the principal 'beneficiaries', but rather will be met from general sources of income – mostly rates and grants).

Where commercial activity occurs on City land via other (i.e. non-leasehold) arrangements, though, the value of the land and infrastructure will not necessarily be embedded in the costs incurred by the business, including through the fees and charges that currently have to be paid to the City for the

approvals required for the business to operate. The result of this is that some commercial activity occurring on City land may, in some cases, be enjoying implicit subsidies which other businesses are not, and those subsidies may not actually assist in achieving legitimate policy objectives. Where that is occurring, it is arguable that the outcome is not 'fair', and if there is a desire to achieve 'fairness', there needs to be a focus on identifying what and where implicit subsidies may exist, determining whether those subsidies are necessary and/or appropriate to achieve other policy objectives, and then designing a framework that, to the extent reasonably possible, removes those implicit subsidies by ensuring that those using City land for commercial purposes are charged an amount equivalent to what would otherwise be an implicit subsidy to that business.

Note that there may, in fact, in some instances be regulatory barriers that prevent the City from setting fees and charges at a level that would embed the value of the land and infrastructure in the costs of the business. Furthermore, there are significant difficulties, in many instances, in actually determining what and whether an implicit subsidy exists, and the value that should be attached to the land and infrastructure being used by the business. In addition, it needs to be understood that a particular business or business model may simply be better, more efficient and/or have a lower cost base than an alternative, and the City should not intervene in a way that handicaps or constrains that business for the purpose of regulating competition.

Partly as a mechanism to reduce or remove implicit subsidies that may not achieve legitimate policy objectives (and therefore as a way of achieving 'fairer' outcomes), it is proposed that the City move further away from 'reactive' approaches to managing commercial use of City land, and move towards more 'proactive' approaches. In relation to leasehold use of City land, and in relation to events and markets, the City's approach has been generally proactive for some time, but it has been more reactive in relation to many of the other kinds of commercial activity now being undertaken or contemplated.

More specifically what is proposed is that, in most cases, rather than simply accepting and assessing applications on an *ad hoc* basis, the City invites expressions-of-interest for the use of particular parcels of City land, first identifying specific criteria for the assessment of those applications. One of those criteria may be the value of the licence (or 'agreement') payment proposed by the applicant for the use of the land/property, which would address both the fairness and financial return objectives proposed earlier in this report (and there would be other criteria that would seek to address the other objectives).

The 'market' would then, in part, determine the 'value' of the site, and reduce or remove any implied subsidy that does not address another legitimate policy objective. In a 'mature' market, where costs, benefits and processes are broadly understood, and where there is likely to be competition for all sites, it may be possible to simply invite expressions-of-interest, and allow the market on its own to set licence values. It is not, however, considered that a mature market exists at present and, as such, minimum licence values are generally recommended to be adopted before expressions-of-interest are invited.

Note that, because entering into a licence or other non-exclusive ability to use land is not a disposal as contemplated by s3.58 of the *Local Government Act 1995*, there is no statutory requirement for the City to be guided by a licensed valuation in determining the value. The City may, though, in some instances, wish to obtain valuation advice to assist with decision-making.

The 'vibrancy' objective

The proposed 'vibrancy' objective (Objective 2) is as follows –

Preserving and enhancing the vibrancy and attractiveness of City, Town and other activity centres, and other important public spaces, such as the Busselton and Dunsborough Foreshores.

Key to understanding the proposed vibrancy objective is having an understanding of the extent to which the development of new services or businesses will add to the overall level of demand (and therefore generate economic and employment growth), and the extent to which the development of new services or businesses will simply shift demand from existing business/es to new business/es. This of course also needs to be understood in the context of a population and economy that are both, broadly speaking, growing rapidly and consistently in any case, so overall across the District demand is growing (although not for every conceivable good and service at the same time, and not always in an incremental or linear way; in fact, unlike demand, supply can often increase very rapidly – for instance, if a new supermarket is developed - and then remain relatively static for a period, until demand catches up again, or effective supply can be increased in ways that are not readily observable, with the growth of online retail being an example of that).

The fact remains though that, at any point in time, there is a limit to the total amount of demand and, whilst some increases in supply may lead to an increase in effective demand, many will not (for instance, in a place like Busselton, without a full-size Discount Department Store, a new Discount Department Store will add to total local demand, as it will shift some local demand from similar stores outside the District to the new store in the District; but a new or expanded hardware store, in a location already reasonably well served by hardware stores, may simply change the distribution of demand, with demand gravitating to the business/es that consumers prefer). That does not mean that a local government can or should seek to limit or manage business investment generally; but a local government can legitimately seek to guide or direct where business activity and investment occurs to achieve legitimate policy objectives not linked to the success of one particular business or another.

One legitimate policy objective is preserving and enhancing the vibrancy and attractiveness of activity centres (such as the Busselton City Centre and Dunsborough Town Centre), and other public places (such as the Busselton Foreshore). Allowing too much activity, especially significant concentrations of activity, outside the preferred locations that the local government has identified that it wants to activate can, in fact, and in many cases will, undermine that objective. As a result, those locations may be less activated and vibrant, and may cease or fail to perform their roles as genuine hubs for our community, in an economic, social, recreational, cultural and transport sense. The alternate centres of activity that instead emerge will often either not be large enough to perform the same role and/or the centres that emerge will be 'hollow', serving as economic hubs only or primarily, but not meeting the other needs. Local government and government in general has a legitimate role to ensure that does not occur, and that genuine community hubs are developed and preserved, even when that may conflict with particular commercial interests. It is, however, essential that any regulation of supply, or of the location of supply, be done primarily at the strategic and policy level, and not at the level of the individual business, development or proposal.

Again, as a means of ensuring that ephemeral types of activity do assist with, rather than detract from, the vibrancy and attractiveness of activity centres and other important public places, the proposed shift towards a more proactive approach will assist, with a framework to establish limits in terms of the total number of sites where certain types of traders will be permitted, and restrictions on the total numbers of traders that may operate in particular locations also being possible.

Summary of direction set out in draft policy

The direction set out in the draft policy may be summarized as follows –

- 1. Establishes overarching objectives to guide future decision-making in relation to non-exclusive commercial use of City land;
- 2. Establish guiding principles for the administration of the policy;
- 3. Reduce barriers to activity where there is a strategic interest in facilitating the activity;

- 4. Move from a largely reactive to a more pro-active approach, utilising an expression-of-interest process, where there is competition for space/sites (including with other kinds of uses, such as general public recreation or public car parking requirements) and/or concerns that activity should be managed carefully and/or not be supported in certain locations; and
- 5. Still providing for some novel or *ad hoc* proposals, but only where it is clear that they are supportable, given the broader policy direction, and/or to trial a new kind of activity and/or location.

CONCLUSION

Council is presented with a policy that provides a consistent framework and methodology to facilitate, control and regulate the non-exclusive commercial use of City owned and managed land across the District – which would then be supplemented by further, more detailed work, before the new policy approach is implemented in the lead up to next financial year.

OPTIONS

Council may determine not to endorse the draft policy, require changes and/or request further information.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Implementation will require further and more detailed work by officers, and some further Council consideration/direction, with the aim being that the new policy approach would be implemented by the end of the financial year.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

That the Council, with respect to the non-exclusive commercial use of City land—

- 1. Adopt the *Policy on Non-Exclusive Commercial Use of City Land*, as provided at Attachment A;
- 2. Foreshadow the development of more detailed supporting policies and/or practices, procedures and guidelines, prior to the implementation of the new policy, including identification and review or necessary delegations and authorisations to enable effective implementation; and
- 3. Foreshadow a review of the relevant elements of the schedule of fees and charges as part of the preparation of the City's 2017/18 budget.

NON-EXCLUSIVE COMMERCIAL USE OF CITY LAND

PURPOSE

This Policy provides a consistent framework and methodology to facilitate, control and regulate the non-exclusive commercial use of City owned and managed land across the District.

BACKGROUND

Prior to development of this Policy, the City had been managing a significant amount of non-exclusive of commercial land, but without an overarching or integrated policy framework. Because of the level of interest in the subject, the potential implications of such activity, both positive and negative, and the need to provide for administrative fairness, consistency, efficiency and robust decision—making, this policy was developed. Further background to the development of this Policy can be found in the report to the Council that supported the Policy's consideration and adoption by the Council.

SCOPE

The Policy relates to the following kinds of non-exclusive commercial use of City land -

- Mobile traders (i.e. traders that operate from particular locations for certain periods of time);
- Itinerant traders (i.e. traders that offer goods and services by travelling around the District, stopping only for as long as it takes to serve customers in a particular location);
- Al fresco dining on footpaths or other City land adjacent or close to a permanent, fixed business (other than where this is facilitated via a lease);
- Recreational activities of various kinds (including fitness classes or similar i.e. 'exercise permits' - and things like mobile climbing walls or water playgrounds);
- The running of tours or similar, which wholly or partly take place on City land and/or using City infrastructure;
- Businesses involved in the short-term hiring of recreational equipment, such as bikes, kayaks or jet skis; and
- Trading that operates from more or less temporary premises and/or from fixed premises, but on the basis of relatively short-term arrangements, such as trading from a converted/adapted sea container, or from some other relocatable and/or relatively low cost structure (although note that once there is a significant degree of 'permanence' associated with a business and/or structure in this kind of example, it becomes indistinguishable from a more conventional leasehold situation, and is therefore not subject of this policy).

The Policy does not relate to the following kinds of activities –

- Events, and the trading activity associated with events;
- Markets;

10.2 Attachment A

- Buskers/street entertainers;
- Activities associated with the short-term hiring of City property;
- General sporting use of ovals or similar; or
- Leasehold use/development of City land.

STATUTORY/POLICY ENVIRONMENT

- Land Administration Act 1997 and associated regulations
- Local Government Act 1995 and associated regulations
- Planning and Development Act 2005 and associated regulations
- Building Act 2012 and associated regulations
- Health Act 1911 and associated regulations
- Public Health Act 2016
- Food Act 2008 and associated regulations
- Local Planning Scheme 21 and associated structure plans and policies
- Activities in Thoroughfares and Public Places and Trading Local Law
- Property Local Law
- Jetties Local Law
- Airport Local Law
- Busselton Foreshore Master Plan
- Busselton City Centre Conceptual Plan
- Dunsborough Town Centre Conceptual Plan
- Commercial Hire Site Policy Reference No. 008*
- Trading in Public Places Policy Reference No. 020*
- Mobile Vendors on the Busselton Jetty Policy Reference No. 006*
- Community Facilities Bookings Policy Reference No. 027
- Markets Policy Reference No. 074
- Events Policy Reference No. 231
- Leases of City Land and Buildings Policy Reference No. 248

OBJECTIVES

Achieving fair outcomes, in both procedural and outcome terms, in relation to the treatment 1. of different businesses, business models and activities;

- 2. Preserving and enhancing the vibrancy and attractiveness of City, Town and other activity centres, and other important public spaces, such as the Busselton and Dunsborough Foreshores;
- 3. Providing convenient and attractive services to residents and visitors;
- 4. Encouraging innovation, new business development, and economic and employment growth;
- 5. Generating financial return to ratepayers associated with use of City land and infrastructure;
- 6. Supporting the delivery of other City strategies and objectives; and
- 7. Ensuring legal robustness, simplicity and comprehensibility, and administrative efficiency and workability.

GUIDING PRINCIPLES FOR IMPLEMENTATION

- Where there is competition for space/sites (including with other kinds of uses, such as general
 public recreation or public car parking requirements) and/or concerns that activity should be
 managed carefully and/or not be supported in certain locations, applications will only be
 considered as part of an expression-of-interest process and not as a result of ad hoc
 applications;
- 2. Expression-of-interest sites and assessment criteria will be periodically reviewed and updated, including through appropriate Council consultation/consideration and industry/community consultation;
- 3. Novel proposals or *ad hoc* proposals may, however, be considered where it is clear they are supportable, given the broader policy direction, and/or to trial a new kind of activity and/or location;
- 4. Where there is more than one regulatory option, once it is clear that a particular activity or proposal is broadly supported, the most administratively simple option, or combination of options, will be used; and
- 5. Where there is identified to be a need to ensure a return on the value of City land and/or infrastructure, there will be a requirement for an 'agreement' and/or 'licence', in addition to a 'permit', with a 'licence' only being required where there is a need for a registerable interest in land.

ADMINISTRATION OF THIS POLICY

The Chief Executive Officer (CEO) has the authority (including through necessary delegations and/or authorisations) to administer the requirements of the Non-Exclusive Commercial Use of City Owned or Vested Land Policy on behalf of Council.

Policy Background

Policy Reference No. –

Owner Unit - Environmental Health

Originator – Manager Environmental Services

Policy approved by – Council

Review Frequency – As required

10.3 Audit Committee - 26/10/2016 - CITY OF BUSSELTON 2015/2016 ANNUAL FINANCIAL REPORT, AUDITORS REPORT AND MANAGEMENT LETTER

SUBJECT INDEX: Financial Operations

STRATEGIC OBJECTIVE: An organisation that is managed effectively and achieves positive

outcomes for the community.

BUSINESS UNIT: Finance and Corporate Services

ACTIVITY UNIT: Financial Services

REPORTING OFFICER: Manager Financial Services - Kim Dolzadelli

AUTHORISING OFFICER: Director, Finance and Corporate Services - Cliff Frewing

VOTING REQUIREMENT: Simple Majority

ATTACHMENTS: Attachment A 2015/2016 Annual Financial Report Including Auditors

Report !

Attachment B Management Letter !

This item was considered by the Audit Committee at its meeting on 26 October 2016, the recommendations from which have been included in this report.

PRÉCIS

The 2015/16 Annual Financial Statement, Auditors Report and Management Letter has been received from Council's appointed Auditor, Mr Tim Partridge from AMD Chartered Accountants, and is provided to Committee Members with the Agenda documents.

Pursuant to its Instrument of Appointment, it is relevant that the Audit Committee considers the 2015/16 Annual Financial Statement, Auditors Report and Management Letter and where appropriate, makes recommendation/s in respect of these reports.

BACKGROUND

Pursuant to Section 7.9 of the Local Government Act (the 'Act'), an Auditor is required to examine the accounts and annual financial report submitted by a local government for audit. The Auditor is also required, by 31 December following the financial year to which the accounts and report relate, to prepare a report thereon and forward a copy of that report to:

- (a) The Mayor or President
- (b) The Chief Executive Officer; and
- (c) The Minister

Furthermore, in accordance with Regulation 10 (4) of the Local Government (Audit) Regulations, where it is considered appropriate to do so, the Auditor may prepare a Management Report to accompany the Auditor's Report, which is also to be forwarded to the persons specified in Section 7.9 of the Act.

The Management Report provides an overview of the audit process and outcomes, whilst also identifying any matters that, whilst generally not material in relation to the overall audit of the financial report, are nonetheless considered relevant to the day to day operations of the City.

STATUTORY ENVIRONMENT

Matters pertaining to the financial audit of a local government authority are detailed within:

- Local Government Act 1995 Section 7.12A.
- Local Government (Financial Management) Regulations 1996.

Local Government (Audit) Regulations 1996 – Regulation 16.

RELEVANT PLANS AND POLICIES

Not applicable.

FINANCIAL IMPLICATIONS

Not applicable.

Long-term Financial Plan Implications

Nil

STRATEGIC COMMUNITY OBJECTIVES

This matter principally aligns with Key Goal Area 6 – 'Open and Collaborative Leadership' and more specifically Community Objective 6.3 - 'An organisation that is managed effectively and achieves positive outcomes for the community'.

RISK ASSESSMENT

Not applicable.

CONSULTATION

Not applicable.

OFFICER COMMENT

The Audit Committee should note the following Auditors comments that:

"Opinion

In our opinion, the financial report of the City of Busselton:

- i. Gives a true and fair view of the City of Busselton's financial position as at 30 June 2016 and of its performance for the financial year ended 30 June 2016;
- ii. Comp[lies with Australian Accounting Standards; and
- iii. Is prepared in accordance with the requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Statutory Compliance:

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- i. There are no matters that in our opinion indicate significant adverse trends in financial position or the financial management practices of the city.
- ii. There are no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law noted during the course of our Audit.
- iii. The asset consumption ratio and asset renewal ratio included in the annual financial report are supported by verifiable information and reasonable assumptions.
- iv. All necessary information and explanations were obtained by us.

v. All audit procedures were satisfactorily completed during our audit."

The Auditor's Management Report provides an overview of the approach undertaken in respect of the annual audit process, and the associated outcomes of the audit. The Management Report also identifies any findings that, whilst generally not material in relation to the overall audit of the financial report, are considered relevant to the day to day operations of the City.

As part of the 2015/16 Financial Audit, the Auditor made two findings:

- a) A finding relating to the application of fair value for furniture and equipment; and
- b) A finding relating to excessive leave balances for key personnel;

The review of the City of Busselton's application of fair value for the furniture and equipment asset class for the year ended 30 June 2016 identified that one asset's value was incorrectly posted and another asset was incorrectly flagged for depreciation purposes. The Implications of this is the risk of a material misstatement in respect to the value of Councils furniture and equipment assets, and also the overstatement of depreciation on the same class of asset. An audit recommendation was made that all revaluation inputs are independently reviewed to ensure that they are correct, with a reasonableness analysis undertaken to ensure any significant movements are also correct. Although we acknowledge that a discrepancy did occur a reasonableness analysis is done on a regular basis to identify any major variances prior to finalising the year end books. Based on this finding our processes have been enhanced to ensure that variances of this nature do not reoccur. Furthermore, the two items as identified above have now been amended in the City's financial assets register.

The finding in relation to excessive leave balances of key personnel is acknowledged and while processes were put in place following similar findings over the last few years, including a process of regular reporting on outstanding leave balances, the ability to clear leave balances particularly within some teams has been somewhat limited due to circumstances beyond the City's control. Despite these circumstances, the City has continued to adopt an approach of endeavouring to achieve an overall reduction in long outstanding leave balances while still meeting the needs of the organisation at a particularly busy time, which often involves input from key employees. It should be noted it is an issue in relation to a few key personnel only, the City does not generally have a problem with excessive leave balances. This issue will obviously be the subject of continual review prior to and at next year's financial audit.

CONCLUSION

The City achieved an unqualified audit for the financial year ending 30 June 2016.

Whilst the Auditor has reported two audit findings in the Management Report, the Auditor has rated these as minor (i.e. not of primary concern however still warranting action being taken). Officers have addressed these minor issues as shown above.

OPTIONS

The Audit Committee may determine to make specific recommendations in relation to the audit findings and the actions identified by management in addressing these. Given the relatively minor nature of the issues that have arisen and the actions which are proposed or are underway, officers do not think specific resolutions are necessary.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

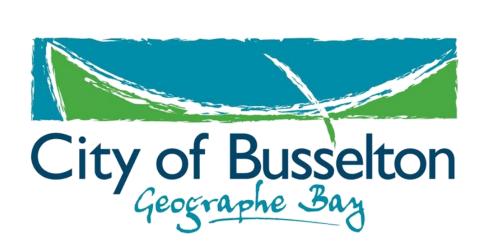
Not applicable.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

That the City of Busselton Audit Committee recommends to Council that the 2015/16 Annual Financial Report including Auditors Report be accepted.

Attachment A





Financial Report

For the year ended

30 June 2016

Financial Report

For the Year Ended 30th June 2016

TABLE OF CONTENTS

Statement by Chief Executive Officer	3
Statement of Comprehensive Income by Nature or Type	4
Statement of Comprehensive Income by Program	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Rate Setting Statement	9 to 10
Notes to and Forming Part of the Financial Report	11 to 67
Independent Audit Report	68 to 69
Supplementary Ratio Information	70

- 2 -

Financial Report

For the Year Ended 30th June 2016

LOCAL GOVERNMENT ACT 1995

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Busselton being the annual financial report and other information for the financial year ended 30th June 2016 are in my opinion properly drawn up to present fairly the financial position of the City of Busselton at 30th June 2016 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 11 day of cables 2016

Mike Archer Chief Executive Officer 2015/2016 Annual Financial Report Including Auditors Report

Council

10.3

City of Busselton

Financial Report

For the Year Ended 30th June 2016

Statement of Comprehensive Income by Nature or Type

	Note	2016 Actual \$	2016 Budget \$	2015 Actual \$
Revenue				
Rates	24	39,160,121	38,998,079	36,435,431
Operating Grants, Subsidies and Contributions	30	4,423,460	3,580,496	5,725,267
Fees and Charges	29	15,251,233	15,099,480	14,577,884
Interest Earnings	2(a)	2,841,229	2,039,550	2,364,597
Other Revenue	_	2,434,572	534,090	472,824
		64,110,615	60,251,695	59,576,003
Expenses				
Employee Costs		(26,408,789)	(26,322,721)	(25,741,782)
Materials and Contracts		(13,698,936)	(15,183,305)	(13,607,132)
Utility Charges		(2,249,459)	(2,321,370)	(2,085,357)
Depreciation on Non-Current Assets	2(a)	(14,998,644)	(14,636,430)	(12,088,317)
Interest Expenses	2(a)	(1,325,698)	(1,340,955)	(1,051,214)
Insurance Expenses		(663,483)	(737,370)	(695,850)
Other Expenditure		(776,601)	(1,111,672)	(1,109,427)
		(60,121,610)	(61,653,823)	(56,379,079)
		3,989,005	(1,402,128)	3,196,924
Non-Operating Grants, Subsidies and Contributions	30	25,422,452	37,417,983	61,822,972
Profit on Asset Disposals	22	30,164	16,007	85,916
Loss on Asset Disposals	22	(1,308,366)	(68,867)	(211,848)
		24,144,250	37,365,123	61,697,040
NET RESULT		28,133,255	35,962,995	64,893,964
Other Comprehensive Income				
Items that will not be reclassified subsequently to profi	it or loss			
Changes on revaluation of non-current assets	14	385,926	0	145,830,571
Total Other Comprehensive Income		385,926	0	145,830,571
TOTAL COMPREHENSIVE INCOME	-	28,519,181	35,962,995	210,724,535

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

Financial Report

For the Year Ended 30th June 2016

Statement of Comprehensive Income by Program

		2016	2016	2015
	Note	Actual	Budget	Actual
Revenue	2(a)	\$	\$	\$
General Purpose Funding		43,820,266	42,915,167	42,167,938
Governance		430,927	169,880	198,630
Law, Order & Public Safety		822,046	718,090	708,304
Health		404,319	328720	376,631
Education and Welfare		7,302	6,050	6,227
Housing		458,980	443,080	432,770
Community Amenities		8,790,126	8,319,190	8,305,459
Recreation and Culture		3,237,226	3,336,485	3,256,492
Transport		3,713,761	1,596,040	1,591,747
Economic Services		1,959,981	2,074,008	2,067,241
Other Property and Services	_	465,681	344,985	464,564
		64,110,615	60,251,695	59,576,003
Expenses Excluding Finance Costs	2(a)			
General Purpose Funding		(944,226)	(975,565)	(1,179,899)
Governance		(4,532,519)	(4,580,336)	(4,300,889)
Law, Order & Public Safety		(2,657,626)	(2,761,526)	(2,540,537)
Health		(1,182,719)	(1,204,125)	(1,168,389)
Education and Welfare		(151,388)	(142,760)	(147,878)
Housing		(968,378)	(1,262,757)	(1,035,254)
Community Amenities		(10,008,939)	(10,896,423)	(11,376,752)
Recreation and Culture		(16,211,662)	(17,557,082)	(15,228,810)
Transport		(17,616,017)	(16,492,412)	(13,874,578)
Economic Services		(3,385,038)	(3,540,444)	(3,482,871)
Other Property and Services		(1,137,400)	(899,438)	(992,008)
	_	(58,795,912)	(60,312,868)	(55,327,865)
Finance Costs	2(a)			
Governance		(772,808)	(772,808)	(720,244)
Recreation and Culture		(487,093)	(487,093)	(272,456)
Transport		(47,410)	(47,410)	(55,030)
Economic Services		(3,044)	(3,044)	(3,484)
Other Property and Services		(15,343)	(30,600)	0
• •	_	(1,325,698)	(1,340,955)	(1,051,214)
Non-Operating Grants, Subsidies & Contributions	30	(-,,	(-,,,	,-,,,
Law, Order & Public Safety		135,344	0	109,270
Health		16,845	0	14,887
Community Amenities		70,000	70,000	387,543
Recreation and Culture		11,571,642	12,585,148	5,045,148
Transport		13,628,621	24,752,835	56,266,124
Other Property and Services		0	10,000	0
,	_	25,422,452	37,417,983	61,822,972
Profit / (Loss) on Disposal of Assets	22	,,	,,	,,
Governance		(1,005,595)	0	(45,070)
Law, Order & Public Safety		6,349	(9,550)	(7,088)
Health		(3,389)	(1,500)	(768)
Community Amenities		(12,851)	(1,973)	17,939
Recreation and Culture		(195,840)	(9,264)	(21,198)
Transport		(54,494)	(28,192)	(68,813)
Economic Services		(890)	2,400	(2,063)
Other Property and Services		(11,492)	(4,781)	1,129
other Property and Services	_	(1,278,202)	(52,860)	(125,932)
NET RESULT		28,133,255	35,962,995	64,893,964
Other Comprehensive Income				
Items that will not be reclassified subsequently to prof	it or loss			
Changes on revaluation of non-current assets	14	385,926	0	145,830,571
Total Other Comprehensive Income		385,926	0	145,830,571
TOTAL COMPREHENSIVE INCOME	_	28,519,181	35,962,995	210,724,535

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

- 5 -

Financial Report

For the Year Ended 30th June 2016

Statement of Financial Position

	Note	2016 Actual \$	2015 Actual \$
Current Assets			
Cash and Cash Equivalents	3	115,850,156	119,604,734
Investments	4	0	0
Trade and Other Receivables	5	3,605,606	2,653,873
Inventories	6	20,420	20,270
Total Current Assets		119,476,182	122,278,877
Non-current Assets			
Other Receivables	5	377,570	424,866
Property, Plant and Equipment	7	102,761,049	96,040,305
Infrastructure	8	454,520,922	432,664,125
Total Non-current Assets		557,659,541	529,129,296
Total Assets		677,135,723	651,408,173
Current Liabilities			
Trade and Other Payables	10	7,808,826	9,880,193
Current Portion of Long Term Borrowings	11	1,940,629	1,823,987
Provisions	12	4,131,585	3,824,143
Total Current Liabilities		13,881,040	15,528,323
Non-current Liabilities			
Long Term Borrowings	11	27,083,214	28,173,844
Provisions	12	612,334	666,052
Total Non-current Liabilities		27,695,548	28,839,896
Total Liabilities		41,576,588	44,368,219
Net Assets		635,559,135	607,039,954
Equity			
Retained Surplus		399,021,159	367,765,985
Reserves – Cash Backed	13	46,024,063	49,145,982
Revaluation Surplus	14	190,513,913	190,127,987
Total Equity		635,559,135	607,039,954

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

- 6 -

Financial Report

For the Year Ended 30th June 2016

Statement of Changes in Equity

		Retained Surplus	Reserves Cash Backed	Revaluation Surplus	Total Equity
	Note	\$	\$	\$	\$
Balance as at 1 July 2014		323,883,018	28,134,985	44,297,416	396,315,419
Changes in Accounting Policy		0	0	0	0
Correction of Errors		0	0	0	0
Restated Balance		323,883,018	28,134,985	44,297,416	396,315,419
Comprehensive Income					
Net Result		64,893,964	0	0	64,893,964
Changes on Revaluation of Non-Current Assets	14	0	0	145,830,571	145,830,571
Total Comprehensive Income		64,893,964	0	145,830,571	210,724,535
Transfer from / (to) Reserves		(21,010,997)	21,010,997	0	0
Balance as at 30 June 2015		367,765,985	49,145,982	190,127,987	607,039,954
Comprehensive Income					
Net Result		28,133,255	0	0	28,133,255
Changes on Revaluation of Non-Current Assets	14	0	0	385,926	385,926
Total Comprehensive Income		28,133,255	0	385,926	28,519,181
Transfer from / (to) Reserves		3,121,919	(3,121,919)	0	0
Balance as at 30 June 2016		399,021,159	46,024,063	190,513,913	635,559,135

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

Financial Report

For the Year Ended 30th June 2016

Statement of Cash Flows

	Note	2016 Actual	2016 Budget	2015 Actual
Cash Flows from Operating Activities		\$	\$	\$
Receipts				
Rates		39,065,485	39,098,079	37,329,430
Operating Grants, Subsidies and Contributions		4,029,813	3,680,496	6,014,802
Fees & Charges		14,974,816	15,170,346	14,727,590
Interest Earnings		2,841,229	2,039,550	2,364,597
Goods and Services Tax		5,793,551	4,000,000	9,626,890
Other Revenue		3,954,850	1,554,090	134,063
		70,659,744	65,542,561	70,197,372
Payments				
Employee Costs		(26,140,265)	(26,593,010)	(25,058,437)
Materials and Contracts		(12,544,346)	(15,822,273)	(13,198,823)
Utility Charges		(2,249,459)	(2,321,370)	(2,085,357)
Insurance Expenses		(663,483)	(737,370)	(695,850)
Interest Expenses		(1,325,698)	(1,340,955)	(1,051,214)
Goods and Services Tax		(10,434,279)	(8,218,076)	(5,032,750)
Other Expenditure		(1,046,777)	(2,198,279)	(2,747,789)
		(54,404,307)	(57,231,333)	(49,870,220)
Net Cash Provided by (used in) Operating Activities	15(b)	16,255,437	8,311,228	20,327,152
Cash Flows from Investing Activities				
Payment for Purchase of Property, Plant &		(44.625.405)	(24 200 242)	(0.036.506)
Equipment		(11,625,495)	(34,208,343)	(8,036,596)
Payment for Construction of Infrastructure		(20,290,808)	(69,787,195)	(15,621,094)
Advances to Community Groups		0	0	(30,000)
Non-Operating Grants, Subsidies and Contributions		12,236,044	24,363,332	53,071,923
Proceeds from Sale of Assets		569,723	592,200	955,956
Net Cash Provided by (used In) Investing Activities		(19,110,536)	(79,040,006)	30,340,189
Cash Flows from Financing Activities				
Repayment of Debentures		(1,823,987)	(1,823,986)	(1,409,527)
Proceeds from Self Supporting Loans		74,508	74,508	68,340
Proceeds from New Debentures		850,000	850,000	24,530,000
Net Cash Provided By (used In) Financing Activities		(899,479)	(899,478)	23,188,813
Net Increase (Decrease) in Cash Held		(3,754,578)	(71,628,256)	73,856,154
Cash at Beginning of Year		119,604,734	119,604,734	45,748,580
Cash and Cash Equivalents at the End of the Year	15 (a)	115,850,156	47,976,478	119,604,734
cash and cash Equivalents at the End of the feat	13 (a)	113,030,130	47,370,476	119,004,734

This statement is to be read in conjunction with the accompanying notes. $\label{eq:conjunction}$

Financial Report

For the Year Ended 30th June 2016

Rate Setting Statement

	Note	2016	2016	2015
	Note			
		Actual \$	Budget	Actual \$
Not suggest assets at start of financial years.	/ / - - 6: -: 4\	*	\$	*
Net current assets at start of financial year – surplus	(deficit)	756,540	756,540	1,393,215
Revenue from operating activities (excluding rates)		756,540	756,540	1,393,215
General Purpose Funding		5,109,780	4,351,786	6,145,551
Governance		431,109	169,880	199,769
Law, Order & Public Safety		831,178	718,090	721,028
Health		404,319	328,720	376,630
Education and Welfare		7,302	6,050	6,227
Housing		458,980	443,080	432,770
Community Amenities		8,790,126	8,320,100	8,335,952
Recreation and Culture		3,252,517	3,342,571	3,278,343
Transport		3,718,678	1,602,651	1,610,327
Economic Services		1,960,269	2,076,408	2,067,241
Other Property and Services		466,036	344,985	465,695
Other Property and Services	-			
Europediture from energting activities		25,430,294	21,704,321	23,639,533
Expenditure from operating activities		(044.226)	(07E ECE)	(1 170 200)
General Purpose Funding		(944,226)	(975,565)	(1,179,899)
Governance		(6,311,104)	(5,353,144)	(5,067,341)
Law, Order & Public Safety		(2,660,411)	(2,771,076)	(2,560,349)
Health		(1,186,108)	(1,205,625)	(1,169,157)
Education and Welfare		(151,388)	(142,760)	(147,878)
Housing		(968,378)	(1,262,757)	(1,035,254)
Community Amenities		(10,021,790)	(10,899,306)	(11,389,305)
Recreation and Culture		(16,909,886)	(18,059,525)	(15,544,315)
Transport		(17,722,838)	(16,574,625)	(14,017,002)
Economic Services		(3,389,260)	(3,543,488)	(3,488,419)
Other Property and Services	_	(1,164,588)	(934,819)	(992,009)
Operating activities excluded from budget		(61,429,977)	(61,722,690)	(56,590,928)
(Profit) on disposal of assets	22	(30,164)	(16,007)	(85,916)
Loss on disposal of assets	22	1,308,366	68,867	211,848
Movement in deferred pensioner rates	22	(35,251)	08,807	(15,600)
Movement in employee benefit provisions		253,724	(253,479)	682,668
Depreciation and amortisation on assets	2(a)	14,998,644	14,636,430	12,088,317
Movement in non-cash contributions	15(e)	(12,996,614)	(13,124,650)	(8,834,492)
Movement Other	13(6)	337,099	(13,124,030)	(1,385,803)
Wovement other	_	3,835,804	1,311,161	2,661,022
		3,833,804	1,311,101	2,001,022
Amount Attributable to Operating Activities	_	(31,407,339)	(37,950,668)	(28,897,158)
Investing Activities				
Non-operating grants, subsidies and contributions		25,422,452	37,417,983	61,822,972
Proceeds from disposal of assets	22	569,723	592,200	955,956
Purchase of property, plant and equipment	7	(11,750,763)	(34,068,804)	(8,080,300)
Purchase and construction of infrastructure	8	(20,290,808)	(69,887,195)	(15,621,094)
Amount attributable to investing activities	_	(6,049,396)	(65,945,816)	39,077,534
Amount attributable to investing activities		(0,045,550)	(03,343,010)	33,077,334

This Statement is to be read in conjunction with the accompanying notes. $\label{eq:conjunction}$

Financial Report

For the Year Ended 30th June 2016

Rate Setting Statement (Continued)

	Note	2016 Actual \$	2016 Budget \$	2015 Actual \$
Financing Activities				
Advances to community groups	23(a)	0	0	(30,000)
Repayment of advances to community groups	23(a)	74,508	74,508	68,340
Repayment of debentures	23(a)	(1,823,987)	(1,823,986)	(1,409,527)
Proceeds from new debentures	23(a)	850,000	850,000	24,500,000
Proceeds from self-supporting loans	23(a)	0	0	30,000
Transfers to reserves (restricted assets)		(21,871,964)	(11,292,332)	(84,394,120)
Transfers from reserves (restricted assets)		22,695,781	77,524,913	15,789,084
Amount attributable to financing activities		(75,662)	65,333,103	(45,446,223)
Surplus(deficiency) before general rates		(37,532,397)	(38,563,381)	(35,265,847)
Total amount raised from general rates	24(a)	38,710,486	38,563,381	36,022,387
Net current assets at 30 June c/fwd. – surplus / (deficit)	24(b)	1,178,089	0	756,540

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

- 10

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report comprises general purpose financial statements which have 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 financial report are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

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.

The local government reporting entity

All Funds through which the City controls resources to carry on its functions have been included in the financial statements forming part of this financial report. 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 financial statements. A separate statement of those monies appears at Note 21 to these financial statements.

(b) Goods and Services Tax (GST)

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 presented as operating cash flows.

- 11 - City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) 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.

(d) 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.

(e) 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 necessary to make the sale.

Land held for sale

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 the Council's intentions to release for sale.

(f) Fixed Assets

Each class of fixed assets within either, property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Mandatory requirement to revalue non-current assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Fixed Assets (Continued)

During the year ended 30 June 2013, the City commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the City revalues its asset classes in accordance with this mandatory timetable.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Land under control

In accordance with Local Government (Financial Management) Regulation 16(a), the City was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, 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 City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land under roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

- 13 - City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Fixed Assets (Continued)

Land under roads (Continued)

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a) (i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a) (i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the City.

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Major depreciation periods used for each class of depreciable asset are:

Fixed Assets:

Land	0	Years
Buildings - General	40	Years
Buildings – Geographe Leisure Centre	10 - 20	Years
Furniture and Fittings – Basic Items	10	Years
Furniture and Fittings – EDP Network	3	Years
Heavy Plant and Equipment	3 – 10	Years
Light to Medium Vehicles	3 - 5	Years
Light Mobile Plant	2	Years
Tools	10	Years

- 14 - City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Fixed Assets (Continued) Depreciation(Continued)

Infrastructure:

Roads	15 - 60	Years
Bridges	40 - 60	Years
Car Parks	20 - 40	Years
Footpaths & Cycle ways	20 - 40	Years
Parks, Gardens & Reserves & Community Facilities	5 - 50	Years
Storm water Drainage	25 - 90	Years
Regional Airport & Industrial Park	12 - 40	Years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

Capitalisation threshold

Expenditure on items of equipment under \$1,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(g) Fair Value of Assets and Liabilities

When performing a revaluation, the City uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that the City would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

- 15 - City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Fair Value of Assets and Liabilities (Continued)

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The City selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the City are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Fair Value of Assets and Liabilities (Continued)

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the City gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

(h) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the City becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the City commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or at cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) Plus or minus the cumulative amortisation of the difference, if any, between the amounts initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit and loss

Financial assets are classified as "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial Instruments (Continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the City has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

- 18 - City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial Instruments (Continued)

Impairment (Continued)

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the City no longer has any significant continual involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(i) Impairment of Assets

In accordance with Australian Accounting Standards the City's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

(j) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City 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.

- 19 - City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Employee Benefits

Short-term employee benefits

Provision is made for the City's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The City's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The City's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Sick Leave Scheme

The provision for employee's entitlements under the sick leave scheme represents the estimated cash flows to be made by the employer resulting from the employee's service to balance date in accordance with the relevant clause of the City of Busselton's Enterprise Agreement 2014.

Clause 34 of the City of Busselton's Enterprise Agreement 2014 states that; "Those employees who commenced employment with the City prior to 22 August 2003 will continue to be entitled to 15% of the monetary value of their accrued sick leave on resignation, retirement or redundancy, as negotiated in the City of Busselton Certified Enterprise Bargaining Agreement 1997 (sub-clause 17.18(2))".

(I) Borrowing Costs

Borrowing costs are recognised as an expense when incurred.

(m) Provisions

Provisions are recognised when the City has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the City are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

(o) Investment in Associates

An associate is an entity over which the City has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City's share of net assets of the associate. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the City's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the City and the associate are eliminated to the extent of the City's interest in the associate.

When the City's share of losses in an associate equals or exceeds its interest in the associate, the City discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the City will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(p) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

- 21 - City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Interests in Joint Arrangements (Continued)

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The City's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 18.

(q) 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.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

(r) Superannuation

The City contributes to a number of Superannuation Funds on behalf of employees. All funds to which the City contributes are defined contribution plans.

(s) 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 City's operational cycle. In the case of liabilities where the City 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 sale where it is held as non-current based on the City's intentions to release for sale.

(t) Rounding Off Figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar.

(u) Comparative Figures

Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the City applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(v) Budget Comparative Figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Bonds and Deposits

Deposits and bonds received by the City of Busselton, and duly refunded where appropriate are processed via the Municipal fund.

The City's audit committee has considered the requirements of the Accounting Standards and has determined that the concept of control has been met. Council Resolution C1004/115 states that the City continues the accounting treatment for deposits and bonds as part of the Municipal fund. Additionally, the deposits and bonds shall be brought to account as part of the restricted cash in the Municipal fund.

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) New Accounting Standards and Interpretations for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the City.

Management's assessments of the new and amended pronouncements that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows:

	Title	Issued/ Compiled	Applicable ⁽¹⁾	Impact
(i)	AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the City, it is not anticipated the Standard will have any material effect.
(ii)	AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the City has with those third parties it has dealings with. It may or may not be significant.
(iii)	AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted. Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the City, the impact is not expected to be significant.

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

	Title	Issued/ Compiled	Applicable ⁽¹⁾	Impact
(iv)	AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations. [AASB 1 & AASB 11]	August 2014	1 January 2016	This Standard amends AASB 11: Joint Arrangements to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.
				Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the City's financial statements.
(v)	AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]	August 2014	1 January 2016	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
				Given the City currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.
(vi)	AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	Consequential changes to various Standards arising from the issuance of AASB 15. It will require changes to reflect the impact of AASB 15.

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

	Title	Issued/ Compiled	Applicable ⁽¹⁾	Impact
(vii)	AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.
				It is not anticipated it will have any significant impact on disclosures as they currently exist and any changes will relate to presentation.
(viii)	AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	March 2015	1 July 2016	The objective of this Standard is to extend the scope of AASB 124 Related Party Disclosures to include not-for-profit sector entities. The Standard is expected to have a significant disclosure impact on the financial report of the City as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Adoption of New and Revised Accounting Standards (y)

During the current year, the City adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled became mandatory and which were applicable to its operations.

These new and revised standards were:

(i) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality

(ii)AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit **Public Sector Entities**

<u>Notes:</u>
⁽¹⁾ Applicable to reporting periods commencing on or after the given date.

Financial Report						
For the Year Ende	ed 30 th June 2016					
Notes to and Forming Pa	rt of the Financial Report					
	2016 Actual \$	2015 Actual \$				
2. Revenue and Expenses						
(a) Net Result						
The Net Result includes:						
(i) Charging as an Expense:						
Auditors Remuneration						
- Audit of Financial Report	26,973	20,53				
- Other Services	1,520	5,76				
	28,493	26,29				
Depreciation						
Buildings	1,959,778	1,929,65				
Furniture and Fittings	486,953	557,88				
Plant and Equipment	1,647,838	1,496,88				
Infrastructure - Roads	4,617,224	3,379,54				
Infrastructure - Bridges	561,416	211,17				
Infrastructure - Car Parks	286,923	75,39				
Infrastructure - Stormwater Drainage	618,752	549,13				
Infrastructure - Regional Airport & Industrial Park	122,342	111,97				
Infrastructure - Other Infrastructure	4,697,418	3,776,67				
	14,998,644	12,088,31				
Interest Expenses (Finance Costs)						
Overdraft Interest	0					
Debentures (refer Note 23(a))	1,325,698	1,051,21				
	1,325,698	1,051,21				
Rental Charges						
Operating Leases	516,254	482,11				
(ii) Candiding on Days						
(ii) Crediting as Revenue:						
Significant Revenue	0	4E 022 00				
Transport This significant revenue in 2015 relates to the receipt of a Development of the Busselton Regional Airport.		45,933,09				

Attachment A

2016

2015

City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

2016

		Actual \$	Budget \$	Actual \$
2.	Revenue and Expenses (Continued)			
(a)	Net Result (Continued)			
	(ii) Crediting as Revenue (Continued):			
	Interest Earnings			
	Investments			
	- Reserve Funds	1,485,933	1,237,500	1,587,271
	- Restricted Funds	609,666	0	0
	- Other Funds	403,583	500,000	415,593
	- Other Interest Revenue (refer note 28)	342,047	302,050	361,733
		2,841,229	2,039,550	2,364,597

(b) Statement of Objective

In order to discharge its responsibilities to the community, the City has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the City's vision, and for each of its broad activities / programs.

Community Vision

The City of Busselton's vision is "A vibrant and cohesive community that protects its natural environment, meets the needs of its population and ensures that future development maintains the City's unique character, lifestyle and community values - The best place to be". In order to support its vision the City is committed to the values of honesty and integrity, a 'can do' attitude, openness, transparency and accountability, mutual respect in everything we do, and striving for excellence.

Council operations as disclosed in this report encompass the following service orientated activities / programs:

General Purpose Funding

Objective: To collect revenue to allow for the provision of services.

Activities: Rates, interest revenue and other general purpose Government grants together with any expenses incurred in realising these incomes.

Governance

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

Activities: Administration and operation of facilities and services to members of Council; other costs that relate to strategic planning, policy making and assisting elected members and ratepayers on matters which do not concern other specific services of Council.

Law, Order and Public Safety

Objective: To provide services to help ensure a safer and environmentally conscious community. **Activities:** Supervision and enforcement of various by-laws, fire prevention, animal control and emergency services. Council also provides assistance to surf lifesaving efforts.

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

2. Revenue and Expenses (Continued)

(b) Statement of Objective (Continued)

Health

Objective: To provide an operational framework for environmental and community health.

Activities: Inspections of food outlets and their control, noise control, waste disposal compliance, mosquitoes and stingers control.

Education and Welfare

Objective: To provide services for the elderly, children and youth.

Activities: Annual donation relative to the operation of a Senior Citizen's Centre.

Housing

Objective: To provide and maintain elderly residents housing. **Activities**: The operation of three sets of aged persons homes.

Community Amenities

Objective: To provide services required by the community

Activities: Includes rubbish collection and disposal services, recycling initiatives, septic tank inspection services, urban stormwater drainage networks, environmental protection initiatives, operation of three cemeteries, town scaping facilities, as well as the administration of Council's Town Planning Scheme and associated policies and obligations.

Recreation and Culture

Objective: To establish and effectively manage infrastructure and resources which will help the social well being of the community.

Activities: Maintenance of halls, swimming areas and beaches, various reserves, recreation programs, the Busselton Jetty, the operation of the two Libraries, the maintenance and operation of the two Leisure Centres, and the employment of a Cultural Development Officer.

Transport

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

Activities: Construction and maintenance of roads, bridges, drainage, footpaths, cycle ways, parking facilities, traffic signs and depot. Also includes cleaning of streets, maintenance of street trees, street lighting etc. Control and maintenance of a regional airport.

Economic Services

Objective: To help promote the City and its economic wellbeing.

Activities: The regulation and provision of tourism initiatives, the maintenance and operation of a Caravan park and the implementation of building controls. Provision of rural services including weed control, vermin control and standpipes.

Other Property and Services

Objective: To monitor and control Council's overheads operating accounts.

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

- 29 -

66

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

2. Revenue and Expenses (Continued)

(c) Conditions Over Grants / Contributions

		Opening			Closing			Closing
		Balance (1)	Received (2)	Expended (3)	Balance (1)	Received (2)	Expended (3)	Balance
		1-Jul-14	2014/15	2014/15	30-Jun-15	2015/16	2015/16	30-Jun-16
Grant / Contribution	Function / Activity	\$	\$	\$	\$	\$	\$	\$
Cash in lieu of parking	Transport	48,635	0	0	48,635	0	0	48,635
Contribution to works	Classified by activity	2,081,508	208,602	(66,149)	2,223,961	150,270	(203,272)	2,170,959
Government grants	Classified by activity	1,175,247	46,679,517	(918,184)	46,936,580	6,021,945	(1,807,285)	51,151,240
Vasse diversion drain	Community amenities	384,464	0	(660)	383,804	0	0	383,80
C.P.A. infrastructure	Transport	243,236	0	0	243,236	0	(22,465)	220,77
C.P.A. Community Facilities	Classified by activity	988,445	32,727	0	1,021,172	28,048	0	1,049,22
C.P.A. Bushfire Facilities	Law, order and public safety	54,672	0	0	54,672	0	0	54,67
Cash in Lieu – Public Art	Classified by activity	38,000	0	0	38,000	0	(38,000)	
Community recreation Fac.	Classified by activity	5,504,482	1,015,168	(220,932)	6,298,718	1,666,283	(800,457)	7,164,54
	TOTAL	10,518,689	47,936,014	(1,205,925)	57,248,778	7,866,546	(2,871,479)	62,243,84

Notes:

- (1) Grants / contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the Contributor.
- (3) Grants / contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

- 30

2016

2015

3.

City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

	Actual \$	Actual \$
Cash and Cash Equivalents	>	>
Unrestricted	3,251,577	6,323,600
Restricted	112,598,579	113,281,134
restricted	115,850,156	119,604,734
The following restrictions have been imposed by regulations or other	113,030,130	113,004,734
externally imposed requirements:		
Airport Infrastructure Renewal & Replacement Reserve	940,036	459,285
Asset Depreciation Reserve	2,573,604	2,546,024
Beach Protection Reserve	1,768,390	1,494,337
Building Reserve	1,493,038	1,409,407
Corporate IT System Programme Reserve	132,062	128,259
Jetty Maintenance Reserve	2,306,653	2,094,713
Legal Expenses Reserve	530,593	309,206
Long Service Leave Reserve	2,604,471	2,204,037
City Car Parking and Access Reserve	427,857	198,115
Plant Replacement Reserve	2,810,579	2,425,055
Professional Development (Contractual Obligation) Reserve	77,905	74,240
Road Initiative Reserve	328,823	118,257
Sick Pay Incentive Reserve	144,553	143,876
Strategic Projects Reserve	216,612	185,994
Waste Management Facility and Plant Reserve	7,613,254	8,134,429
Port Geographe Development Reserve	1,654,121	569,370
Port Geographe Waterways Management Reserve	3,454,443	3,265,183
Workers Compensation Contingency Reserve	273,142	265,278
Provence Landscape Maintenance Reserve	835,856	676,765
Infrastructure Development Reserve	2,007,645	2,311,813
Vasse Newtown Landscape Maintenance Reserve	470,760	406,922
Untied Grants Reserve	470,760	1,109,692
Locke Estate Reserve	64,000	0
Busselton Community Centre Reserve	92,178	63,513
CBD Enhancement Reserve	50,404	14,490
Election, Valuation and Corporate Expenses Reserve	174,169	35,799
Civic and Administration Centre Construction Reserve	12,782,915	18,501,924
Performing Arts Centre Reserve	0	0
Airport Marketing Reserve	196,000	0
Less Accrued Interest on Restricted Assets	(237,268)	(378,530)
Cash set aside in Lieu of Parking	48,635	48,635
Cash set aside for Roadwork within specific areas, being funds given as a	,	,
condition of subdivision/development	2,170,959	2,223,961
Cash set aside, being unspent specific purpose Government Grants for the		
Busselton Airport Development	45,634,946	45,933,094
Cash set aside, being unspent specific purpose Government Grants	5,516,294	1,003,486
Cash set aside, being Unspent Loan Funds	960,584	4,113,273
Cash set aside for Commonage Precinct Infrastructure and roads	1,324,662	1,319,079
Cash set aside for Sundry Restricted	1,181,608	1,119,632
Cash set aside for Vasse Diversion Drain	383,804	383,804
Cash in Lieu for Public Arts	0	38,000
Cash set aside for Community & Recreation Facilities	7,164,544	6,298,718
Cash set aside for Deposits & Bonds	2,425,748	2,031,999
	112,598,579	113,281,134
		110,101,104

10.3

City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

Cash and Cash Equivalents (Continued)

3(a) Airport Development Grant Funding

Council held funds in restricted assets totalling \$45,634,946 provided by Government of Western Australia Department of Regional Development relating to Royalties for Regions, Regional Infrastructure and Headworks Fund Growing our South - Busselton Regional Airport Funding as of the 30th June 2016.

Funds were initially deposited into Council's municipal bank account and in accordance with the funding agreement were subsequently transferred to a treasury corporation account on the 30th of June 2015. This account requires the joint signatures of Council, the Department of Regional Development and the South West Development Commission to withdraw the funds.

		2016 Actual \$	2015 Actual \$
4.	Investments		
	Investments	0	0
5.	Trade and Other Receivables		
	Current		
	Rates Outstanding	694,702	396,641
	Rates Outstanding – Pensioners	92,484	49,264
	Sundry Debtors	2,316,600	2,133,460
	GST Receivable	422,652	0
	Loans – Clubs / Institutions	79,168	74,508
		3,605,606	2,653,873
	Non-Current		
	Rates Outstanding – Pensioners	205,530	173,658
	Sundry Debtors	5,000	5,000
	Loans – Clubs / Institutions)	167,040	246,208
		377,570	424,866
6.	Inventories		
	Current		
	Materials	20,420	20,270
		20,420	20,270

7 (a).

2016

2015

City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

	Actual \$	Actual \$
Property, Plant and Equipment		
Land & Buildings		
Freehold Land – Fair Value	41,994,392	41,211,470
	41,994,392	41,211,470
Buildings – Fair Value	49,921,104	42,146,336
Less Accumulated Depreciation	(3,764,279)	(1,929,653)
	46,156,825	40,216,683
Total Land and Buildings	88,151,217	81,428,153
Furniture and Fittings – Fair Value	2,083,379	3,167,546
Less Accumulated Depreciation	0	(1,230,357)
	2,083,379	1,937,189
Plant and Equipment – Fair Value	12,526,453	15,538,647
Less Accumulated Depreciation	0	(2,863,684)
•	12,526,453	12,674,963
Total Property, Plant and Equipment	102,761,049	96,040,305

The fair value of property, plant and equipment is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost, given they were acquired at arm's length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which require property, plant and equipment to be shown at fair value

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

7. Property, Plant and Equipment (Continued)

(b) Movements in Carrying Amounts

Attachment A

The following represents the movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

Balance as at 1 July 2015	41,211,470	23,617,014	16,599,669	1,937,189	12,674,963	96,040,305	
Additions	782,922	6,772,687	1,927,455	428,492	1,839,207	11,750,763	
(Disposals)	0	(975,799)	(59,423)	(44,373)	(598,234)	(1,677,829)	
Revaluation - Increments	0	0	0	249,024	136,902	385,926	
- (Decrements)	0	0	0	0	0	0	
Impairment - (Losses)	0	0	0	0	0	0	
- Reversals	0	0	0	0	0	0	
Depreciation - (Expense)	0	(1,183,020)	(776,758)	(486,953)	(1,647,838)	(4,094,569)	
Donated Assets	0	0	235,000	0	121,453	356,453	
Other Movements	0	0		0	0	0	
Balance as at 30 June 2015	41,994,392	28,230,882	17,925,943	2,083,379	12,526,453	102,761,049	

Attachment A

City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

7. Property, Plant and Equipment (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of last Valuation	Inputs Used
Land & Buildings					
Freehold land	2	Market approach using recent observable market data for similar properties	Independent Registered Valuer	June 2014	Price per hectare / market borrowing rate
Non-Specialised Buildings	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent Registered Valuer	June 2014	Improvements to land using construction costs and current condition (level 2), residual values and remaining useful life assessment's (level 3) inputs
Specialised Buildings	2	Market approach using recent observable market data for similar properties	Independent Registered Valuer	June 2014	Price per square meter / market borrowing rate
Furniture & Equipment					
Furniture & Equipment	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Construction cost and current condition (level 2), residual values and remaining useful life assessment (level 3) inputs
Plant & Equipment					
Plant & Equipment	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchased cost and current condition (level2), residual values and remaining useful life assessments (level 3) inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

		2016 Actual \$	2015 Actual \$
8 (a).	Infrastructure	,	*
	Roads – Fair Value	263,534,410	253,913,312
	Less Accumulated Depreciation	(4,616,610)	0
		258,917,800	253,913,312
	Bridges – Fair Value	30,855,487	30,376,832
	Less Accumulated Depreciation	(561,416)	0
		30,294,071	30,376,832
	Car Parks – Fair Value	8,985,191	8,501,381
	Less Accumulated Depreciation	(286,428)	0
		8,698,763	8,501,381
	Stormwater Drainage – Fair Value	48,854,695	44,838,496
	Less Accumulated Depreciation	(618,752)	0
		48,235,943	44,838,496
	Regional Airport and Industrial Park – Fair Value	5,771,508	4,765,153
	Less Accumulated Depreciation	(122,342)	0
		5,649,166	4,765,153
	Other Infrastructure – Fair Value	107,402,290	90,268,951
	Less Accumulated Depreciation	(4,677,111)	0
		102,725,179	90,268,951
		454,520,922	432,664,125

The fair value of infrastructure is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost. Given they were acquired at arm's length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires infrastructure to be shown at fair value.

73

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

8. Infrastructure (Continued)

(b) Movements in Carrying Amounts

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year

Balance as at 30 June 2015	258,917,800	30,294,071	8,698,763	48,235,943	5,649,166	102,725,179	454,520,922
Other Movements	0	0	0	0	0	0	0
Donated Assets	4,097,907	0	0	3,847,463	0	4,694,791	12,640,161
Depreciation - (Expense)	(4,617,224)	(561,416)	(286,923)	(618,752)	(122,342)	(4,697,418)	(10,904,075)
- Reversals	0	0	0	0	0	0	0
Impairment - (Losses)	0	0	0	0	0	0	0
- (Decrements)	0	0	0	0	0	0	0
Revaluation - Increments	0	0	0	0	0	0	0
(Disposals)	(37,628)	o	(15,503)	0	0	(116,966)	(170,097)
Additions	5,561,433	478,655	499,808	168,736	1,006,355	12,575,821	20,290,808
Balance as at 1 July 2014	253,913,312	30,376,832	8,501,381	44,838,496	4,765,153	90,268,951	432,664,125
	Roads \$	Bridges \$	Car Parks \$	Drainage \$	Airport \$	Other \$	Total \$

- 37

74

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

8. Infrastructure (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of last Valuation	Inputs Used
Roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Bridges	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Car Parks	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Drainage	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Airport	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Other Infrastructure	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

- 38 -

City of Busselton

75

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

				2016 Actual \$	2015 Actual \$
9.	Intangibles				
	Easements			0	(
	Accumulated Impairment Costs			0	0
10.	Trade and Other Payables		1		
	Current				
	Sundry Creditors			4,716,458	3,181,228
	Deposits and Bonds			2,425,748	2,031,999
	GST Payable			0	4,218,076
	Accrued Expenses			666,620	448,890
	Actived Experises			7,808,826	9,880,193
11.	Long-Term Borrowings Current Secured by Floating Charge				
	Debentures			1,940,629	1,823,987
				1,940,629	1,823,987
	Non-Current Secured by Floating Charge Debentures			27,083,214	28,173,844
			1	27,083,214	28,173,844
	Additional detail on borrowings is p	rovided in Note 23.			
L2.	Provisions	Provision for Annual Leave	Provision for Long Service Leave	Provision for Sick Leave	Total
		\$	\$	\$	\$
	Opening balance at 1 July 2015				
	Current Non-Current	1,958,130	1,722,137	143,876	3,824,143
	Non-Current	1,958,130	666,052 2,388,189	0 143,876	666,052 4,490,195
		1,556,130	2,300,109	143,676	4,430,133
	Additional Provisions	1,602,122	520,153	676	2,122,953
	Amounts Used	(1,605,356)	(263,871)	0	(1,869,227
	Balance 30 June 2016	1,954,896	2,644,471	144,552	4,743,919
	Comprises				
	Current Provisions	1,954,896	2,032,137	144,552	4,131,585
	Non-current Provisions	0	612,334	0	612,334
		1,954,896	2,644,471	144,552	4,743,919

City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

	2016 Actual \$	2016 Budget \$	2015 Actual \$
Reserves – Cash Backed			
Airport Infrastructure Renewal and Replacement Reserve			
Opening Balance	459,285	459,285	597,302
Amount Set Aside / Transfer to Reserve	523,381	415,228	435,877
Amount Used / Transfer from Reserve	(42,630)	(42,630)	(573,894)
	940,036	831,883	459,285
Asset Depreciation Reserve			
Opening Balance	2,546,024	2,546,024	4,026,327
Amount Set Aside / Transfer to Reserve	72,401	74,772	133,322
Amount Used / Transfer from Reserve	(44,821)	(125,000)	(1,613,625)
	2,573,604	2,495,796	2,546,024
Beach Protection Reserve			
Opening Balance	1,494,337	1,494,337	1,324,758
Amount Set Aside / Transfer to Reserve	495,149	487,884	664,546
Amount Used / Transfer from Reserve	(221,096)	(326,572)	(494,967)
•	1,768,390	1,655,649	1,494,337
Building Reserve		, , , , , ,	, , , , ,
Opening Balance	1,409,407	1,409,407	1,500,203
Amount Set Aside / Transfer to Reserve	548,784	541,388	562,778
Amount Used / Transfer from Reserve	(465,153)	(625,000)	(653,574)
,	1,493,038	1,325,795	1,409,407
Corporate IT Systems Programme Reserve		_,	_,,
Opening Balance	128,259	128,259	123,846
Amount Set Aside / Transfer to Reserve	3,803	3,768	4,413
Amount Used / Transfer from Reserve	0	0	0
,	132,062	132,027	128,259
Jetty Maintenance Reserve			
Opening Balance	2,094,713	2,094,713	1,464,952
Amount Set Aside / Transfer to Reserve	1,230,428	1,220,893	1,206,346
Amount Used / Transfer from Reserve	(1,018,488)	(1,582,460)	(576,585)
	2,306,653	1,733,146	2,094,713
Legal Expenses Reserve	2,500,055	2,7,30,240	2,334,713
Opening Balance	309,206	309,206	249,162
Amount Set Aside / Transfer to Reserve	221,387	9,084	60,044
Amount Used / Transfer from Reserve	0	0	00,044
Amount Osca / Hansier Holli Neserve	530,593	318,290	309,206
	230,393	310,230	303,200

- 40 - City of Busselton

City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

	2016 Actual \$	2016 Budget \$	2015 Actual \$
Reserves – Cash Backed (Continued)			
Long Service Leave Reserve			
Opening Balance	2,204,037	2,204,037	1,987,579
Amount Set Aside / Transfer to Reserve	664,305	189,728	565,453
Amount Used / Transfer from Reserve	(263,871)	(468,210)	(348,995)
	2,604,471	1,925,555	2,204,037
City Car Parking and Access Reserve			
Opening Balance	198,115	198,115	1,641
Amount Set Aside / Transfer to Reserve	391,991	385,183	358,723
Amount Used / Transfer from Reserve	(162,249)	(162,249)	(162,249)
	427,857	421,049	198,115
Plant Replacement Reserve			
Opening Balance	2,425,055	2,425,055	3,597,284
Amount Set Aside / Transfer to Reserve	784,248	773,550	622,316
Amount Used / Transfer from Reserve	(398,724)	(766,000)	(1,794,545)
	2,810,579	2,432,605	2,425,055
Professional Development Reserve			
Opening Balance	74,240	74,240	111,896
Amount Set Aside / Transfer to Reserve	63,017	62,184	44,430
Amount Used / Transfer from Reserve	(59,352)	(75,000)	(82,086)
	77,905	61,424	74,240
Road Asset Renewal Reserve			
Opening Balance	118,257	118,257	2,435
Amount Set Aside / Transfer to Reserve	1,124,210	1,105,253	720,825
Amount Used / Transfer from Reserve	(913,644)	(1,065,515)	(605,003)
, , , , , , , , , , , , , , , , , , , ,	328,823	157,995	118,257
Sick Pay Incentive Reserve			
Opening Balance	143,876	143,876	137,020
Amount Set Aside / Transfer to Reserve	7,010	4,224	6,856
Amount Used / Transfer from Reserve	(6,333)	(5,000)	0
, , , , , , , , , , , , , , , , , , , ,	144,553	143,100	143,876
Strategic Projects Reserve		2.0,230	2.5,570
Opening Balance	185,994	185,994	245,558
Amount Set Aside / Transfer to Reserve	30,618	30,460	29,078
Amount Used / Transfer from Reserve	0	0	(88,642)
Through the state of the state	216,612	216,454	185,994
	210,012	210,434	105,554

City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

	2016 Actual \$	2016 Budget \$	2015 Actual \$
Reserves – Cash Backed (Continued)			
Waste Management Facility and Plant Reserve			
Opening Balance	8,134,429	8,134,429	5,824,494
Amount Set Aside / Transfer to Reserve	2,915,272	2,725,998	2,909,107
Amount Used / Transfer from Reserve	(3,436,447)	(6,555,000)	(599,172)
	7,613,254	4,305,427	8,134,429
Port Geographe Development Reserve (Council)			
Opening Balance	569,370	569,370	567,296
Amount Set Aside / Transfer to Reserve	1,090,680	16,728	20,175
Amount Used / Transfer from Reserve	(5,929)	(6,240)	(18,101)
	1,654,121	579,858	569,370
Port Geographe Waterways Management Reserve		-	
Opening Balance	3,265,183	3,265,183	3,295,493
Amount Set Aside / Transfer to Reserve	489,260	255,033	269,690
Amount Used / Transfer from Reserve	(300,000)	(300,000)	(300,000)
,	3,454,443	3,220,216	3,265,183
Workers Compensation Contingency Reserve			
Opening Balance	265,278	265,278	256,150
Amount Set Aside / Transfer to Reserve	7,864	7,788	9,128
Amount Used / Transfer from Reserve	0	0	0
	273,142	273,066	265,278
Provence Landscape Maintenance Reserve	270/212	2.0,000	200,270
Opening Balance	676,765	676,765	533,687
Amount Set Aside / Transfer to Reserve	159,091	147,896	143,078
Amount Used / Transfer from Reserve	0	(117,120)	0
,	835,856	707,541	676,765
Infrastructure Development Reserve		707,341	0,0,,00
Opening Balance	2,311,813	2,311,813	1,778,228
Amount Set Aside / Transfer to Reserve	708,288	200,252	775,704
Amount Used / Transfer from Reserve	(1,012,456)	(1,472,635)	(242,119)
Amount osca / Hansier Hom Reserve	2,007,645	1,039,430	2,311,813
Vasse Newtown Landscape Maintenance Reserve	2,007,043	1,035,430	2,311,013
Opening Balance	406,922	406,922	358,408
Amount Set Aside / Transfer to Reserve	166,534	159,492	158,812
Amount Used / Transfer from Reserve	(102,696)	(196,785)	(110,298)
Amount Oscu / Hansier Holli Reserve			
	470,760	369,629	406,922

City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

	2016 Actual \$	2016 Budget \$	2015 Actual \$
Reserves – Cash Backed (Continued)			
Untied Grants Reserve			
Opening Balance	1,109,692	1,109,692	0
Amount Set Aside / Transfer to Reserve	0	0	1,109,692
Amount Used / Transfer from Reserve	(1,109,692)	(1,109,692)	0
	0	0	1,109,692
Locke Estate Reserve			
Opening Balance	0	0	114,516
Amount Set Aside / Transfer to Reserve	64,000	60,000	64,406
Amount Used / Transfer from Reserve	0	0	(178,922)
	64,000	60,000	0
Busselton Community Resource Centre Reserve			
Opening Balance	63,513	63,513	36,750
Amount Set Aside / Transfer to Reserve	28,665	27,280	26,763
Amount Used / Transfer from Reserve	0	0	0
	92,178	90,793	63,513
CBD Enhancement			
Opening Balance	14,490	14,490	0
Amount Set Aside / Transfer to Reserve	35,914	35,220	14,490
Amount Used / Transfer from Reserve	0	0	0
	50,404	49,710	14,490
Election, Valuation and Corporate Expenses Reserve			
Opening Balance	35,799	35,799	0
Amount Set Aside / Transfer to Reserve	209,475	207,056	35,799
Amount Used / Transfer from Reserve	(71,105)	(76,000)	0
	174,169	166,855	35,799
Civic and Administration Centre Construction Reserve			
Opening Balance	18,501,924	18,501,924	0
Amount Set Aside / Transfer to Reserve	466,958	337,500	18,501,924
Amount Used / Transfer from Reserve	(6,185,967)	(9,180,000)	0
	12,782,915	9,659,424	18,501,924
Performing Arts Centre Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	0	0	0

80

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

		2016 Actual \$	2016 Budget \$	2015 Actual \$
13.	Reserves – Cash Backed (Continued)			
	Airport Marketing Reserve			
	Opening Balance	0	0	0
	Amount Set Aside / Transfer to Reserve	196,000	0	0
	Amount Used / Transfer from Reserve	0	0	0
		196,000	0	0
	Total Reserves	46,024,063	34,372,716	49,145,982
	Summary of Cash / Investment Backed Reserves			
	Opening Balance	49,145,982	49,145,982	28,134,985
	Amount Set Aside / Transfer to Reserve	12,698,735	9,483,842	29,453,774
	Amount Used / Transfer from Reserve	(15,820,654)	(24,257,108)	(8,442,777)
		46,024,063	34,372,716	49,145,982

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this report.

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Airport Infrastructure Renewal and Replacement Reserve

To provide funding for the renewal, replacement, upgrading and installation of Airport Infrastructure; and to facilitate the implementation of the Noise Management Plan and related activities.

Assets Depreciation Reserve

To assist the City in funding capital expenditure on renewal, replacement and improvements of infrastructure assets as determined by Council, and as specifically identified in relevant Asset Management Plans.

Beach Protection Reserve

To cover repairs or preventative measures necessary to protect the beach or land based assets, as well as specific capital projects designed to protect the shoreline, e.g. construction of a sea wall.

Buildings Reserve

Building requirements which need to be "saved" for but are not considered to be large project items requiring their own reserve fund or loan funding.

- 44 -

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

13. Reserves – Cash Backed (Continued)

Corporate IT Systems Programme

To assist the City in funding expenditure required in relation to the ongoing development and enhancement of the City's corporate systems.

Jetty Maintenance Reserve

As a contingency fund to rectify damage caused by the demise of the Busselton jetty or part of the jetty or for large unbudgeted extraordinary jetty repairs.

Legal Expenses Reserve

To provide for any legal expenses or contingency involving the City of Busselton.

Long Service Leave Reserve

To provide funding to meet Council's future long service leave obligations.

City Car Parking and Access Reserve

To provide adequate public car parking in the City for the future, and can be used for the purchase of land and/or development of public car parking and access thereto, the development of infrastructure to provide for the management of public car parking and providing improved public transport to and within the City.

Plant Replacement Reserve

For funding and the purchase of new plant and equipment as may be required to mitigate growth needs or improvements to service levels as agreed by the Council; or plant and equipment as identified in the 10 year plant replacement program by using the basis of plant depreciation earnings and subsidisation by annual budgets as required.

Professional Development Reserve

To provide funding to meet the City's ongoing contractual professional development obligations.

Road Asset Renewal Reserve

To meet the needs of the Long Term Financial Plan road asset management plan requirements.

Sick Pay Incentive Reserve

To provide funding to meet Council's obligations under the City of Busselton's Enterprise Bargaining Agreement.

- 45 -

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

13. Reserves – Cash Backed (Continued)

Strategic Projects Reserve

To finance activities which will create a revenue stream for the City and reduce reliance on rate revenue.

Waste Management Facility and Plant Reserve

To fund the acquisition of additional waste plant, waste facility infrastructure, waste related consultancy services and post closure management.

Port Geographe Development Reserve

To provide for costs associated with the Port Geographe development.

Port Geographe Waterways Management Reserve

To provide funds for Council to fulfil its obligations under a Waterways Management Deed with Pindan Constructions for the future maintenance of waterways and associated facilities within the Port Geographe subdivision area.

Workers Compensation Contingency Reserve

A contingency fund to assist Council in meeting its Workers Compensation Contribution obligations when claim costs exceed the "Deposit" amount allocated to claims. This is a requirement under Councils current Workers Compensation "performance based contributions policy".

Provence Landscape Maintenance Reserve

For the purpose of holding funds for the maintenance of the approved higher standard of landscaping within the Provence subdivision in accordance with Policy 185/3 including future capital replacement of landscaping structures as may be required.

Infrastructure Development Reserve

For the purpose of setting aside funds to facilitate the identification, design and development of new infrastructure and other capital projects.

Vasse Newtown Landscape Maintenance Reserve

For the purpose of holding funds for the maintenance of the approved higher standard of landscaping.

Untied Grants Reserve

To hold untied grants monies received in advance.

- 46 -

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

13. Reserves – Cash Backed (Continued)

Locke Estate Reserve

To provide funding for the protection of the Locke Estate (Reserve 22674) coastline.

Busselton Community Resource Centre Reserve

To hold funds for costs associated with asset management (as well as a contingency for annual depreciation) of the building located on Reserve 41445, and known as the Busselton Community Resource Centre.

CBD Enhancement Reserve

Financing works and improvements within the Busselton Central Business District', including both capital and maintenance works which enhance the old fire station and / or the CBD generally.

Election, Valuation and Corporate Expenses Reserve

To provide funding for Council elections, rating valuations, fair value valuations and other corporate expenses as determined.

Civic and Administration Centre Construction Reserve

To provide funding for the construction and fit-out of a Civic and Administration Centre, plus associated costs.

Performing Arts Centre Reserve

To provide for the planning and construction of a future Performing Arts Centre for the district.

Airport Marketing Reserve

The purpose for promoting the Busselton Regional Airport.

- 47 - City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

14. Revaluation Surplus

Revaluations surpluses have arisen on revaluation of the following class of $\,$ non-current assets:

	2016 Actual \$	2015 Actual \$
Land and Buildings		
Opening Balance	44,100,475	44,100,475
Revaluation Increment	0	0
Revaluation Decrement	0	0
	44,100,475	44,100,475
Furniture & Fittings		
Opening Balance	196,941	196,941
Revaluation Increment	249,024	0
Revaluation Decrement	0	0
	445,965	196,941
Plant and Equipment		
Opening Balance	0	0
Revaluation Increment	136,902	0
Revaluation Decrement	0	0
	136,902	0
Roads		
Opening Balance	102,035,756	0
Revaluation Increment	0	102,035,756
Revaluation Decrement	0	0
	102,035,756	102,035,756
Bridges		
Opening Balance	19,677,168	0
Revaluation Increment	0	19,677,168
Revaluation Decrement	0	0
	19,677,168	19,677,168
Car Parks		
Opening Balance	5,863,855	0
Revaluation Increment	0	5,863,855
Revaluation Decrement	0	0
	5,863,855	5,863,855
Drainage		
Opening Balance	9,978,811	0
Revaluation Increment	0	9,978,811
Revaluation Decrement	0	0
	9,978,811	9,978,811
Regional Airport and Industrial Park		-,,
Opening Balance	1,309,884	0
Revaluation Increment	0	1,309,884
Revaluation Decrement	0	0
	1,309,884	1,309,884
Other Infrastructure		_,_00,004
Opening Balance	6,965,097	0
Revaluation Increment	0,565,657	6,965,097
Revaluation Decrement	0	0,505,057
The same of the sa	6,965,097	6,965,097
		0,505,057
Total Assets Revaluation Surplus	190,513,913	190,127,987
*		

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

15. Notes to the Statement of Cash Flows

Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

2016

2016

2015

		Actual \$	Budget \$	Actual \$
	Cash and Cash Equivalents	115,850,156	47,976,478	119,604,734
(b)	Reconciliation of Net Cash Provided By Operating Activities to Net Result			
	Net Result	28,133,255	35,962,995	64,893,964
	Depreciation	14,998,644	14,636,430	12,088,317
	(Profit) / Loss on Sale of Asset	1,278,202	52,860	125,932
	(Increase) / Decrease in Receivables	(5,858,363)	360,866	1,594,426
	(Increase) / Decrease in Inventories	(150)	0	5,432
	Increase / (Decrease) in Payables	2,682,782	(4,960,461)	2,842,828
	Increase / (Decrease) in Employee Provisions	253,725	(253,479)	682,668
	Less: Non-Cash Contributions	(12,996,614)	(13,124,650)	(8,834,492)
	Grants/Contributions for the Development of Assets	(12,236,044)	(24,363,333)	(53,071,923)
	Non-Current Assets Fair Value Adjustment			0
	Net Cash from Operating Activities	16,255,437	8,311,228	20,327,152

(c)	Undrawn Borrowing Facilities Credit Standby Arrangements	2016 Actual \$	2015 Actual \$
	Bank Overdraft limit	0	0
	Bank Overdraft at Balance Date	0	0
	Credit Card limit	50,000	50,000
	Credit Card Balance at Balance Date	0	0
	Total Amount of Credit Unused	50,000	50,000

(d) Loan Facilities

Loan Facilities – Current	1,940,629	1,823,987
Loan Facilities – Non-Current	27,083,214	28,173,844
Total Facilities in Use at Balance Date	29,023,843	29,997,831

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

15.	Notes to the Statement of Cash Flows (Continued)	2016 Actual	2015 Actual
		\$	\$
(e)	Non-Cash Contributions		
	Acquired by Council at Valuation – Land and Buildings	235,000	0
	Acquired by Council at Valuation – Furniture and Fittings	0	2,500
	Acquired by Council at Valuation – Plant and Equipment	121,453	152,960
	Developers and Acquired by Council at Valuation - Roads	4,097,907	3,100,074
	Developers and Acquired by Council at Valuation - Bridges	0	0
	Developers and Acquired by Council at Valuation - Drains	3,847,463	2,943,097
	Developers and Acquired by Council at Valuation - Other	4,694,791	2,635,861
		12,996,614	8,834,492

16. Contingent Liabilities

16.1 Resident funded aged persons homes

When either of the two of the resident funded aged person's homes at the Winderlup Villas become vacant, then Council has a contractual obligation to reimburse the occupant the contribution made at the outset (less annual depreciation) and discretion to increase the amount based on market value of the capital cost for the two homes involved.

16.2 Buy Back Conditions contained in City Lease Agreements

In 1997 the Council resolved (C974/0148) to enter into a lease agreement with the Geographe Bay Tourism Association for a portion of Lot 73 Peel Terrace, Busselton, with a future buy out provision which is to exclude any Council capital contributions (past or present). Therefore at the end of the lease 19 March 2019 if no further lease is entered into, the City could be liable for the sum equal to the Added Value of the building.

On the 14 June 1999 the City entered into a lease agreement with the St John Ambulance Association of WA and this lease agreement expires on 30 June 2020. If a new lease is not entered into the City could be liable for the purchase of the building and improvements at market value (Clause 7).

On the 4 February 2009 the City entered into a lease agreement with the Geographe Hangar Owners Group Inc and this lease agreement expires on 31 March 2018. If a new lease is not entered into the City could be liable for the purchase of the hangar and/ or other buildings constructed on the hangar area at market value (Clause 9.14).

On the 9 June 1998 the City entered into a lease agreement with the Busselton Hangar Owners Pty Ltd and this lease agreement expires on 31 March 2018. If a new lease is not entered into the City could be liable for the purchase of the hangar and/ or other buildings constructed on the hangar area at market value (Clause 9.14).

- 50 - City of Busselton

2016

2015

City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

16. Contingent Liabilities (Continued)

16.3 Claim for Compensation under section 173(1) of Planning and Development Act 2005

PJ and LJ Grocock is claiming compensation from the City of Busselton for injurious affection suffered by reason of the making of District Town Planning Scheme No 20 insofar as it imposed a reservation over Lot 49 Stanley Street, Busselton (of which they are the registered proprietors). Should the parties fail to achieve a negotiated outcome in relation to the claim for compensation, the amount and manner of payment of compensation is to be determined by arbitration in accordance with the Commercial Arbitration Act 2012. Due to complex legal and planning issues impacting on the matter, it is not reasonably possible to determine Council's potential liability (if any) at this stage.

17. Capital and Leasing Commitments

		Actual \$	Actual \$
(a)	Operating Lease Commitments		
	Non-cancellable operating leases contracted for but not capitalised in the accounts.		
	Payable:		
	- not later than one year	350,094	373,957
	- later than one year but not later than five years	299,915	558,383
	- later than five years	0	0
		650,009	932,340
(b)	Capital Expenditure Commitments		
		2016 Actual \$	2015 Actual \$
	Contracted for:		
	Capital projects		
	- Civic and Administration Building	13,532,305	0
	- Railway House Project	878,585	0
	- Busselton Margaret River Regional Airport	1,980,000	0
	Payable:		
	- not later than one year	16,390,890	0
	- later than one year but not later than five years	0	0

The capital expenditure projects outstanding at the end of the current reporting period represents the construction of the City's new Civic and Administration Building at Southern Drive and the construction of the Railway House Building at the Busselton Foreshore. These projects are due to be completed in the 2017 financial year.

The City also entered into an agreement and paid a deposit to purchase land associated with the development of the Busselton Margaret River Regional Airport. It is anticipated that settlement should occur in December 2016, pending WAPC approval.

- 51 -

88

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

18. Joint Ventures

The City of Busselton has not been involved in any joint venture arrangements during the reporting period.

19.	Total Assets Classified by Function and Activity	2016 Actual	2015 Actual
		\$	\$
	General Purpose Funding	4,329,868	3,886,448
	Governance	19,273,782	18,937,744
	Law, Order & Public Safety	3,151,150	3,309,985
	Health	158,278	167,474
	Education and Welfare	484,816	511,908
	Housing	14,559,260	15,224,617
	Community Amenities	23,050,519	19,040,179
	Recreation and Culture	110,330,203	91,081,346
	Transport	453,120,861	436,257,676
	Economic Services	2,654,735	2,731,424
	Other Property and Services	5,324,606	4,587,732
	Unallocated	40,697,645	55,671,640
		677,135,723	651,408,173

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

20. Financial Ratios

	2016 Actual	2015 Actual	2014 Actual
Current Ratio	0.741	0.779	0.857
Asset Sustainability Ratio	1.252	1.068	1.610
Debt Service Coverage Ratio	6.044	6.588	12.803
Operating Surplus Ratio	0.046	0.056	0.045
Own Source Revenue Coverage Ratio	0.952	0.964	0.973

The above ratios are calculated as follows:

Current Ratio (ratio required to meet standard > or = to 1)

Current assets minus restricted current assets

Current liabilities minus liabilities associated with restricted assets

Asset Sustainability Ratio

(ratio required to achieve basic standard > 0.9)

Capital renewal and replacement expenditure

Depreciation expense

Debt Service Coverage Ratio

(ratio required to achieve basic standard > 2)

Annual operating surplus before interest and depreciation

Principal and interest

Operating Surplus Ratio

(ratio required to achieve basic standard > 0.01)

Operating revenue minus operating expense

Own source operating revenue

Own Source Revenue Coverage Ratio

(ratio required to achieve basic standard > 0.4)

Own source operating revenue

Operating expense

Notes: Information relating to the Asset Consumption Ratio and the Asset Renewal Funding Ratio can be found at the supplementary ratio information on page 70 of this document.

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

21. Trust Funds

	Balance 01-July-15 \$	Amounts Received \$	Amounts Paid \$	Balance 30-June-16 \$
Builders Registration Board Levies Building Training Levy	13,105 3,520	404,005 152,900	(398,524) (151,443)	18,586 4,977
Community Appeals Nomination Deposits	1,000	0	0	1,000
Cash in Lieu of P.O.S. Sundry Other Trusts	1,820,967 24,593	53,660 1,267	0 (1,620)	1,874,627 24,240
	1,863,185	611,832	(551,587)	1,923,430

22. Disposals of Assets – 2015/16 Financial Year

The following assets were disposed of during the year:

By Function/Activity:-

	Net Boo	k Value	Sale	Price	Profit / (Loss)		
	Actual	Budget	Actual Budget		Actual	Budget	
	\$	\$	\$	\$	\$	\$	
General Purpose Funding	0	0	0	0	0	0	
Governance	1,038,311	0	32,716	0	(1,005,595)	0	
Law, Order, Public Safety	40,832	51,550	47,180	42,000	6,348	(9,550)	
Health	19,500	19,500	16,111	18,000	(3,389)	(1,500)	
Education and Welfare	0	0	0	0	0	0	
Housing	0	0	0	0	0	0	
Community Amenities	78,316	97,973	65,465	96,000	(12,851)	(1,973)	
Recreation and Culture	390,381	187,964	194,541	178,700	(195,840)	(9,264)	
Transport	155,950	181,692	101,456	153,500	(54,494)	(28,192)	
Economic Services	51,454	32,600	50,563	35,000	(891)	2,400	
Other Property & Services	73,181	73,781	61,691	69,000	(11,490)	(4,781)	
	1.847,925	645,060	569,723	592,200	(1.278,202)	(52,860)	

By Asset Class:-

	Net Boo	k Value	Sale	Price	Profit / (Loss)		
	Actual	Actual Budget		Actual Budget		Budget	
	\$	\$	\$	\$	\$	\$	
Land and Buildings	1,026,644	0	0	0	(1,026,644)	0	
Plant and Equipment	598,259	645,060	560,150	592,200	(38,109)	(52,860)	
Furniture and Fittings	44,348	0	9,573	0	(34,775)	0	
Infrastructure	178,674	0	0	0	(178,674)	0	
	1.847.925	645,060	569,723	592,200	(1.278,202)	(52,860)	

- 54 -

91

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

23.	Information on Borrowings												
(a)	Debenture Repayments				Principal	New Loans	New Loans	Principal R	epayment	ment Principal		Interest Re	payment
	Particulars	Borrowing	Int.	Maturity	1 July 2015	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16
		Institution	Rate %	Date		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	Administration												
С	Loan #207 Civic and Administration Centre	WATC	4.51	06/34	17,355,380	0	0	592,056	592,056	16,763,324	16,763,324	772,808	772,808
	Recreation & Culture												
S	Loan #192 Busselton Tennis Club	WATC	5.74	12/19	29,596	0	0	5,937	5,937	23,659	23,659	1,573	1,573
S	Loan #195 Dunsborough District Country Club	WATC	6.79	06/17	76,495	0	0	36,960	36,960	39,535	39,535	4,266	4,266
S	Loan #196 Dunsborough Bay Yacht Club	WATC	6.16	12/19	13,112	0	0	2,611	2,610	10,502	10,502	748	748
c	Loan #197 Dunsborough Oval	WATC	6.05	03/20	870,570	0	0	163,233	163,234	707,336	707,336	49,012	49,012
C	Loan #198 Jetty Construction	WATC	6.05	03/20	1,142,622	0	0	214,243	214,243	928,379	928,379	64,329	64,329
S	Loan #199 Busselton Bowling Club	WATC	5.98	12/20	96,280	0	0	15,251	15,251	81,029	81,029	5,420	5,420
S	Loan #200 Dunsborough Bay Yacht Club	WATC	6.00	12/19	8,444	0	0	1,686	1,686	6,757	6,758	469	469
С	Loan #202 Geothermal Heating GLC	WATC	3.98	06/23	443,515	0	0	48,066	48,066	395,449	395,449	16,940	16,940
С	Loan #204 Busselton Foreshore	WATC	4.36	06/29	1,051,021	.0	0	55,777	55,777	995,244	995,244	44,921	44,921
C	Loan #205 GLC Extensions	WATC	3.92	06/24	1,103,937	0	0	104,408	104,408	999,529	999,529	41,752	41,752
S	Loan# 208 Busselton Football & Sportsman's Club	WATC	2.93	04/25	29,302	0	0	2,560	2,560	26,742	26,742	831	831
С	Loan# 209 Busselton Foreshore	WATC	3.56	06/27	6,500,000	0	0	414,226	414,226	6,085,774	6,085,774	256,832	256,832
	Transport							1					
C	Loan #203 Land Acquisition for Parking	WATC	4.19	09/21	888,088	0	0	127,017	127,017	761,071	761,071	35,232	35,232
С	Loan #206 Airport Jet A1 Installation	WATC	3.92	06/24	321,982	0	0	30,452	30,453	291,530	291,529	12,178	12,178
	Economic Services												
S	Loan #201 Geographe Bay Tourism Association	WATC	4.76	09/21	67,487	0	0	9,503	9,503	57,984	57,984	3,044	3,044
	Other Property and Services												
С	Loan #210 Lot 40 Vasse Highway	WATC	3.61	12/25	0	850,000	850,000	0	0	850,000	850,000	30,600	15,343
	Total - Council and Self-supporting Loans				29,997,831	850,000	850,000	1,823,986	1,823,987	29,023,844	29,023,844	1,340,955	1,325,698
С	Council Loans are financed by general purpose inco	me.			29,677,115	850,000	850,000	1,749,478	1,749,479	28,777,636	28,777,636	1,324,605	1,309,347
S	Self-Supporting Loans are financed by payments fro	m third partie	es.		320,716	0	0	74,508	74,508	246,208	246,208	16,350	16,351
					29,997,831	850,000	850,000	1.823.986	1.823.987	29.023.844	29.023.844	1.340.955	1.325.698

- 55

2015/2016 Annual Financial Report Including Auditors Report

City of Busselton

92

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

- 23. Information on Borrowings (continued)
- (b) New Debentures 2015/16

	Amount Borrowed		Institution	Loan Type	Term	Total	Interest	Amoun	t Used	Balance
	Actual	Budget			(Years)	Interest &	Rate %	Actual	Budget	Unspent
Particulars / Purpose	\$	\$				Charges		\$	\$	
Loan #210 Lot 40 Vasse Highway	850,000	850,000	WATC	Debenture	10	306,850	3.61%	850,000	850,000	0
	850,000	850,000				306,850		850,000	850,000	0

(c) Unspent Debentures

	Date Borrowed	Balance 01-July-15	Borrowed During Year	Expended During Year	Balance 30-June-16
Particulars / Purpose		\$	\$	\$	\$
Loan #206 Airport Jet A1 Installation	27 th May 2014	350,000	0	0	350,000
Loan #207 Civic and Administration Centre	5 th Aug 2015	18,000,000	0	6,185,967	11,814,033
Loan# 209 Busselton Foreshore	13 th May 2015	3,763,273	0	3,152,689	610,584
		22,113,273	0	9,338,656	12,774,617

(d) Overdraft

Council has not utilised an overdraft facility during the financial year 2015/16. The balance of actual bank overdraft as at 1 July 2015 and 30 June 2016 was Nil.

· 56

93

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

- 24. Rating Information 2015/16 Financial Year
- (a) Rates

S					Rate	Interim	Total	Budget Rate	Budget	
Differential General Rate		Rate in	Number of	Rateable Value	Revenue	Rates	Revenue	Revenue	Interim Rate	Budget Total
GRV-Residential 0.080266 12,996 241,197,300 19,359,878 0 19,359,878 19,359,878 0 19,359,878 0 19,359,878 0 19,359,878 0 19,359,878 0 19,359,878 0 19,359,878 0 19,359,878 0 19,359,878 0 19,359,878 0 19,359,878 0 19,359,878 0 19,359,878 0 19,359,878 0 19,359,878 0 19,359,878 0 19,359,878 0 10,630,764 0 1,630,76	Rate Type	\$	Properties	\$	\$	\$	\$	\$	\$	Revenue \$
GRV-Industrial	Differential General Rate									
GRV-Commercial Commercial Commercial Commercial Commercial Commercial Vacant Land	GRV–Residential	0.080266	12,996	241,197,300	19,359,878	0	19,359,878	19,359,878	0	19,359,878
GRV-Residential Vacant Land		0.096010	351	16,985,375	1,630,764	0	1,630,764	1,630,764	0	1,630,764
GRV-Industrial Vacant Land GRV-Commercial Vacant Land GRV-Commercial Vacant Land O.105764 86 2,088,110 220,846 0 220,846 220,846 0 220,846 GRV-Commercial Vacant Land O.105764 41 2,006,380 212,203 0 212,203 0 212,203 0 212,203 O.212,203 0 212,203 0 212,203 0 212,203 O.2430,692 0 2,430,692 0 2,430,692 UV-Rural UV-Commercial O.003744 876 560,963,000 2,430,692 0 2,430,692 2 4,340,692 0 2,430,692 UV-Rural UV-Commercial O.003869 1,628 745,642,000 2,586,625 0 2,586,625 0 2,586,625 0 2,586,625 O.006807 128 92,030,000 626,448 0 0 660,251 660,251 0 520,390 520,390 Sub-Totals Minimum S Ninimum S	GRV–Commercial	0.096010	1,249	57,599,367	5,530,109	0	5,530,109	5,530,109	0	5,530,109
GRV-Commercial Vacant Land UV-Primary Production UV-Primary Production UV-Rural 0.003734 876 650,963,000 2,430,692 0 2,430,692 0 2,430,692 0 2,430,692 0 2,430,692 0 2,430,692 0 2,430,692 0 2,430,692 0 2,586,625 0 0 62,648 0 0 626,448 0 626,448 0 62	GRV–Residential Vacant Land	0.080266	489	12,550,020	1,007,338	0	1,007,338	1,007,338	0	1,007,338
UV-Primary Production	GRV-Industrial Vacant Land					0			0	220,846
UV-Rural UV-Rural UV-Rural UV-Commercial UV-Commerci	GRV–Commercial Vacant Land	0.105764		2,006,380	212,203	0	212,203	212,203	0	212,203
UV-Commercial 0.006807 128 92,030,000 626,448 0 626,448 626,448 626,448 0 626,448 1nterim Rates 0 0 0 0 660,251 660,251 0 520,39	UV-Primary Production			650,963,000	2,430,692	0	2,430,692	2,430,692	0	2,430,692
Name			1,628	745,642,000	2,586,625	0	2,586,625	2,586,625	0	2,586,625
Ninimum S		0.006807	128	92,030,000	626,448			626,448	0	626,448
Minimum Differential General Rate Service	Interim Rates		0	0	0	660,251	660,251	0	520,390	520,390
Minimum Differential General Rate	Sub-Totals		17,844	1,821,061,552	33,604,903	660,251	34,265,154	33,604,903	520,390	34,125,293
GRV-Residential 1,058 879 10,967,658 929,982 0 929,982 929,982 0 92,982 0 929,982 0 92		Minimum \$								
GRV-Industrial 1,058 20 188,947 21,160 0 21,160 21,160 0 21,160 0 21,160 GRV-Commercial 1,058 525 3,482,024 555,450 0 555,450 555,450 0 1,561,608 0 1,561,										
GRV-Commercial 1,058 525 3,482,024 555,450 0 555,450 0 555,450 0 555,450 0 555,450 0 555,450 0 555,450 0 555,450 0 555,450 0 555,450 0 555,450 0 555,450 0 555,450 0 555,450 0 555,450 0 555,450 0 0 555,450 0 0 1,561,608 0 1,561,608 0 1,561,608 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0										929,982
GRV-Residential Vacant Land 1,058 1,476 9,756,618 1,561,608 0 1,561,608 1,561,608 0 1,561,608 0 1,561,608 0 1,561,608 0 1,561,608 0 1,561,608 0 1,561,608 0 1,561,608 0 1,561,608 0 1,561,608 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0						-			_	21,160
GRV-Industrial Vacant Land 1,058 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0										555,450
GRV-Commercial Vacant Land 1,058 59 324,150 62,422 0 62,42 0 62,42			1,476	9,756,618	1,561,608		1,561,608	1,561,608	-	1,561,608
UV-Primary Production 1,058 204 42,918,000 215,832 0 215,832 0 215,832 UV-Rural 1,058 843 171,596,500 891,894 0 891,894 0 891,894 0 891,894 UV-Commercial 1,058 95 4,101,247 100,510 0 100,510 100,510 0 100,510 0 100,510 0 100,510 0 4,338,858 0 4,338,858 0 4,338,858 0 4,338,858 0 4,338,858 0 4,338,858 0 99,23					· · · · · · · · · · · · · · · · · · ·					0
UV-Rural UV-Commercial 1,058 1,058 843 95 171,596,500 4,101,247 891,894 100,510 0 891,894 100,510 0 891,894 100,510 0 891,894 100,510 0 891,894 100,510 0 891,894 100,510 0 491,894 100,510 0 493,895 100,510 0 4,338,858 100,4338,858 0 4,338,858 100,4738,858 0 4,338,858 100,4738,858 0 4,338,858 100,4738,858 0 99,23										62,422
UV-Commercial 1,058 95 4,101,247 100,510 0 100,510 100,510 0 100,510 100,510 0 100,510 Sub-Totals 4,101 243,335,144 4,338,858 0 4,338,858 4,338,858 0 4,338,858 0 4,338,858 0 99,23						_				215,832
Sub-Totals 4,101 243,335,144 4,338,858 0 4,338,858 0 4,338,858 0 4,338,858 0 4,338,858 0 99,23 Back Rates / Prior Period Adj. (refer note 27) 106,474 99,23										891,894
Back Rates / Prior Period Adj. (refer note 27) 106,474 99,23		1,058								100,510
	Sub-Totals		4,101	243,335,144	4,338,858	0	4,338,858	4,338,858	0	4,338,858
Total Amount Paised from Conoral Pates	Back Rates / Prior Period Adj. (refer note 27)						106,474			99,230
	Total Amount Raised from General Rates						38,710,486			38,563,381
35,75,75	Total randam massa nom deficial fates						30,710,400			30,533,301
Specified Area Rate (refer note 25) 449,635	Specified Area Rate (refer note 25)						449,635			434,698
Totals 39,160,121 38,998,07	Totals						39,160,121			38,998,079

- 57

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

- 24. Rating Information 2015/16 Financial Year (Continued)
- (b) Information on Surplus / Deficit Brought Forward

	2016 30 June 2016 C/FWD \$	2016 1 July 2015 B/FWD \$	2015 30 June 2015 C/FWD \$
Surplus / (Deficit)	1,178,089	756,540	756,540
Comprises:			
Cash - Unrestricted	3,251,577	6,323,600	6,323,600
Cash - Restricted	112,598,579	113,281,134	113,281,134
Sundry Debtors	2,501,984	1,814,960	1,814,960
Rates Debtors	787,186	445,904	445,904
Inventories	20,420	20,270	20,270
	119,159,746	121,885,868	121,885,868
<u>Less:</u>			
Sundry Creditors	(4,716,458)	(7,399,304)	(7,399,304)
Sundry Creditors – Deposits and Bonds	(2,425,748)	(2,031,999)	(2,031,999)
Accrued Expenses	(666,620)	(448,890)	(448,890)
	(7,808,826)	(9,880,193)	(9,880,193)
	111,350,920	112,005,675	112,005,675
Add Current Liabilities Cash Backed	2,425,748	2,031,999	2,031,999
Less Restricted Cash	(112,598,579)	(113,281,134)	(113,281,134)
Surplus / (Deficit)	1,178,089	756,540	756,540

Difference:

There was no difference between the Surplus 1 July 2015 Brought Forward position used in the 2016 audited financial report and the Surplus Carried Forward position as disclosed in the 2015 audited financial report.

95

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

25. Specified Area Rate - 2015/16 Financial Year

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Port Geographe							
 Rate 	0.012849	GRV	12,385,210	159,134	159,134	159,134	159,134
 Interim Rate 				2,055	0	2,055	0
 Back Rate 				0	0	0	0
				161,189	159,134	161,189	159,134

	Rate in	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Provence							
 Rate 	0.011954	GRV	10,651,040	127,322	127,322	127,322	127,322
 Rate 	0.000128	UV	5,462,000	698	698	698	698
 Interim Rate 			1	8,417	0	8,417	0
 Back Rate 				0	0	0	0
				136.437	128.020	136.437	128.020

		Rate in	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Vasse								
•	Rate	0.015266	GRV	9,664,830	147,544	147,544	147,544	147,544
•	Interim Rate			1	4,465	0	4,465	0
•	Back Rate				0	0	0	0
					152,009	147,544	152,009	147,544

The purpose of the Specified Area Rates is disclosed in note 13 "Purpose of Reserves".

26. Service Charges – 2015/16 Financial Year

	Amount of Charge	Revenue Raised \$	Budget Revenue \$	Applied to Service Costs \$	Budget Applied to Costs \$	
Nil	0	0	0	0	0	
		0	0	0	0	

9 -

96

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

27. Discounts, Incentives, Concessions & Write-offs - 2015/16 Financial Year

		Discount	Total Cost / Value	Budget Cost / Value
	Туре	%	\$	\$
Back Rates Levied / Prior Period Adjustments	Adjustment	0	106,474	99,230
Write-offs	Write-off	0	0	0
		0	106,474	99,230

28. Interest Charges and Instalments - 2015/16 Financial Year

	Interest	Admin.		Budgeted
	Rate	Charge	Revenue	Revenue
	%	\$	\$	\$
Interest on Unpaid Rates	11.00%	0.00	144,894	105,400
Interest on Instalments Plan	5.50%	0.00	197,153	196,650
Charges on Instalment Plan	0.00%	4.50	105,194	95,720
			447,241	397,770

Two separate payment option plans will be made available to all ratepayers for the payment of their rates.

Option 1 (Full Payment)

Full amount of rates and charges including arrears to be paid on or before 25th September 2015 or 35 days after the date of service appearing on the rate notice whichever is the later.

Option 2 (4 Instalments)

First instalment to be received on or before 25th September 2015 or 35 days after the date of service appearing on the rate notice whichever is the later and including all arrears and service charges and one quarter of the current rates. The second, third and fourth instalments of the current rates are to be made on or before dates shown below:

1st Instalment
 2nd Instalment
 3rd Instalment
 4th Instalment
 4th Instalment
 25th November 2015
 25th January 2016
 25th March 2016

2016

2015

City of Busselton

City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

General Purpose Funding 85,188 Governance 907	
Governance 907	
	108,854
	10,665
Law, Order & Public Safety 224,552	221,786
Health 402,811	361,615
Education and Welfare 156	155
Housing 454,736	428,201
Community Amenities 8,477,773 7	,975,361
Recreation and Culture 2,201,078 2	,187,769
Transport 1,321,920 1	,180,658
Economic Services 1,901,026 1	,949,296
Other Property and Services 181,086	153,524
15,251,233 14	

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

		Actual \$	Actual \$
30.	Grant Revenue	•	,
	Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income		
(a)	By Nature and Type:		
	Operating Grants, Subsidies and Contributions	4,423,460	5,725,267
	Non- Operating Grants, Subsidies and Contributions	25,422,452	61,822,972
		29,845,912	67,548,239
	By Program:		
	General Purpose Funding	1,725,631	3,250,505
	Governance	399,771	142,317
	Law, Order & Public Safety	620,482	456,569
	Health	18,353	26,610
	Education and Welfare	7,146	6,071
	Housing	4,244	4,569
	Community Amenities	279,507	573,406
	Recreation and Culture	12,567,606	6,103,446
	Transport	13,914,259	56,600,861
	Economic Services	24,316	84,182
	Other Property and Services	284,597	299,703
		29,845,912	67,548,239

2015

Actual

2015/2016 Annual Financial Report Including Auditors Report

Actual

City of Busselton

98

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

			\$	\$
30.	Grant Revenue (Continued)			
(b)	Reimbursements, Recoveries and Donations included above By Program:			
	General Purpose Funding		2,074	17,993
	Governance		359,847	132,317
	Law, Order & Public Safety		401,734	266,837
	Health		1,008	11,723
	Education and Welfare		7,146	6,071
	Housing		4,244	4,569
	Community Amenities		51,802	56,922
	Recreation and Culture		141,578	154,958
	Transport		13,149	110,237
	Economic Services		8,382	76,644
	Other Property and Services		232,325	261,535
			1,223,289	1,099,806
		2016 Actual	2016 Budget	2015 Actual
31.	Councillors Remuneration	\$	\$	\$
	The following fees, expenses and allowances were paid to council members and / or the mayor.			
	Mayor & Deputy Allowance	77,631	79,850	77,250
	Councillors Sitting Fees	211,769	218,400	211,665
	Travelling Allowance - Councillors Meetings	15,061	17,000	18,264
	Communication Allowance	31,481	31,500	31,500
	Other Allowance	6,714	9,000	5,578
		342,656	355,750	344,257

32. Post Balance Date Events

There were no events subsequent to the reporting date that materially impact on this financial report.

33. Employee Numbers

The number of full-time equivalent employees at balance date

2016	2015
304	293

- 62

99

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

34. Major Land Transactions

Council did not participate in any major land transactions during the 2015/16 financial year pursuant to S3.59 of the Local Government Act and Part 3 of the Local Government Functions and General Regulations.

35. Trading Undertakings and Major Trading Undertakings

Council did not participate in any trading undertakings or major trading undertakings during the 2015/16 financial year.

36. Financial Risk Management

The City's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The City's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the City.

The City does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council.

The City held the following financial instruments at balance date:

	Carrying Value		Fair Va	llue
	2016	2015	2016	2015
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	115,850,156	119,604,734	115,850,156	119,604,734
Receivables	3,983,176	3,078,740	3,983,176	3,078,740
Financial assets at fair value through profit or loss	0	0	0	0
	119,833,332	122,683,474	119,833,332	122,683,474
Financial Liabilities				
Payables	5,383,078	7,848,194	5,383,078	7,848,194
Borrowings	29,023,843	29,997,831	32,177,246	24,862,876
	34,406,921	37,846,025	37,560,324	32,711,070

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables estimated to the carrying value which approximates net market value.
- Borrowings, held-to-maturity investments estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial assets at fair value through profit and loss, available for sale financial assets based on quoted market prices at the reporting date or independent valuation.

- 63 -

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

36. Financial Risk Management (Continued)

(a) Cash and cash equivalents Financial Assets at Fair Value through Profit and Loss Available for sale financial assets Held to maturity investments

The City's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk – the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk – the risk that movements in interest rates could affect returns.

Another risk associated with cash and investments is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

The City manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulations 19C.* Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

Impact of a 10% $^{(1)}$ movement in price of investments at balance date:	30 June 2016 \$	30 June 2015 \$
 Equity Statement of Comprehensive Income	0	0
Impact of a 1% $^{\left(1\right)}$ movement in interest rates on cash and investments at balance date:		
 Equity Statement of Comprehensive Income	1,158,501 1,158,501	1,196,047 1,196,047

Notes:

(1) Sensitivity percentages based on management's expectation of future possible market movements.

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

36. Financial Risk Management (Continued)

(b) Receivables

The City's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies.

Credit risk on rates and annual charges is minimised by the ability of the City to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. The City is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Council's credit risk at balance date was:

		30 June 2016 \$	30 June 2015 \$
Percenta	ge of Rates and Annual Charges		
•	Current	10.00%	2.00%
•	Overdue	90.00%	98.00%
Percenta	age of Other Receivables		
•	Current	99.46%	99.74%
•	Overdue	0.54%	0.26%

- 65 - City of Busselton

Financial Report

For the Year Ended 30th June 2016

Notes to and Forming Part of the Financial Report

36. Financial Risk Management (Continued)

(c) Payables

(i) Payables

Payables and borrowings are both subject to liquidity risk – that is, the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

The contractual undiscounted cash flows of the City's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

			Total				
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	contractual cash flows \$	Carrying Values \$		
2016							
Payables	5,383,078	0	0	5,383,078	5,383,078		
Borrowings	3,165,027	11,851,791	24,316,892	39,333,710	29,023,843		
	8,548,105	11,851,791	24,316,892	44,716,788	34,406,921		
2015							
Payables	7,848,194	0	0	7,848,194	7,848,194		
Borrowings	3,134,342	12,284,453	25,907,749	41,326,544	29,997,831		
	10,982,536	12,284,453	25,907,749	49,174,738	37,846,025		

9 November 2016

2015/2016 Annual Financial Report Including Auditors Report

City of Busselton
Financial Report

103

For the Year Ended 30th June 2016

Audit Report

36. Financial Risk Management (Continued)

(c) Payables (Continued)

(ii) Borrowings

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
<u>Year Ended 30 June 2016</u> Borrowings Fixed Rate	\$	\$	\$	\$	\$	\$	\$	<u> </u>
Debentures Weighted Average Effective Interest Rate Year Ended 30 June 2015	39,535 6.79%	0.00%	0.00%	40,919 5.89%	1,716,744 6.05%	27,226,645 4.22%	29,023,843	4.33%
Borrowings Fixed Rate								
Debentures Weighted Average Effective Interest Rate	0.00%	76,495 0.00%	0.00%	0.00%	2,064,343 6.05%	27,856,993 4.24%	29,997,831	4.37%

Bunbury, WA 6230 PO Box 1306, Bunbury WA 6231



F +61 (8) 9721 8982
E amd@amdonline.com.au

E amd@amdonline.com.au www.amdonline.com.au

INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE CITY OF BUSSELTON

Report on the Financial Report

We have audited the accompanying financial report of the City of Busselton, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity, the rate setting statement, and the statement of cash flows for the year ended 30 June 2016, a summary of significant accounting policies and other explanatory notes, and the Chief Executive Officer's statement.

Management's responsibility for the financial report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), and for such internal control as Management determines necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks and material misstatements of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial report.

We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.





Opinion

In our opinion, the financial report of the City of Busselton:

- gives a true and fair view of the City of Busselton's financial position as at 30 June 2016 and of its performance for the financial year ended 30 June 2016;
- ii. complies with Australian Accounting Standards; and
- is prepared in accordance with the requirements of the Local Government Act 1995 (as amended) and iii. the Local Government (Financial Management) Regualtions1996 (as amended).

Statutory Compliance

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- There are no matters that in our opinion indicate significant adverse trends in the financial position or i. the financial management practices of the City.
- There are no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 li. (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law noted during the course of our audit.
- iii. The asset consumption ratio and the asset renewal funding ratio included in the annual financial report are supported by verifiable information and reasonable assumptions.
- All necessary information and explanations were obtained by us. iv.
- All audit procedures were satisfactorily completed during our audit.

AMD Chartered Accountants

TIM PARTRIDGE **Partner**

Bunbury, Western Australia

Dated this 11th day of October 2016

106

Financial Report

For the Year Ended 30th June 2016

Supplementary Ratio Information

The following information relates to those ratios which only require an attestation they have been checked and are supported by verifiable information. It does not form part of the audited annual financial report.

	2016 Actual	2015 Actual	2014 Actual
Asset Consumption Ratio	0.739	0.727	0.599
Asset Renewal Funding Ratio	1.000	1.000	1.000

The above ratios are calculated as follows:

Asset Consumption Ratio

Depreciated replacement cost of assets

(ratio required to meet basic standard > 0.5)

Current replacement cost of depreciable assets

Asset Renewal Funding Ratio NPV of planned capital renewals over 10 years (ratio required to achieve basic standard > 0.75) NPV of required capital expenditure over 10 years

T +61 (8) 9780 7555 F +61 (8) 9721 8982

E amd@amdonline.com.au www.amdonline.com.au Unit 1, 28-30 Wellington Street, Bunbury, WA 6230 PO Box 1306, Bunbury WA 6231

11 October 2016

Mr G Henley Mayor City of Busselton Locked Bag 1 BUSSELTON WA 6280

Dear Grant

CITY OF BUSSELTON 30 JUNE 2016 MANAGEMENT REPORT

Following completion of our 30 June 2016 audit, we provide our Management Report and audit recommendations.

1.0 Our Audit Approach

The Australian Auditing Standards are the professional Standards applicable to all audit engagements. Accordingly, our audit was conducted in accordance with Australian Auditing Standards, with testing designed solely to enable the expression of an opinion on the financial report of the City of Busselton. This involved us making an assessment of the risk of material misstatement, whether due to fraud or error, and then using our professional judgement, applying audit procedures to mitigate that risk.

To assist Council in understanding our role as external auditor, we have previously detailed our audit responsibilities and scope of work to be performed to meet those responsibilities in our audit engagement letter.

Australian Auditing Standards require us to document and evaluate the City of Busselton's system of internal control to establish the level of reliance on the internal control system in determining the nature, timing and extent of other auditing procedures necessary to enable us to complete our audit. This work is not primarily directed towards the discovery of weaknesses or the detection of fraud or other irregularities and should not, therefore, be taken to assume that no other weaknesses exist. Accordingly the comments within this letter refer only to those matters that have come to our attention during the course of our normal audit work and may not identify all possible improvements that an internal controls review may detect.

Our audit approach is based on a risk analysis methodology which relies upon our understanding of the City of Busselton's operations, strategies and risks. We performed a review of applicable accounting systems and tested those during our audit. The level of testing performed by us is determined by the degree of reliance we place on the internal control systems in place which has a resulting impact on the amount of substantive testing required during our audit procedures. The level of testing performed is also aligned with what is required to form an overall opinion on the financial statements which may not coincide with what the City of Busselton perceives should be tested.





Management Letter

108

Our audit also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and judgements, as well as evaluating the overall presentation of the financial report. There were no areas of disagreement either in the accounting estimates or judgements or in the presentation and disclosures made in the financial report.

2.0 Assessment of Fraud and Error

The primary responsibility for the prevention and detection of fraud is that of Council and management. As a result, it is important that management with the oversight of Council place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and resulting consequences. In accordance with Australian Auditing Standards we are required to obtain reasonable assurance that the financial report taken as a whole is free from material misstatement, whether caused by fraud or error. While our procedures are designed to identify material weaknesses and misstatements from fraud and error, there is an unavoidable risk that even some material misstatements may remain undiscovered. This unavoidable risk is due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system.

We have confirmed that nothing has come to management's attention that may constitute an incident of fraud. In addition our audit procedures did not identify any instances of suspected or actual fraud. We take this opportunity to remind you that our audit is not designed to detect fraud and therefore our audit procedures are not designed for that purpose.

3.0 Significant Difficulties Encountered during the Audit

During the course of our audit, there were no areas where we experienced significant difficulties.

4.0 Audit Adjustments and Unadjusted Audit Differences

During the course of our audit, we did not identify any misstatements considered to be material at a financial report level and therefore no adjustment was required to be reflected within the final audited financial report.

5.0 Accounting Policies

We confirm to you that we are not aware of any changes to the accounting policies of the City of Busselton since 30 June 2015 in respect of the preparation of the 30 June 2016 financial report other than those changes required under Australian Accounting Standards and the Local Government Act and Regulations which are adequately disclosed.

6.0 Commitments and Contingencies

On completion of our audit and subsequent discussions with management, we did not identify any additional commitments or contingencies that required disclosure within the financial report of the City of Busselton, apart from those already disclosed.

7.0 Subsequent Events

We did not identify any additional subsequent events up until the date of this report that required disclosure within the financial report of the City of Busselton, apart from those already disclosed.

8.0 Local Government Act Compliance Measures

In conjunction with our review of the financial statements, we also perform a review of the City of Busselton's compliance with the Local Government Act and Local Government Financial Management Regulations.

Our review of compliance with the Local Government Act and Financial Management Regulations did not indicate any issues of non-compliance which required reporting.

9.0 Audit Recommendations

Please refer to Appendix 1 for our audit recommendations in relation to the 30 June 2016 audit. We provide these comments and recommendations to suggest improvements to the City of Busselton's internal controls and procedures.

Our management report is on an exception basis, and therefore we have not commented on the various internal controls in place within your accounting systems.

10.0 Financial Ratios

Note 20 to Councils financial report includes 7 financial ratios as required to be reported by the Local Government (Financial Management) Regulation 1996. For the past 3 financial years to 30 June 2016, Council has met the standard set by the Department of Local Government for 6 of the 7 ratios.

Councils' current ratio reported at 0.74 as at 30 June 2016 (0.78 at 30 June 2015 and 0.85 at 30 June 2014) is less than the standard set as at 1.0 by the Department.

We note however that current ratio excludes restricted assets including Council's significant cash backed reserve. Council's cash backed reserves have increased from \$28.1m at 30 June 2014, to \$46m at 30 June 2016, which the current ratio calculation does not take into consideration.

11.0 Other Matters

Our audit indicated procedures and controls in respect to the City of Busselton's internal processes, procedures and financial reporting framework are adequately designed and have been maintained to high standards throughout the audit period.

The City of Busselton has appropriate levels of segregation of financial duties and independent review which ensures internal control requirements are satisfied.

We would like to take this opportunity to thank Ehab and the finance team for the assistance provided to us during our audit.

Should you have any questions concerning the above or would like to discuss any other aspect of our audit, please do not hesitate to contact me.

Yours sincerely

AMD Chartered Accountants

TIM PARTRIDGE FCA

Partner

cc

Mike Archer

Chief Executive Officer

110

APPENDIX 1

Audit Recommendations for the year ended 30 June 2016

GUIDANCE TO FINDINGS RATING / IMPLICATION

Findings identified during the final audit have been weighted in accordance with the following scale:

Significant:

Those findings where there is potentially a significant risk to the entity should the finding not

be addressed promptly.

Moderate:

Those findings which are of sufficient concern to warrant action being taken by the entity as

soon as possible.

Minor:

Those findings that are not of primary concern however still warrant action being taken.

AUDIT FINDINGS

FURNITURE & EQUIPMENT

Finding Rating: Minor

Our review of the City of Busselton's fair value application for the furniture and equipment class of asset for the year ended 30 June 2016 identified the following:

- Fair value for the Shoretel Telephone Handsets was input incorrectly resulting in a \$132,000 overstatement in value; and
- The CCTV Surveillance Equipment located at the Busselton Jetty should be depreciated over 10 years
 which has been correctly entered into the fixed asset module, however the depreciation does not
 appear to be calculating correctly with the asset being fully depreciated within 3 years.

Implication

Risk of material misstatement in respect to the value of Councils furniture and equipment assets, and overstatement of depreciation on this class of infrastructure assets.

Recommendation

As Council continues to update the value of individual asset classes annually in accordance with fair value requirements, each time an asset class is re-assessed, we recommend revaluation inputs are independently reviewed to ensure correct, with a reasonableness analysis undertaken to ensure significant movements as noted above are in fact correct.

We also recommend depreciation checks are completed on a regular basis (for a sample of assets) to ensure the system is depreciating assets in accordance with the noted useful life.

Management Comment

Recommendation noted. With regard to both points highlighted above, we take on board the auditor's reference with regard to an independent review to ensure accuracy. A reasonableness analysis is done on a regular basis; but based on this occurrence the process will be revisited and enhanced where possible. It is unlikely that an error of this type will be repeated.

APPENDIX 1 Audit Recommendations for the year ended 30 June 2016

2. EXCESSIVE LEAVE BALANCES

Attachment B

Finding Rating: Minor

We noted a number of key employees who have accrued in excess of six weeks annual leave at year end. Furthermore, some of those employees identified with excessive leave balances also have a present entitlement to long service leave.

Details of those employees identified will be provided upon request.

Implication

The cost to City of Busselton is greater if annual leave is not paid out on a regular basis due to:

- · The cumulative effect of salary increases over a period of time;
- Recreational leave enhances employee performance; and
- It is a fundamental principle of good internal control that all employees take regular leave.

Recommendation

Whilst we understand management recently implemented a strategy to reduce excessive leave balances, we recommend employees take regular leave through ongoing management of leave scheduling and leave liabilities.

Management Comment

This recommendation is acknowledged. Whilst annual leave accruals continue to be managed, a balance is required to be maintained between reducing long outstanding leave balances, and the achievement of the Council's principal projects and associated performance indicators; which require significant input from key employees.

Having said that however, Staff with excessive leave have been identified and a plan has been put into place in order to reduce excessive leave.

10.4 Audit Committee - 26/10/2016 - LOCAL GOVERNMENT AUDIT REGULATION 17 - REVIEW OF RISK MANAGEMENT

SUBJECT INDEX: Risk Management

STRATEGIC OBJECTIVE: An organisation that is managed effectively and achieves positive

outcomes for the community.

BUSINESS UNIT: Corporate Services

ACTIVITY UNIT: Employee Services and Risk

REPORTING OFFICER: Manager, Corporate Services - Sarah Pierson

Risk and OSH Officer - Brian McCarroll

AUTHORISING OFFICER: Director, Finance and Corporate Services - Cliff Frewing

VOTING REQUIREMENT: Simple Majority

ATTACHMENTS: Attachment A Organisation Wide Risk Management Policy

Attachment B Risk Management Committee Terms of Reference !

Attachment C Risk Management Framework U.

Attachment D Risk Management Review Evaluation Collated

This item was considered by the Audit Committee at its meeting on 26 October 2016, the recommendations from which have been included in this report.

PRÉCIS

This report is provided with the aim of advising Council on the outcome of the biennial review of the appropriateness and effectiveness of the City's risk management systems and procedures and to meet the requirements of the risk management component of Regulation 17 (3). The Audit Committee is asked to acknowledge this report.

BACKGROUND

Regulation 17 of the Local Government (Audit) Regulations states:

"17. CEO to review certain systems and procedures

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to
 - (a) risk management; and
 - (b) internal control; and
 - (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.
- (3) The CEO is to report to the audit committee the results of that review."

The CEO last reported to the Audit Committee the results of a review undertaken in 2014. The review demonstrated that the City had effective and appropriate systems and procedures in place equivalent to a strong base level of risk maturity. The following improvements were identified aimed at achieving a more mature classification in management of risks:

- the improved identification and evaluation of risks associated with projects through more robust project planning practices;
- improved processes for the formal capture and monitoring of risks identified through Council reports;

- the undertaking of a process to identify strategic level risks, that is risks associated with Council's strategic direction as laid out in the Strategic Community Plan;
- the improved monitoring of risk evaluation processes through the setting of relevant key performance indicators for each Manager; and
- review and updating of the Organisation Wide Risk Management Policy to ensure full compliance with AS/NZS ISO31000:2009.

Progress has been made with respect to some of these improvements, noting that not all have been prioritised. This report provides an update as to the City's current risk management systems and procedures and their level of effectiveness and appropriateness.

STATUTORY ENVIRONMENT

This review is a requirement of Regulation 17 of the Local Government (Audit) Regulations (1996), as detailed above.

RELEVANT PLANS AND POLICIES

The City of Busselton Organisation Wide Risk Management Policy (attached) was adopted by Council on 10 May 2006. It was subsequently reviewed and the updates endorsed by Council on 27 July 2011. As per the recommendations of the 2014 risk report a review of the policy was completed and endorsed by Council on 12 August 2015. A further minor review of the policy to clarify roles and responsibilities was endorsed by Council on 12 October 2016.

As required by the Policy, the Risk Management Committee Terms of Reference (attached) has assisted Corporate Services in the development of the Risk Management Plan. The Plan has undertaken continual improvement and was recently re-badged as the Risk Management Framework (attached) to align with the terminology of the AS/NZS ISO 31000:2009 Risk management – Principles and guideline.

FINANCIAL IMPLICATIONS

There are no direct financial implications associated with this matter. Appropriate application of the risk management framework should however mitigate any potential financial loss associated with identified risks.

Long-term Financial Plan Implications

Nil

STRATEGIC COMMUNITY OBJECTIVES

The provision of this report as well as the City's Risk Management System and Procedures contributes to Community Objective 6.3 of the City's *Strategic Community Plan 2013* – 'An organisation that is managed effectively and achieves positive outcomes for the community.

RISK ASSESSMENT

This review of the City's risk management systems and procedures found no material risks.

CONSULTATION

No specific external consultation has been undertaken in the development of this report. The report was developed with input provided by the City of Busselton Risk Management Committee.

OFFICER COMMENT

As detailed above the City has a Risk Management Policy under which sits a Risk Management Framework. This framework outlines the City's formal risk management system and processes for the management of risks. Specifically it outlines:

- The definition of risk and risk management
- The City's risk reference tables
- The risk tolerance levels
- The risk management processes and procedures

The Risk Management Committee, made up of officers representing each directorate, is responsible for overseeing the implementation of the framework and for championing a risk management culture within the City of Busselton. Risks are most commonly identified formally at an operational level either through the annual Business Unit planning processes or as they arise during the year, for example the risks associated with a proposed officer recommendation in a report to Council. Risks may also be identified through organisational processes such as safety inspections or investigations or in the process of planning for significant projects.

A risk management workshop was held with Managers and Senior Managers in March 2014 to assist in the identification of more strategic and key operational risks. We have identified through this review the need to run another strategic risk workshop with Senior Management to review and properly categorise risks of strategic importance. This is discussed further in the recommendations outlined below.

Under the City's Risk Management Framework risks are first identified and then assessed, at which time many are given an indicative risk rating based on the identifying Officer's initial assessment. A risk rating is determined by assessing the likelihood of an event occurring resulting in a specific consequence. The consequence of the event is measured in terms of one or more of the following consequence categories:

- Public Health
- Occupational Safety and Health
- Financial
- Operational
- Reputational
- Environmental

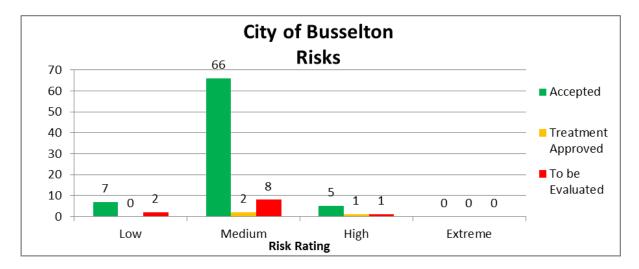
A risk rating of either low, medium, high or extreme is determined from the combined consequence and likelihood. For example, an operational risk with a moderate consequence (significant delays in service delivery with unacceptable recovery time or inconvenient delays to major deliverables) and a possible likelihood (should occur at some time in the future, at least once in five years) would be assessed with a medium level of risk.

That assessment is then further evaluated in conjunction with the risk team, with the risk being formally 'accepted' by the relevant Manager / Director as appropriate to the level of risk. By 'accepting' a risk an officer is indicating that the risk is within acceptable tolerance levels once all reasonable and practical treatment options are considered. Where a risk is not considered acceptable a treatment plan is generally approved and adopted to reduce the risk rating to within acceptable tolerance levels over a period of time. Acceptance of the risk will also be dependent on the effectiveness of the controls in place.

A risk with a rating of medium which has adequate or excellent controls will usually be accepted, whilst a risk with a rating of low will usually be accepted, irrespective of the effectiveness of the controls. High rated risks may be accepted by a Director if it has adequate or excellent controls. Alternatively a treatment plan may be put in place to reduce the level of risk, although it should be

noted that given the City's statutory responsibilities in a number of areas, there is sometimes no choice but to 'accept' high risks and manage them in the best and most practical and reasonable manner. Extreme rated risks could be accepted by the Senior Management Group where they have excellent controls. Extreme rated risks would be reported to the Audit Committee.

As at 12 October 2016 the City has 92 risks formally captured. It is pleasing to note that the City does not have any risks with an extreme risk rating, as shown in the City's current risk profile chart below.



This chart indicates that most risks, as shown by the green bars, have been assessed, evaluated and accepted and are now being monitored until they are due for a formal review. The purpose of the review being to ensure that changing environmental factors have not impacted on the level of risk and that any controls identified continue to be in place and effective. Risks may also be consolidated together as part of review processes where they are similar or removed from the risk register on the basis that they are inherently low risk, that is, low risk regardless of any controls.

The risks in the orange bars have been evaluated as outside tolerance levels and therefore unacceptable and a mitigating treatment plan has been approved in order to reduce the level of risk to an acceptable level. Risks in the red bars are either:

- Recently identified and their assessment is yet to be fully evaluated;
- Had a treatment plan approved, whose implementation date has past and therefore need to be reviewed again; or
- Previously accepted risks that are overdue for a formal review.

The City has currently identified seven high level risks

- Loss or injury at airport hangars;
- Diminishing water resources;
- GLC drowning;
- Climate change and sea level rise;
- Waste site environmental issues Busselton & Dunsborough;
- Rock fishing anchor points; and
- Aviation accident.

In relation to the risk of loss or injury associated with the airport hangars, this is assessed as having a consequence of 'catastrophic' and a likelihood of 'unlikely' and hence is a high risk. Two of the three hangers do not currently meet the required fire rating under the Building Code of Australia (BCA) and hence in the event of a fire loss in relation to both hangars is of a high risk. To bring the hangars into compliance would be very expensive and not practicable for the lessees. Additionally the issue is likely to be addressed with the airport expansion.

Diminishing water resources is an issue facing the whole of the state. The nature of the services we provide in the maintenance of Public Open Space, results in this being a high risk operational issue for the City, with it being assessed as a major consequence that we will not have enough water to function effectively but unlikely that it will occur. In response the City has developed a Local Water Action Plan and a Water Conservation Plan and works closely with developers and other relevant stakeholders to ensure Water Sensitive Urban Design principles are utilised. These controls assist in the reasonable and practical management of the risk, which remains however high.

The City has a duty to provide a safe environment for patrons within it's Leisure Centre. The operation of a pool within the centre brings with it inherent risks, most obviously of a patron drowning. This is a risk that has of course been contemplated by the industry and there are numerous standards and guidelines in place to control risk factors. There has recently been concern raised as to whether current supervision levels at the GLC are adequate for the increasing level of pool usage, with an internal review identifying the issue as a high risk. A report has recently been presented to Council on the matter and additional resources approved. A further review of the risk level is pending post the implementation of these resources.

Global climate is changing and continues to change at an accelerating rate. Climate change and related sea level rise may impact on coastal erosion, coastal inundation and inland flooding. The City has a responsibility to implement planning processes to protect the community from the impacts of climate change. The City, through its work with the Peron Naturaliste Partnership, is seeking to develop a greater understanding of the impact of rising sea levels and climate change such that it can make more informed decisions about planning and the allocation of resources to coastal management. The risk for the City however, given it's geography and susceptibility to sea level rises, remains high.

As with all waste facilities the Busselton & Dunsborough waste sites have a number of environmental issues including leachate pollutants, such as liquid waste escape; landfill gases; and buried hazardous substances. These issues are controlled through ongoing environmental monitoring, standard procedures and regular inspections however the risk level remains high being assessed as a major consequence of environmental contamination but unlikely that it will occur.

Rock fishing anchor points were installed by the then state government's Department of Environment and Conservation (DEC). DEC installed a number of anchor points on land that is under the City's ownership and therefore the City has responsibility for maintaining them. The City is in the process of establishing arrangements for maintenance of this infrastructure, likely through an agreement with the Department of Parks and Wildlife for their continued assistance, and arranging for instructional signage. Once this has been finalised the risk will be reassessed.

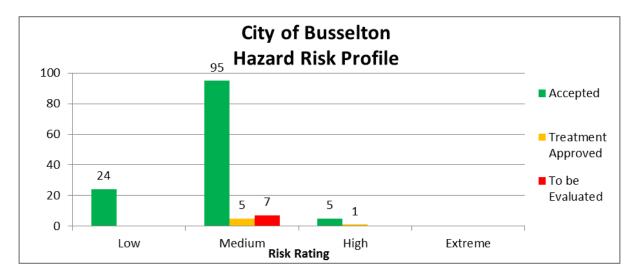
The risk of an aviation accident at the Busselton airport is a high risk as the potential consequences would be major, although it is unlikely. The most likely cause of an aviation accident at the airport is either pilot error or due to an inadequately maintained airplane, both of which are outside of our control. The risk is controlled and managed through various regulatory procedures, with the City doing all it can to ensure it is unlikely to occur.

The captured risks have been identified using the formal system and procedures for managing risks. While we continue to encourage and embed use of the City's formal risk management system and framework it is acknowledged that City Officers also identify and treat risks using other, often less formalised processes. During Business Unit planning for instance many operational risks are identified that have previously, through good management practices, had controls put in place to mitigate them to an acceptable level. Not all of these are formally assessed and translated through to the formal risk register as they are already managed as part of core business. For instance most Business Units have identified and manage risks associated with the loss of key personnel and skills.

Similarly the City has established a wide range of purchasing and budget management controls aimed at preventing improper expenditure and ensuring proper financial management. These controls are now associated with an identified formal risk of Financial Deception, but were implemented outside of the formal risk management process as part of good financial governance. Separate reports will be presented to the Audit Committee on the appropriateness and effectiveness of the City's systems and procedures in relation to internal controls and legislative compliance with in effect many of the matters referred to in these reports being risk management or mitigation measures.

A number of systems have also been designed to specifically mitigate risks, including the Customer Request Management System and the Occupational Safety and Health (OSH) Management System. These systems provide the City with proactive management of hazards impacting on employees and contractors in day to day operations and on the community.

The OSH Management System in particular is used to assess the risk level of identified hazards, with hazards being defined as "Anything that may result in injury to a person, or harm to the health of a person." The risk assessment and management of hazards is a significant part of the City's risk management procedures with the City having the following hazard risk profile.



The City has currently identified five hazards with high level risks

- Spiders and insects;
- Uneven ground;
- Manual handling;
- Chainsaws involved in bridge maintenance; and
- Services to the workplace.

It should be noted that most of these hazards are rated as high risk as they have a high likelihood, almost certain in most cases, of having what is a relatively minor level consequence, that is injury / disease causing medical treatment.

City of Busselton staff encounter spiders and insects on a regular basis. This hazard has been risk assessed as almost certain that someone will be stung or bitten and need medical treatment and hence is a high risk. We have over the past 2 years had a number of more severe insect bites / stings which has perhaps elevated the rating for this risk. More recently the number and severity of bites and stings has reduced. We will at the next review consider whether the risk can be reduced to a medium on the basis of first aid being more typical than medical treatment as a consequence.

Workers, who work outside tend to work in areas where the ground is uneven. These workers include workers from Operations Services, Rangers, Survey Services and Building Services. Based on

previous history, the risk of uneven ground has a likelihood of almost certain for an ankle to be rolled and / or sprained resulting in injury requiring medical attention. Based on more recent experiences it is expected that this likelihood will be revised down as part of a pending review and the risk will probably be reassessed as a medium level risk.

Due to the nature of the work undertaken by Operations Services workers, there are many manual handling tasks. Whilst these workers are all required to attend manual handling training on a regular basis, it has still been assessed as a high level risk as there is an almost certain likelihood of an injury requiring medical treatment.

With respect to all of the above hazards – spiders and insects, uneven ground and manual handling initiatives such as Step Back 5 x 5 have been put in place to encourage workers to assess environmental factors and surrounds and have had some success in reducing the risk level (for example incidents of uneven ground causing injury have reduced). The City's OSH team is continuing to work with relevant areas to explore ways in which such programs can be implemented more effectively to reduce these risks at the 'shop floor' level.

When carrying out bridge maintenance work chainsaws are required to be used to carry out what is called a plunge cut. This particular cut may require the worker to operate the chainsaw whilst lying down under a bridge and is considered to be a high risk activity. Workers do need to be trained, very experienced and authorised to conduct a plunge cut but regardless of this the risk has been assessed as high, with potential for a major health consequence but an unlikely likelihood of it occurring.

The City is responsible for many buildings and public open spaces where they have installed and are continuing to install underground services. While systems and processes for the gathering of as constructed drawings showing service locations have improved significantly there remain some historical projects where as constructed drawings have not been documented. Controls such as pot holing and hand digging are in place to identify service locations however the risk of a service being impacted on and the potential consequences of this has been assessed as high, being of a major consequence but unlikely to occur.

Review

A review of the appropriateness and effectiveness of the City's formal risk management systems and procedures has been conducted by the Risk Management Committee, using the evaluation questionnaire attached. The collated results are included in the attached with some commentary as to aspects that are only considered to be partially met.

In summary, the City continues to use risk management processes to compliment traditional business management practices with its systems and procedures overall deemed to be effective and appropriate, taking into account the City's size, complexity, and level of resources. Risk status reports are provided to the Senior Management Group each quarter detailing the City's risk profile, the high level risks, and risks that are overdue for review or have treatment plans in place. Included also are the following Key Performance Indicators:

- All extreme and high risks are assessed within 30 days; and
- All medium and low risks are assessed within 90 days.

The Key Performance indicators, reported on by Business Unit, are generally met, noting that we have had instances of medium and low risks not being assessed within 90 days.

There remains scope for the City to further integrate and mature its risk management system, with the ultimate success of this being dependent on the level of resources (particularly management resources) able to be dedicated to formal risk management processes. Officers across the City are working hard to meet the demands of a growing population with increasing needs for infrastructure and services. Cognisant of this, it is important that actions aimed at further enhancing the City's risk management systems do not result in the system becoming overly complicated or prescriptive and that a level of flexibility is maintained.

It is considered that the current system, while there are areas that can be improved, allows for this flexibility and overall provides for the effective management of risk. Recommended improvement actions are as follows:

- the review of the City's Risk Management Framework and in particular the City's risk matrix.
 Recent advice from Local Government Insurance Services indicates that our risk matrix is
 relatively risk adverse when compared to their recommended matrix for a public authority.
 That is, a greater number of consequence and likelihood combinations are rated as high.
 Cognisant of this a review of the Framework and matrix is recommended to ensure it is
 appropriate for the City;
- the defining of strategic and operational risk categories and the grouping of risks into the two categories;
- the running of a strategic risk workshop with the City's Senior Management Group, to be undertaken as part of the current review of the City's Strategic Community Plan;
- the review of the City's risk management IT system to improve accessibility and useability for individual risk managers;
- the improved identification and evaluation of risks associated with projects.

CONCLUSION

The Risk Management Committee are responsible for implementing a risk management culture within the City of Busselton and are progressively achieving this through the risk management policy and framework. The organisation is utilising the framework to identify, assess and either accept risks or determine a treatment action plan to reduce risks to an acceptable level.

The City has conducted a review of its systems and procedures and found them to be both appropriate and effective overall. Notwithstanding this there are improvements that can be made and this report identifies a number of recommendations to further improve the maturity of its systems and procedures and in turn further reduce and / or mitigate its risk exposure.

OPTIONS

The Committee could consider not endorsing the recommendations of this report because it believes our processes are not adequate and / or could seek further information.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

There is no timeline associated with implementation of the recommendation.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

That the Audit Committee note the contents of this report in relation to Risk Management as required by Regulation 17 of the Local Government (Audit) Regulations (1996).

Attachment A

Organisation Wide Risk Management Policy

Last updated 27/10/2014

234 Organisation Wide Risk Management V4

PURPOSE

The purpose of this policy is to demonstrate the City of Busselton's commitment to the development of a culture of risk based decision making directed towards the effective management of potential opportunities and reduction of potential impacts of risk.

SCOPE

This policy applies to all Councillors and employees of the City of Busselton and covers all City operations.

POLICY STATEMENT

Risk Management is the systematic application of management policies, practices and procedures in order to identify, analyse, evaluate, treat and monitor risk.

The City of Busselton is committed to the effective management of risk and will implement a Risk Management Framework based on the AS/NZS ISO 31000:2009 Standard to achieve this. The Council recognises that adequate resources are needed to effectively manage risks. The Risk Management Committee has been established to assist in developing, maintaining and implementing the City's Risk Management Framework and is responsible for championing risk management processes throughout the organisation.

Responsibilities

The Council is responsible for:

- Ensuring that a Risk Management Policy has been developed, adopted and communicated throughout the City.
- * Ensuring that the CEO has implemented the Risk Management Framework using Standard AS/NZS ISO 31000:2009.
- * Communicating with the community about the City's approach to risk
- * Establishment of an Audit Committee

The Audit Committee is responsible for:

- Assisting the Council to fulfil its corporate governance, stewardship, leadership and control responsibilities in relation to risk management.
- Providing guidance and assistance in relation to risk management initiatives and the effective conduct of risk management activities.

CEO and the Senior Management Group are responsible for:

- As part of the Risk Management Framework establishing the risk tolerance level of the City.
- Conducting risk assessments as part of decision making & future planning.

Risk Management Committee is responsible for:

- * Communicating the policy and framework to all employees.
- Developing and managing the risk management plan for the City.
- * Development of Risk Management skills through training and education.
- * Establishing and maintaining an appropriate risk register or risk registers for the City.

Organisation Wide Risk Management Policy

Last updated 27/10/2014

Management are responsible for:

 Identifying and assessing all the risks in their area of responsibility as part of business planning reporting, project management and daily decision making.

121

 Collating, assessing, treating and reporting to the Risk Management Committee in relation to areas and tasks under their responsibility.

All Employees are to:

- * Comply with the City's risk management policy and procedures.
- Attend relevant risk management training.
- * Actively participate in the risk management programme.

Policy Background

Policy Reference No. - 234 Owner Unit – Corporate Services Originator – Risk and OHS Officer Policy approved by – Council Date Approved – 12 August, 2015 Review Frequency – As required

Related Documents -

Australian and New Zealand Standard AS/NZS ISO 31000:2009 - Risk Management Principles and Guidelines.

History

Council Resolution	Date	Information
C1508/217	12 August, 2015	Version 3
C1107/229	27 July, 2011	Version 2
C0605/146	10 May, 2006	Date of implementation.
		Version 1



Risk Management Committee Terms of Reference

9 November 2016

1. Title of Committee

The committee shall be known as the:

City of Busselton Risk Management Committee

2. Objectives

The responsibilities of the Risk Management Committee are to:

- Ensure an effective and efficient risk management framework that is implemented throughout the organisation.
- Promote integration of risk management into planning, projects and other management systems to improve decision making processes throughout the organisation.
- Consult with risk owners or staff specialist regarding risk ratings and treatments to minimise
 exposure of the organisation to unexpected consequences and missed opportunities.
- · Promote risk management and relevant training throughout the organisation
- Report all new "EXTREME" or "HIGH" risks to Senior Management Group (SMG) with proposed risk owners, so SMG may consider potential resource requirements for risk treatments and potential organisational implications.
- Provide quarterly risk progress reports to SMG, so they may monitor appropriate and timely progress of treatments.
- Provide reports to the Chief Executive Officer for the City of Busselton Audit Committee to assist Council to fulfil its corporate governance, stewardship, leadership and control responsibilities in relation to risk management
- Establish sub-committees where deemed necessary to investigate and address specific risk management issues

3. Group Structure and Format

The Risk Management Committee was established pursuant to the Organisation Wide Risk Management policy and will consist of between seven and nine members. Staff members will be selected to be a member based on the individual's position and their skills and knowledge.

At a minimum the Committee will consist of 1 Director, 3 Managers, 2 Coordinators and the Risk & OSH Officer.

Risk Management Committee Terms of Reference

Risk Management Committee Terms of Reference

Additionally, risk owners and specialist staff will be invited by the Risk Management Committee to attend Risk Management Committee meetings and provide advice and expertise in relation to specific risks and treatment plans.

4. Office Bearers

The Chairperson shall be the Risk & OSH Officer or another member as agreed by the Risk Management Committee.

5. Entitlements

Risk Management Committee members have the following entitlements:

- · Training relevant to their functions and responsibilities.
- Sufficient time allocated during normal work hours to perform the duties associated with their position.

6. Resignations

Where a member is unable to attend meetings on a regular basis, they will consult with the Chairperson and their Director to organise an alternative suitable replacement.

7. Frequency of Meetings

The Risk Management Committee shall meet at least once every quarter and more frequently if the Risk Management Committee elects to do so. Meetings shall be held during normal business hours.

Any Risk Management Committee member may request that the Chairperson call an extraordinary meeting in order to resolve any risk matter that requires urgent attention.

If any meeting is cancelled or rescheduled, the details and reasons must be noted in the minutes of the next meeting.

8. Quorum

The minimum quorum for scheduled and extraordinary meetings shall be 51% of the members.

9. Proxies

If a Risk Management Committee member is unable to attend a scheduled or extraordinary meeting, a proxy will attend to assist in maintaining the Risk Management Committee's quorum. The proxy will have authority to vote on the members behalf at that particular meeting

10. Order of Meetings

Discussion at meetings shall be controlled through an agenda. Any individual wishing a specific item to be included in the agenda should advise the Chairperson at least four days prior to the meeting date to allow sufficient time for meeting participants to prepare for discussions.

Items to be considered in the agenda are:

- 1. Business Arising
- Risk Responsibility

Risk Management Committee Terms of Reference

- 3. Risks Overdue for Review
- 4. High and Extreme Risks
- General Business

11. Recording of Actions & Minutes

Minutes will be recorded and all agreed actions should include the responsible person's name and an "action by" date. Risks that are either upgraded or downgraded will be recorded in the minutes.

The actions and minutes will be distributed to each Risk Management Committee member within two weeks of the meeting and again one week prior to the next meeting where they will be accepted as a true and accurate record at that meeting. If there are any discrepancies, it is to be noted, "The minutes are accepted as a true and accurate record with the following amendments."

12. Decision Making

The Risk Management Committee shall, wherever possible, reach any decision by consensus. Where this is not the case an absolute majority shall be required to carry any motion. Reasons for dissent shall be recorded in the minutes.

13. Responsibilities

The following responsibilities expand upon those detailed in Council Policy 234 Organisation Wide Risk Management.

CHAIRPERSON

- · Approve meeting time and venue
- · Direct and guide discussion at meetings
- Ensure all agenda items are discussed and acted upon
- Review minutes
- Ensure all members have an opportunity to contribute
- Shall nominate a person to Chair meetings in their absence

GROUP MEMBERS

- Lead and implement the City of Busselton's Risk Management Framework in their area of responsibility.
- · Attend meetings and participate as an active member of the group.
- · Undertake designated meeting actions in a timely manner.
- Assist in the development of an effective and efficient risk management framework.
- · Assist with integration of risk management into organisational processes.
- · Assist in the identification of significant organisational risks.
- Monitor risk treatment plans for timeliness and effectiveness.
- Actively "champion" risk management throughout the City.
- Escalation of high and extreme level risks for evaluation

Risk Management Committee Terms of Reference

Risk Management Committee Terms of Reference

RISK & OSH Officer

- · Develop the organisation's risk management framework.
- · Assist risk owners with the risk management process.
- · Assist with integration of risk management into organisational processes.
- Consult with risk owners and specialists staff regarding risk ratings and treatment plans.
- · Implement risk management training throughout the organisation.
- · Develop and maintain a central risk register in a secure database
- · Report on status, recommendations and ongoing action items
- · Ensure risk management information is accessible to all group members
- · Identify key risk's that need to be brought to the attention of the Committee
- Prepare quarterly reports for SMG

SAFETY AND INJURY MANAGEMENT OFFICER

- · Ensure administrative arrangements are in place for meetings
- Notify group members of scheduled meetings
- Prepare and ensure distribution of agenda for meetings
- · Record meeting minutes and actions
- Ensure minutes are distributed within two weeks of the last meeting
- Table any correspondence
- · Distribution of technical reports
- · Shall seek a person to fulfil responsibilities in their absence

14. Annual Evaluation of Group's Effectiveness

The Group shall annually undertake a review to evaluate its effectiveness, and as a guide the following should be determined:

- · Are the Group's objectives being met?
- · Should the objectives be amended?
- Is the Risk Management Committee making decisions and completing action items?
- · Are Group members regularly attending meetings?
- Review the Organisation Wide Risk Management Policy
- Review the Risk Management Committee Terms of Reference

Attachment C



RISK MANAGEMENT FRAMEWORK

127

1. Introduction

The management of risk is an integral part of good management practice. The Organisation Wide Risk Management Policy was introduced in May 2006 with amendments endorsed by Council Resolution C1107/229 on 27 July 2011. A requirement of this policy is the establishment of the City's Risk Management Framework.

The Risk Management Framework incorporates all aspects of risk management and sets out the broad approach for the ongoing management of risks. The Framework consists of four (4) major components, with various lower level components within each. The four major components are:

- Risk Management Committee
- Risk Reference Tables
- Risk Management Operational Practice and Procedure
- Risk Register

The Risk Management Committee will ensure an effective and efficient risk management system. They will achieve this through raising awareness about managing risks and coordinating relevant training.

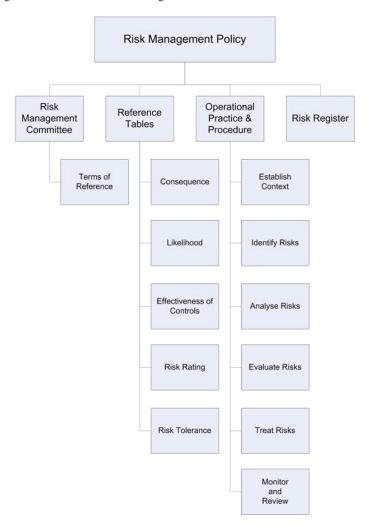
Use of Risk Reference Tables is critical to provide a uniform measuring standard for risk and the means to aggregate and prioritise risks across the City. They also provide guidance on risk acceptance.

The Risk Management Operational Practice and Procedure does not encourage managers to be risk averse. In fact, it is designed to provide managers with a degree of confidence to be able to manage risk to an acceptable level. It defines the steps to be followed to measure the risk rating and determine if the risk should be accepted or treated.

The Risk Register is simply a tool to record all of the City's risks so that they may be managed more effectively. It is used to capture and report on the risk information captured through the process.

128

The high level view of the Risk Management Framework is as follows:



2. Definitions

Risk is the effect of uncertainty on objectives ... expressed in terms of a combination of the consequences of an event and the associated likelihood (AS/NZS ISO 31000: 2009).

Alternatively:

- The chance of something happening that will have an impact on the objectives
- The risk of loss resulting from inadequate or failed internal processes, people and systems or from external event. (Basel 2)

Risk Management is the coordinated activities to direct and control an organisation with regard to risk (AS/NZS ISO 31000:2009).

The *risk management process* is the systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk (AS/NZS ISO 31000:2009).

3. Risk Policy

The Risk Management Policy has been endorsed by Council confirming the City's commitment to manage risks in accordance with AS/NZS ISO 31000:2009.

4. Risk Management Committee

The Risk Management Committee was established, by the endorsement of the Organisation Wide Risk Management policy, to be the driving force of implementing a risk management culture within the City of Busselton. The Risk Management Committee Terms of Reference details the responsibility of the Committee and its relationships with other committees and groups.

5. Risk Reference Tables

The Risk Reference tables have been established for the purpose of providing guidance as to how risks are to be evaluated, assessed and accepted.

5.1. Consequence

A risk that eventuates may impact the City across a number of different categories. When analysing the consequence of a risk event, the risk owner needs to consider the level of impact in relation to one or more of these consequence categories defined in the consequence table below.

Council

10.4

Risk Management Framework

130

Rating	Insignificant	Minor	Moderate	Major	Catastrophic
Public Health	Minor injury or first aid treatment	Injury / disease causing	Serious injury / disease causing	Death or life threatening injury or multiple	Multiple deaths or multiple life threatening injuries or
оѕн	cases	medical treatment	hospitalisation	serious injuries causing hospitalisation	severe permanent disabilities
Financial	< \$ 50k	\$ 50k to \$250k	\$ 250k to \$ 1m	\$ 1m to \$ 5m	> \$ 5m
Operational	Negligible impact to service delivery	Inconvenient delays with recovery within acceptable timeframe	Significant delays service delivery with unacceptable recovery time or inconvenient delays to major deliverables	Substantial delays to service delivery or Non achievement of major deliverables	Non achievement of key objectives
Reputational	Unsubstantiated, low impact, low profile or no news item	Substantiated, low impact, low news profile	Substantiated, public embarrassment, moderate impact, moderate news profile	Substantiated, public embarrassment, high impact, high news profile, third party actions	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions
Environmenta I	Brief pollution but no environmental harm	Minor/ transient environmental harm	Significant environmental harm with mid term recovery	Significant long term environmental harm	Catastrophic, long term environmental harm

5.2. Likelihood

The likelihood rating describes how likely it is that a risk will eventuate with the defined consequences. Likelihood can be defined in terms of probability or frequency, depending on the risk being considered.

Rating	Description	Frequency
Rare	May occur but only in exceptional circumstances	1 in 10,000 - 100,000 Less than once in fifteen years
Unlikely	Could occur at some time	1 in 1,000 to 10,000 At least once in fifteen years
Possible	Should occur at some time in the future	1 in 100 - 1,000 At least once in five years
Likely	Will probably occur in most circumstances	1 in 10 - 100 At least once a year
Almost Certain	Is expected to occur in most circumstances	> 1 in 10 More than once a year

5.3. Effectiveness of Controls

Controls are the measures that are currently in place that reduce the likelihood and/or the consequence of the risk. The effectiveness of the controls is an assessment of their adequacy.

Rating	Description
Excellent	Doing more than what is reasonable under the circumstances or circumstances are outside City control.
Adequate	Doing what is reasonable under the circumstances.
Weak	Not doing some or all of the things that would be reasonable under the circumstances

5.4. Risk Rating

The level of risk or the risk rating is determined by the consequence and likelihood. That is the risk rating is a function of consequence and likelihood.

		Consequence					
	Insignificant Minor Moderate			Moderate	Major	Catastrophic	
pc	Almost Certain	M11	H16	E20	E23	E25	
ĕ	Likely	M7	M12	H17	E21	E24	
ikelihood	Possible	L4	M8	M13	H18	E22	
*	Unlikely	L2	L5	M9	H14	H19	
_ [Rare	L1	L3	M6	M10	H15	

Where:

L = Low Risk
 M = Medium Risk
 H = High Risk
 E = Extreme Risk

5.5. Risk Tolerance

Once the Risk Rating has been determined, the risk needs to be evaluated using the organisation's agreed risk tolerance.

Residual Risk Rating	Responsibility	Acceptance
Low	Responsible Officer	Acceptable with weak, adequate or excellent controls
Medium	Responsible Officer	Acceptable with adequate or excellent controls
High	Director	Acceptable with adequate or excellent controls
Extreme	Senior Management Group	Only acceptable with excellent controls

132

High and extreme risks must be referred to a director or the senior management group respectfully for acceptance.

6. Risk Management Operational Practice and Procedure

6.1. Three Lines of Defence Model

The City of Busselton has implemented a Three Lines of Defence Model for risk management:

- Level 1: Business Units and Activity Teams have responsibility for managing the risks for their area and any wider ranging risks that are allocated to them.
- Level 2: The Risk Team and the Risk Management Committee assist Business
 Units and Activity Teams in assessing risks and providing education support
 which aids in development of a risk management culture. They may also
 monitor risks to ensure consistency of assessments throughout the City and to
 ensure controls are effective. The Risk Team may also challenge risk
 assessments for escalation.
- Level 3: As required by Local Government (Audit) Regulation Clause 17, the Audit Committee will receive reports from the CEO on the appropriateness and effectiveness of this risk management framework. This level audits levels one and two.



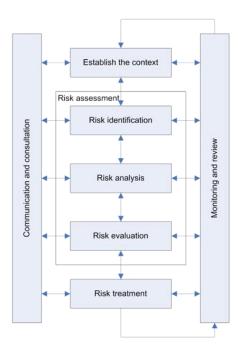
All three levels of the Three Lines of Defence Model need to work to have effective Risk Management.

6.2. Introduction

A simple risk management process has been established to encourage staff to make use of risk management as a tool to improve their work performance. Each risk will be allocated a Responsible Officer to ensure it is managed, including implementing mitigating treatment. This is usually the person who is directly responsible for the strategy, activity or function that relates to the risk. The Risk & OSH Officer is

available to assist risk owners, wherever possible, in the management of their risks by assisting them in the risk assessment process.

The City of Busselton will adopt the following risk management process, which was developed using the AS/NZS ISO 31000:2009.



Risk Management Process (From AS/NZS ISO 31000:2009)

6.3. Establish the Context

Establish the strategic, organisational and risk management context in which the rest of the process will take place. Criteria against which risks will be evaluated are established and the structure of the analysis identified. Examples of contexts include, a business unit or specific project.

6.4. Identify the Risk

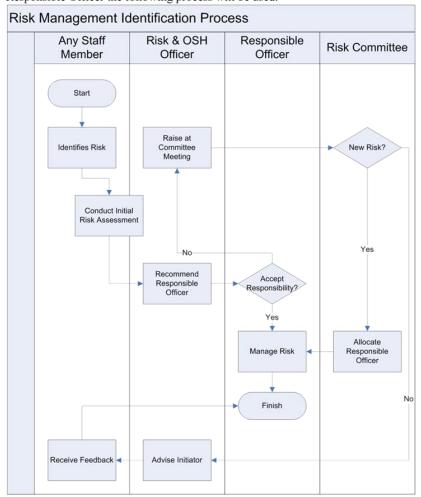
The purpose of risk identification is to identify what situations, events or circumstances might affect the achievement of the objectives of the City of Busselton.

Risks can be identified through various processes, with no single process being preferred for all contexts. Therefore an identification process will be selected depending on the situation. Some of the processes to be used include:

- Development or reviewing of strategic and operational business plans
- Project team risk brainstorming workshops and completion of project planning
- SWOT analysis at business unit meetings
- · Safety inspections and incident investigations

Risk Management Framework

Any staff member may identify and initiate the registration of a risk and so to assign a Responsible Officer the following process will be used.



Management for a risk will be assigned to the staff member who is impacted by the risk or who has the greatest impact on the risk. The following will be used as a guide:

Risk Type	Minimum level of Responsibility		
Strategic	Director		
Operational	Manager		
Project	Project/Contract Manager		

6.5. Analyse the Risk

Risk analysis involves developing an understanding of the risk to provide an input to risk evaluation. Determine the existing controls and analyse risks in terms of

Risk Management Framework

135

consequence and likelihood in the context of those controls. The analysis should consider the range of potential consequences and how likely those consequences are to occur. Consequences and likelihood are combined to establish a risk rating. The risk rating may be determined under various situations, including:

- Initial/Inherent risk the risk rating before controls are established or should all controls fail
- Revised/Residual/Current risk the risk rating with all of the existing controls
 effective
- Future/Predicted risk the risk rating once all future controls are implemented

6.6. Evaluate the Risk

Compare the risk rating against the risk acceptance criteria. This enables risk to be ranked so as to identify management priorities. If the risk rating is low, then the risk may fall into an acceptable category and treatment may not be required.

6.7. Treat the Risk

Accept and monitor low priority risks. All risks will be reviewed, however, usually only extreme or high risks will be treated. The treatment process involves identifying treatment options, evaluating options, selecting an option and implementing it. Once a treatment option is fully implemented it becomes a control and the risk should be able to be accepted.

6.8. Monitor and Review

Monitor and review the performance of the risk and the management of it. Monitoring a risk is an informal ongoing process used to immediately identify any changes. A review is a point in time, formal process that is recommended to be conducted annually. Risks with a high risk rating may be reviewed more frequently and risks with a low risk rating may be reviewed less frequently.

The Risk Team will also monitor risk assessments and controls to ensure risks are consistently assessed and controls are effective. They may also challenge the assessment of a risk, raising their concerns with the risk's owner. Where an agreement cannot be achieved the risk will be considered at a Risk Management Committee meeting to finalise the assessment.

6.9. Communicate and Consult

Communicating and consulting are to occur at each step of the risk management process to ensure all the participants understand, are involved in and contribute to the process. Consultation gives stakeholders the opportunity to influence decisions and ensures that all relevant viewpoints are taken into account in identifying and evaluating risks.

7. Risk Register

All risks are required to be registered in the City of Busselton risk register, either individually or a single risk may be recorded for a group of like risks. The InterPlan system will be used for the City's risk register and will be maintained by the Risk Management Committee via the Risk & OSH Officer.

Further information on InterPlan is available in the Risk Management User Guide available from the help screen or by contacting the Risk & OSH Officer.

<u>City of Busselton</u> <u>Risk Management Systems and Procedures Review 2016</u>

Assessment	Yes	Partially Met	No	Comments
Planning				
Has a Risk Management Policy been endorsed?	✓			
Does a formal Risk Management Framework exist?	✓			
Are risk appetites and / or tolerances documented?	✓			
Has responsibility for the Risk Management Framework been assigned to a senior manager?	✓			
Has a Business Continuity Plan been endorsed?		✓		A draft business continuity plan has been developed however given the City's current transitional accommodation arrangements it requires significant update. This will be done to suit the new building.
Are risks identified and managed during business planning?	✓			
Are risks identified and managed during project planning?		✓		Project planning processes are largely decentralized and as such vary across the organisation. In some areas risks are well captured however in others some improvement could be made.

Partially Assessment Comments Yes No Met Is responsibility and accountability for risk management clearly assigned to individual managers? Are risk management responsibilities included in job descriptions, where appropriate? **Implementing** Is an annual Risk Management Plan developed? Are key organisational risks While we feel the identified and documented? majority of key risks are identified a further strategic risk identification workshop would strengthen certainty. Are risk assessments undertaken at As per above it is both strategic and operational considered that a levels? strategic risk identification workshop would assist in ensuring strategic risks are captured Is the effectiveness of risk controls Controls are assessed measured? when risks are reviewed (every year for high risks and every 2 years for others). There is not a system for measuring the effectiveness of controls outside of the review process. The committee felt that at the time of review was satisfactory for now. Are critical risks or control failures escalated?

Partially Assessment Yes No Comments Met Are key legislative and regulatory responsibilities known and met? Is the Risk Management Framework clearly communicated to all relevant staff? Reviewing/Monitoring Does a committee(s) meet regularly to manage the risk management processes? Does senior management periodically receive reports on risk management and take action where necessary? Do all areas undertake risk management using an approved framework? Are sufficient resources dedicated We are a dynamic and busy organisation and to risk management activities? Managers and Coordinators often have high workloads. This can limit the amount of time they have to apply formal risk management processes. Have the risks associated with high-As per comment risk projects been identified and above project assessed? planning processes vary across the organisation. There could be some benefit in enforcing a centralised planning process for high risk / major projects (e.g. over a certain \$ threshold)

Attachment D

Assessment	Yes	Partially Met	No	Comments
Does an adequate risk profile exist?	✓			
Are risks assigned a review date?	✓			
Is there a process that ensures risk treatment plans are reviewed?	✓			

10.5 Audit Committee - 26/10/2016 - REVIEW OF ORGANISATIONAL SYSTEMS AND PROCEDURES - INTERNAL CONTROL

SUBJECT INDEX: Financial Compliance and Advice

STRATEGIC OBJECTIVE: An organisation that is managed effectively and achieves positive

outcomes for the community.

BUSINESS UNIT: Financial Services **ACTIVITY UNIT:** Financial Services

REPORTING OFFICER: Financial Accountant - Ehab Gowegati

AUTHORISING OFFICER: Director, Finance and Corporate Services - Cliff Frewing

VOTING REQUIREMENT: Simple Majority

ATTACHMENTS: Attachment A Key Control and Monitoring Activities Worksheet

Attachment B City of Busselton Digital Penetration Test Results !!

Attachment C SAMEngCertificate !

This item was considered by the Audit Committee at its meeting on 26 October 2016, the recommendations from which have been included in this report.

PRÉCIS

Regulation 17 of the Local Government (Audit) Regulations requires the Chief Executive Officer (CEO) to review the appropriateness and effectiveness of a local governments systems and procedures in relation to several matters, including internal control. The results of the review are to be reported to the Audit Committee for review and deliberation, prior to formal presentation to the Council.

This report presents the Audit Committee with the results of a review of the appropriateness and effectiveness of the City's systems and procedures in respect of internal control.

BACKGROUND

In February 2013, several amendments to the Local Government (Audit) Regulations (the Regulations) were mandated. At this time, a new Regulation (number 17) was effected, requiring the CEO to review the appropriateness and effectiveness of a local government's systems and procedures in relation risk management, internal control and legislative compliance; the results of which are required to be reported to the Audit Committee. The new Regulation is detailed as follows:

17. CEO to review certain systems and procedures

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to
 - (a) risk management; and
 - (b) internal control; and
 - (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in sub-regulation (1) (a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.
- (3) The CEO is to report to the audit committee the results of that review.

In addition to the regulation, a further sub-regulation was also introduced as part of existing Regulation 16, further clarifying the Audit Committee's actions upon receipt of the aforementioned report from the CEO. This addition is detailed as follows:

16. Audit committee, function of

- (c) to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to
 - (i) Report to the council the results of that review; and
 - (ii) Give a copy of the CEO's report to the council

In order to be compliant with the new review and reporting requirements, the reviews on risk management, internal control and legislative compliance are all required to be presented to the Audit Committee on or before 31 December 2016 (i.e. within 2 calendar years from the last review date).

To provide guidance to local governments in the completion of the review requirements, in September 2013, the Department of Local Government and Communities (the Department) released an updated version of Local Government Operational Guideline 9 – 'Audit in Local Government'. This guideline includes a section specifically relating to the review, and exemplifies the types of activities that could potentially be undertaken as part of the review process.

Whilst the review of internal control has been informed by the aforementioned guideline, the guideline also makes reference to the Local Government Accounting Manual; a document also developed by the Department. As the Manual provides a more comprehensive framework relating to internal control, this review has been more specifically guided by that document, with particular focus on a list of internal control related activities as detailed in the Manual. This list forms the basis of the attachment to this report.

STATUTORY ENVIRONMENT

- Section 7.1A of the Local Government Act requires a local government to establish an Audit Committee.
- Regulation 16 of the Local Government (Audit) Regulations details the functions of an Audit Committee.
- Regulation 17 of the Local Government (Audit) Regulations requires the CEO to review the appropriateness and effectiveness of a local government's systems and controls in relation to risk management, internal control and legislative compliance, and report the results of the review to the Audit Committee.
- Regulation 16 (c) of the Local Government (Audit) Regulations states that the Audit Committee is to review the report on the appropriateness and effectiveness of the local government's systems and controls, and report the results of that review to the Council.
- The Local Government (Financial Management) Regulations incorporate a number of regulations specifically relating to a range of internal control functions.

RELEVANT PLANS AND POLICIES

A number of Council Policies guide activities which have been incorporated within the review. These include, but are not limited to, the Investment Policy, the Purchasing Policy and the Salary Packaging Policy.

FINANCIAL IMPLICATIONS

There are no direct financial implications associated with the recommendations as detailed within this report. However, should the Audit Committee or the Council determine that future reviews are

to be undertaken externally, appropriate budget allocations will be required to be raised in relevant financial years.

Long-term Financial Plan Implications

Nil

STRATEGIC COMMUNITY OBJECTIVES

This matter principally aligns with Key Goal Area 6 – 'Open and Collaborative Leadership' and more specifically Community Objective 6.3 - 'An organisation that is managed effectively and achieves positive outcomes for the community'.

RISK ASSESSMENT

The Local Government Operational Guideline – 'Audit in Local Government', suggests that strategies to maintain sound internal controls are based on risk analysis of the internal operations of a local government. Risk assessments have previously been completed on overarching internal control matters including, but not limited to, statutory and legislative compliance, financial deception, and the incorrect use of business software. As the associated risks have been accepted with existing treatments, it is not considered necessary to assess the risk of individual activities against current processes and procedures. Experienced and skilled staff at the City are aware of where the most significant individual risks lie, and internal processes and procedures, coupled with adequate segregation of duties, have been established to mitigate the associated risks to the organisation.

CONSULTATION

Not applicable.

OFFICER COMMENT

The Local Government Operational Guideline – 'Audit in Local Government', states that internal control systems involve policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with legislation and achieve effective and efficient operations. The guideline further suggests that aspects of an effective internal control framework will ideally include the following:

- Delegation of authority;
- Documented policies and procedures;
- Trained and qualified employees;
- System controls;
- Effective policy and process review;
- Regular internal audits;
- Documentation of risk identification and assessment; and
- Regular liaison with auditor and legal advisors.

The guideline does however acknowledge that the extent to which internal controls are implemented, monitored and reviewed will be impacted by, amongst others, the size and nature of individual local governments.

Similarly, the Local Government Accounting Manual notes that an effective system of internal controls provides a level of assurance that financial information is reliable and the local government is meeting compliance with applicable regulations and internal procedures. The Manual also infers that the achievement of regulatory compliance should be viewed as the fundamental goal of an

effective internal control system with further enhancement being ongoing as part of an overall organisational risk management process.

With regards to regulatory compliance (from an internal control perspective), the Manual highlights a range of regulations that local governments are presently required to comply with. Many, if not all, of these regulations are reviewed and tested annually as part of existing statutory compliance processes, namely the financial audit and the compliance audit.

In addition to the above, local governments are also required to undertake periodic reviews of financial management systems and procedures, in accordance with Regulation 5(2)(c) of the Local Government (Financial Management) Regulations, which states:

5. (2) The CEO is to -

(c) Undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every four financial years) and report to the local government the results of those reviews.

This requirement, commonly referred to as the Financial Management Systems Review (FMSR), is completed every four years, by the City's appointed Auditor. Whilst there is no regulatory requirement prohibiting the review from being undertaken internally, having it performed by a qualified external party ensures thoroughness in review, independence, transparency and objectivity.

The last FMSR was conducted in June 2016. At this time, the Auditor stated that in the context of Council's overall operations and size, it is considered that operating procedures and systems in place are adequate and have operated effectively from July 2015 (with the exception of recommendations outlined within the report), to the date of the audit site visits. Furthermore, testing indicated that internal procedures and controls are appropriate, compliant with statutory requirements, with supporting reconciliations of key accounts being completed on a timely basis. Whilst 12 matters were specifically identified as part of the review wherein processes could be strengthened, of these, four were rated as having a low risk rating, with the other eight having a medium risk rating. All of the matters raised in the 2016 FMSR are in the process of being addressed.

The FMSR process closely aligns with the intent of the review requirements; particularly in respect of the internal control component. It is therefore reassuring that the most recent external review of the City's financial management systems and procedures did not identify any areas whereby current systems and processes are considered to be inadequate.

As previously mentioned, the review of the appropriateness and effectiveness of the City's systems and procedures in relation to internal control has been guided by both the relevant Local Government Operational Guideline and the Local Government Accounting Manual. Whilst more descriptive, the Operational Guideline provides an example list of the types of internal controls that could be typically reviewed. However, the Local Government Accounting Manual incorporates more specific detail in this regard, and particularly in relation to key control activities and monitoring activities.

<u>Key control activities</u> represent those processes and procedures that should be in place to ensure the proficiency of internal control, whilst <u>monitoring activities</u> represent the processes and procedures required to review and monitor the effectiveness of the primary key controls. The Manual lists a range of key control and monitoring activities which local governments should be reviewing on an ongoing basis. In the absence of any specific guideline pertaining to how the review of internal control is to be undertaken by local governments, a review the City's performance against each of the listed control and monitoring activities has been considered as a reasonable basis for carrying out this review.

Assessing the City's current internal control systems and procedures against the listed key control and monitoring activities has been invaluable in informing those areas in which current processes and procedures could be further improved. Attachment A to this report lists each activity, provides a synopsis of the City's current processes and procedures, and importantly, highlights further actions required where identified. It is believed that the range of activities reviewed fully encompasses the principal internal controls applicable to the City, and as such forms a solid platform upon which the overall effectiveness of the City's current internal control environment can be reasonably assessed.

The associated regulation requires the CEO to report the results of the review to the Audit Committee. As such, and whilst providing summary comments as appropriate, the following section of this report will more specifically discuss those activities whereby the review has identified that further actions are required. For ease of review, the results have been grouped by similar action requirements, and where possible, in line with the internal control summary areas as reflected in the Local Government Accounting Manual.

Documented Procedures – Control Documentation

The Accounting Manual states that appropriate control documentation has the effect of clarifying the control activity and creating the appropriate control environment by improving the awareness and actions of staff. At the City of Busselton, formal control documentation generally takes the form of Council Policies and to a greater extent, Operational Practices and Procedures (OPP's). Whilst Council policies ordinarily set the strategic decision making framework, OPP's detail the processes, procedures, compliance requirements and authority levels in relation to operational matters.

The above control documents generally relate to matters of relevance to the organisation as a whole. As such, it would not be expected that OPP's would need to be developed, authorised and published in respect of specific work instructions. However, from an internal control perspective, it is important to recognise those work instructions which ideally should be documented, and those which, due to their nature or organisation wide ramifications, may be worthy of formally documenting as an OPP.

The key control and monitoring activities review identified numerous instances whereby current internal controls could be augmented by the development of associated control documentation. These activities are discussed as follows:

1.(i)	Employees	responsible	for	financial	report	preparation	are	competent	and
	adequately	trained.							

As part of the 2016 performance review process a plan was initiated to train and develop staff in key financial functions and encourage and promote information sharing to ensure efficiencies are attained in continuation of services and succession planning. This will include the full documentation of key finance roles with a focus on process and knowledge sharing to ensure all key financial roles has the coverage required to ensure service continuity.

1.(ii)	All journal entries require supporting documentation. Any non-routine entries	I
	require documented approval prior to being posted.	l

Whilst associated processes are complied with, it is considered prudent to formally list all journals posted on a monthly basis and for management to peruse/ authorise this list. This will ensure that efficiencies remain with regard to the timely processing of all required journals, whilst also adding assurances that the journals are being reviewed and are in accordance with expected practices and consistent with set budget constraints.

3.(i)	Rates/debtors officers are competent for their assigned tasks, adequately trained
	and supervised.

As part of the 2016 performance review process a plan was initiated to train and develop staff in key rating/ Debtors functions to ensure efficiencies are attained in continuation of services and succession planning. This will include the full documentation of key rates/ debtors roles with a focus on process and knowledge sharing to ensure all roles have the coverage required to ensure service continuity.

4.(vii)	All receipts, cash and cheques, deposited on a regular and timely basis.

The City's processes and procedures in relation to the receipting and banking of deposits (including electronic payments) are considered to be adequate. Additionally, banking of deposits, particularly in relation to operational revenues (administration and outstation based), is timely, which promotes efficiency in the associated bank reconciliation processes.

Having said that however it is possible that due to the volume of transactions or other valid reasons, that monies collected at outstations may not be banked immediately. To this end it is expected that having documented procedures relating to the administration and security of the funds whilst being held, along with associated approval for the subject processes. It is considered important that the above-mentioned matters are documented and appropriately authorised, preferably as part of an Accounting Procedures Manual to be developed by each function/ outstation directly dealing with financial transactions.

4. (viii)	Reconciliation of daily deposit total to receivable posting and cash sales is prepared		
	and reviewed.		

The review did not identify any specific areas whereby current processes and procedures are considered to be lacking. However in most instances, associated processes, procedures, and review/ reconciliation practices are not formally documented. For instance, whilst deposits made to the bank are reconciled against deposit listings, there is no documented evidence that <u>independent checks</u> are being made against cash till listings (primarily for outstations). Analogous with the previous finding, it is considered essential that all functions and outstations dealing with cash deposits develop formal Accounting Procedures Manuals, which not only document relevant processes and procedures, but also address internal control and monitoring activities.

5.(i)	Personnel responsible for the purchasing, shipping, receiving and payable functions		
	are competent, adequately trained and supervised.		

As part of the 2016 performance review process a plan was initiated to train and develop staff in key purchasing functions to ensure efficiencies are attained in continuation of services and succession planning. This will include the full documentation of purchasing roles with a focus on process and knowledge sharing to ensure all key roles has the coverage required to ensure service continuity.

Additionally, staff will compile a new operational practice to identify/ enforce requirements associated with the addition of a new creditor and subsequent amendments made to an existing creditor. One of the key checks will be verify the validity of the creditor and the associated bank account details to minimise the risk of fraud.

5. (vi) Spending limits are set by budget or individual levels of authority. These limits are monitored by the system or manually.

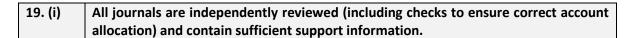
The City's internal controls in relation to 'purchasing authorisation limits' (spending limits) are considered adequate. The ability to raise purchase requisitions in the system, and the associated value of the same, is controlled by system parameters. Any request to establish or amend a purchasing authority limit must be in writing, and authorised by a staff member authorised to do so. With regards to expenditures raised outside of the purchase order system, any payment must be authorised by an officer with the necessary purchasing authorisation limit (in dollar value). Verification of this authority is undertaken by Finance staff (at multiple levels) prior to the associated payment being processed.

Whilst the current processes are working well, there is currently no overarching control documentation detailing the required processes to be undertaken, including the purchasing authorisation limit approval process. As part of this review, it has been identified that an OPP should be established for this purpose, due to its 'whole of organisation' implications.

5. (xxiii) The accounting policy for when goods should be capitalised is documented and clearly understood by accounting personnel.

Accounting personnel dealing with the capitalisation of assets are fully aware of the applicable standards and associated thresholds (as per significant accounting policies). However, there is currently no endorsed control documentation available for the wider organisation, other than that issued as part of the draft budget compilation process. This can be problematic for staff when developing annual budgets, insofar as budget allocations may be unintentionally misallocated between capital and operational accounts.

A comprehensive (draft) OPP in relation to asset capitalisation has been under development for some time now. Consultation is presently occurring with the Engineering and Works Services Directorate in respect of the OPP, as this area will be most significantly impacted. Consequent to this input, the draft OPP will be finalised and submitted to the CEO for consideration and approval.



This activity is similar in its intent to activity 1. (ii); particularly in respect of the supporting documentation requirement. As previously mentioned it is considered prudent to formally compile a monthly report listing of all journals posted on a periodic basis for management's perusal/authorisation. This will ensure that efficiencies remain with regard to the timely processing of all required journals, whilst also adding assurances that the journals are being reviewed and are in accordance with expected practices and consistent with set budget constraints. This matter is further discussed in the following 'Segregation of Duties' internal control summary area.

20. (i) Regular IT audits performed focusing on data accuracy, retention, recovery and security. Results of these IT Audits reviewed by management and action plan promptly implemented.

This activity is discussed in more detail in the following Information Technology Controls (General and Application) summary area. Whilst robust internal controls are existent at the City, in some instances these are not formally documented. From an internal control perspective, it is important that all material controls are recorded and regularly reviewed/ updated; to ensure consistency in approach.

Summary – Documented Procedures

The internal control review has identified several instances whereby the formal documentation/ development planning of associated processes and procedures needs to occur. As previously mentioned, appropriate control documentation has the effect of clarifying the control activity and creating the appropriate control environment by improving the awareness and actions of staff. Based on the above key control and monitoring activity anomalies identified, the following provides a summary of identified actions to be undertaken:

- (a) The establishment of documentation/ training and information sharing to ensure uninterrupted business continuity,
- (b) The establishment of work instructions and new reporting requirements pertaining to the processing and approval of journal entries,
- (c) The establishment/ formalisation of 'Accounting' Procedures Manuals for all City outstations that are involved with the processing of financial transactions (to include the administration and security of bond and deposit funds being held for extended periods)
- (d) The establishment of an Operational Practice and Procedure (OPP) detailing the processes, procedures and approval requirements in relation to the establishment/ amendment of staff purchasing authority limits
- (e) The formalisation and approval of an OPP in respect of asset capitalisation thresholds
- (f) The ongoing review/ establishment/ formalisation of processes and procedures in relation to Information Technology internal controls (also refer Summary Information Technology Controls)

Segregation of Duties

The Accounting Manual states that a fundamental application of internal control is the segregation of duties, which relies on the premise that the risk of two or more officers making the same error or colluding to defraud the local government is less likely than an individual act. Due to its size, the City of Busselton has the capacity to implement segregation of duties as a key component of its overall internal control provisions.

As part of its 2014/15 financial audit Management Letter, the Council's Auditor has acknowledged the sound internal control environment present at the City of Busselton, which is in part attributable to the "appropriate levels of segregation of financial duties and independence checks which are in place". It is anticipated that the same finding will be made within the 2015/16 financial audit. Whilst this comment supports the City's view that adequate segregation of duties are in existence, the internal control review has identified one area in which existing controls could potentially be further supplemented. This is discussed as follows:

19. (i)	All journals are independently reviewed (including check to ensure correct according		
	allocation) and contain sufficient support information.		

This activity was discussed as part of the aforementioned 'Documented Procedures' area. Whilst current procedures, particularly in relation to support information, are considered adequate, the need to formally list and report all journal transactions on a periodic basis has been identified.

Finance personnel have varying levels of authority to process and post journals; which form part of their 'day to day' functions. However, as a consequence of the internal control review, it is felt that an independent review of all journals should ideally occur. New processes will be established to ensure that all journal entries require dual approval via an end of month authorisation process whereby the manager of finance will endorse the validity of all journals posted. This will not impact on efficiency but will ensure that journals are being reviewed and are in accordance with expected practices and consistent with set budget constraints.

Summary – Segregation of Duties

The internal control review has identified one instance whereby current processes and procedures could be further augmented by the introduction of a higher level of segregation of duties. Based on the above key control and monitoring activity anomalies identified, the following provides a summary of identified actions to be undertaken:

- (a) The proposed implementation of a new process to compile a monthly journal listing report,
- (b) The proposed implementation of a dual approval via an end of month authorisation process whereby the manager of finance will endorse the validity of all journals posted.

Information Technology Controls (General and Application)

The Accounting Manual identifies two controls within the Information Technology (IT) environment; general controls and application controls. General controls relate to a local government's wider IT environment and include items such as virus protection, backups, and system password and access controls. Application controls are more specific and relate to items such as application password and access controls, data field validations, processing restrictions and reporting restrictions. The Manual does highlight that a lack of control in either of the above areas can undermine the effectiveness of established controls in the other. Consequently, the implementation and review of IT related internal controls need to be considered at multiple levels.

The key control and monitoring activities as reviewed include a range of activities that have a relationship with associated IT controls, albeit to differing extents. Whilst the above summary area (Segregation of Duties) includes recommendations directly relating to IT controls, for the purposes of this review, the review of IT controls is based on the following monitoring activity:

20. (i) Regular IT audits performed focusing on data accuracy, retention, recovery and security. Results of these IT Audits reviewed by management and action plan promptly implemented.

The traditional approach to IT administration sees a system administration function performed by a person or groups of persons who have access and control over both the general and application controls within the IT environment. However at the City of Busselton this is not the case. The IT controls have been allocated to two separate teams, namely the Business Systems team and the ICT Operations team. The Business Systems team have administrative access to the application controls but do not have administrative access to the general controls. These are the domain of the ICT Operations team, who in turn do not have access to the application controls.

This intentional separation of duties ensures City officers have to work together in the administration of the IT systems, which leads to automatic auditing of access between the teams. That said the IT audits required for each type of control is different and therefore will be addressed separately.

General Controls

These controls currently reside in the domain of the City's ICT Operations team; with some lower level components delegated to the City's ICT Helpdesk team. The City's current approach to the review of the various IT infrastructure and security components is tied into the asset management cycle of each component. As part of the asset replacement cycle each component being replaced is assessed in the IT scheme and appropriate control requirements are raised for the replacement equipment. Generally the replacement program also includes an external party review and report on the effectiveness of the equipment.

Additionally the City's ICT Coordinator commissions an external security review in the form of penetration testing every 24 months. This task is aimed at highlighting the City's security exposures

and risks. Attached (Attachment B – City of Busselton Digital Penetration Test Results) please find the results of this review undertaken by DELL Pty Ltd, which indicate the City has a high level of external digital security and only one minor item was recommended for action. During the 2015/16 financial year the City has also been audited by Microsoft to assess the City's level of licencing compliance as it relates to the core IT operating environment, attached please find the compliance certificate (Attachment C – SAMEngCertificate). These results were assessed by the Manager Information Services on behalf of City management.

Application Controls

The City utilises a variety of corporate software packages to support the myriad of service deliverables required. Within the domestic software market there is no singular product that can support all of the services that the City requires. Consequently, application controls have to be applied at a higher level than each individual software package. In order to accommodate this all application control originates within the City's Active Directory and is then further refined within each of the software packages, administered by a variety of administrative staff that may or may not be part of the ICT team. It is the task of the City's Business Systems team to audit the access and controls being applied by non-IT administrators to ensure appropriate system access, data controls and data backups are in place.

Within the Business Systems unit itself the team members are expected to review each other's access and data controls. That said the most critical application access would be the products in control of the financial and document management components of the City. These controls also formed part of the City's financial management system review undertaken June 2016, by external auditors. In addition to the internal controls the City employ external consulting services on a regular basis to perform health checks on components of the core software products (i.e. rates, human resources, payroll, etc.). For example in May 2016 the City engaged the services of LG Connect Pty Ltd to perform a rates data integrity health check, which resulted in a number of system and process improvements implemented by the City's rates team.

Summary - Information Technology Controls

As discussed above, there are a variety of controls in place within the general and application IT environments, which include a number of officers reviewing each other's controls and external resources performing reviews over a longer period of time. That said, over the past two years the City has experienced a growth in the number of mobile applications and cloud hosted business applications. As part of the review it was noted the City does not have any specific rules relating to the use and security requirements of these external systems. The City's ICT Coordinator has been assigned the task of reviewing and consolidating the City's IT related Operational Practices and Procedures during the 2016/17 financial year, which will represent an ideal opportunity to also address the mobile application and cloud hosted business application usage and security requirements.

CONCLUSION

From a financial perspective, the City's internal controls have historically been reviewed every four years in line with the requirements of Regulation 5(2)(c) of the Local Government (Financial Management) Regulations. The last such review was undertaken in 2016 by the City's appointed auditor. At this time, the Auditor stated that in the context of Council's overall operations, it is considered that operating procedures and systems are adequate. Furthermore, testing indicated that internal procedures and controls are appropriate, compliant with statutory requirements, with supporting reconciliations of key accounts being completed on a timely basis.

Whilst certainly not to the same extent, the annual financial audit process does include a review of principal internal controls; primarily to satisfy the Auditor that the annual financial report is free from material misstatement. With regards to the 2014/15 financial audit, the Auditor has stated that the sound financial control environment present at the City of Busselton has been adequately maintained throughout the 2014/15 financial year. Although yet to be finalised, it would also appear at the time of compiling this report that there are no matters of any significance will be noted within the 2015/16 audit.

Notwithstanding the above, and as this review of internal control is now required to be undertaken biennially, the review has identified a number of areas in which existing internal control processes can be further improved. Whilst the identified anomalies in current processes and procedures are all considered minor in nature, it is felt that their rectification will further strengthen the City's overall internal control processes.

In closing, whilst limited guidance has been provided to local governments as to how the review of internal control is to be undertaken, it is felt that the methodology utilised in compiling this review is sound.

OPTIONS

This report does not propose to make any specific recommendations to the Audit Committee, other than to receive the report and note the results of the review. The identified actions as comprised within the report are operational in nature and will be addressed accordingly. Notwithstanding, the Audit Committee may determine to:

- Seek a formal update report on the progression of identified actions as comprised within this report;
- Identify any additional actions it wishes to have specifically reviewed from an internal control perspective;

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

All identified actions will be investigated, and implemented where possible, prior to the next biennial review of internal control; due by 31 December 2018.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

That the Audit Committee note the contents of this report in relation to the review of organizational systems and procedures and internal control as required by Regulation 17 of the Local Government (Audit) Regulations (1996).

Key Control and Monitoring Activities Worksheet



Risk Area	Key Control Activities	Comments	Further Controls Identified
Financial Report Preparation	Employees responsible for financial report preparation are competent and adequately trained.	Employees with responsibility for financial report preparation are competent and have extensive experience in relation to the City's principal financial systems.	Development planning commenced to train staff in key financial functions and encourage/promote information sharing to ensure continuation of services and succession planning.
	ii. All journal entries require supporting documentation. Any non-routine entries require documented approval prior to being posted.	Processed journal entries are printed and filed, along with copies of supporting documentation. Non routine journals are work-flowed to a senior officer for review and posting.	Whilst associated processes are complied with, it is considered prudent to formally compile a monthly report listing of all journals posted on a periodic basis for management's perusal/ authorisation.
	iii. Accounting software used contains application controls that prevent or detect an error from occurring.	Whilst no accounting software is full-proof, the City's finance system includes a range of in-built checks and balances to ensure 'balancing' errors are readily identified. Any postings that contain errors are redirected to suspense accounts for investigation and further action. Any receipts without an associated charge will automatically be redirected to prepayment accounts for further action. In addition all internal processes are developed to prevent fraud by segregating duties and enforcing processes as much as proficiently possible.	Nil.
2. Payroll	Payroll staff are competent for their assigned tasks, adequately trained and supervised.	Employees working with Payroll are hired based on their skills and knowledge. Extensive on the job training is also provided. Refresher training is provided on a regular basis to ensure officers are updated on legislation and compliance matters.	Nil.
	Persons processing payroll are independent of other payroll functions, such as hiring/firing of staff, timekeeping and EFT payment.	Team of 3 payroll officers take on differing roles when processing fortnightly pays. Payroll processing is separate to other HR functions such as hiring and firing and	Nil.

Key Control and Monitoring Activities Worksheet



Risk Area	Key Control Activities	Comments	Further Controls Identified
		position management. EFT payments are approved by employees other than Payroll officers. Timekeeping is up to each employee to complete own timesheets with Coordinators/ Managers signing off timesheets.	
iii.	Approval in writing is obtained before adding new employees to payroll.	Employee Appointment Form is completed for all new appointments with sign off required by all levels within the hierarchy, including final CEO approval.	Nil.
iv.	Signed and dated approval of each employee's pay rate is documented on employee file.	Employee Appointment Forms are used to provide approval for pay rates and other appointment terms and conditions. Employment Details Amendment Forms are used to approve and action any changes to employee pay rates. Step increases via performance reviews are approved and actioned by a payroll authorisation form attached to performance review paperwork. These are all saved on an employee's file electronically. No changes to pay rates are undertaken without forms or relevant paperwork in place.	Nil.
v.	Timesheets and totals of hours worked are approved before being processed for payment.	All timesheets are checked and signed by authorising supervisor to ensure accuracy and completeness.	Nil.
vi.	Procedures exist to ensure terminated employees are immediately removed from payroll.	Procedures are in place and regularly reviewed.	Nil.
vii.	Payroll register is reconciled to the general ledger and reviewed by a senior officer independent of payroll.	Payroll register is reconciled to the General Ledger by Payroll staff; however the Financial Compliance Officer balances the payroll	Nil.

Key Control and Monitoring Activities Worksheet



Risk Area	Key Control Activities	Comments	Further Controls Identified
		suspense account. Although this is not a full reconciliation between the payroll and the ledgers, it is nonetheless an additional process that does identify "internal" payroll misallocations that need to be corrected within the financial ledgers. At end of year an assessment is made comparing the payroll system (component) reports to the financial ledgers to confirm (within reason) that no major discrepancies are identified. This final reconciliation is then	
	viii. Costs by sub program, are compared t budget.	employee cost reports, overall financial performance reports, and any other reports	Nil.
		as requested. They are then responsible for noting and managing any variances. All employees have access to data within the TechOne system for which they are responsible, hence up to date information can be perused at any time.	
		Financial training programs can also be accessed by employees via IT to ensure any training needs are addressed.	
. Revenue	 Rates/debtors officers are competent for their assigned tasks, adequately trained and supervised. 	, , ,	Development planning commenced to tra staff in key rating/ debtors functions are encourage/ promote information sharing ensure continuation of services are

Key Control and Monitoring Activities Worksheet



Risk Area	Key Control Activities	Comments	Further Controls Identified
			succession planning.
	ii. Monthly statements are issued to trade	In terms of debtor procedures, statements	Nil.
	debtors.	are issued for invoices outstanding more than	
		30 days.	
	iii. Rates are raised in line with the approved	The Council's adopted rates in the dollar are	Nil.
	budgeted rate in the dollar.	validated prior to billing and posting of the	
		associated rates billing journal.	
	iv. The rate record is updated and	Valuation reports are reconciled and	Nil.
	reconciled monthly to the Valuer	balanced as and when received from	
	Generals Office (VGO) records.	Landgate.	
	v. Documented procedures are in place to	Building applications received by Rates are	Nil.
	ensure the VGO is informed of any	forwarded to Landgate for valuation	
	building works approved.	purposes. Applications are held in rates until	
		such time as revised valuations are provided	
		by Landgate.	
	vi. The rates ledger is reconciled to the	This task is undertaken on a daily basis, with	Nil.
	General Ledger.	any discrepancies investigated and rectified.	
	vii. The approved schedule of Fees and	Invoices are prepared by respective Business	Nil.
	Charges is used for invoice preparation.	Units; cognisant of the Council's currently	
	Exceptions require documentation and	adopted Schedule of Fees & Charges. The	
	approval.	corporate software system is also updated	
		annually to reflect current fees and charges	
	*** • • • • • • • • • • • • • • • • • •	(where system generated).	A I'I
	viii. Automatic or manual checks are	The corporate software system automatically	Nil.
	performed on serial continuity of invoice	assigns invoice numbers, in a sequential	
	documents.	order.	No. 1
	 Credit note approvals are independent of accounts receivable. 	Any reduction to an original invoice amount	Nil.
	accounts receivable.	(in part or all) must be instigated and	
		approved by the applicable Business Unit. Written confirmation is also required for	
		audit purposes.	
		addit purposes.	
			I

Attachment A Key Control and Mo



Attachment A Key Control Activities and Monitoring Activities Per Section 7 of Local Government Accounting Manual

	Risk Area	Key Control Activities	Comments	Further Controls Identified
4.	Receivables/ Receipting	 Staff handling cash receipts and managing receivables are competent for their assigned tasks, adequately trained and supervised. 	Employees responsible for cash receipts and managing receivables are fully competent, receive adequate training where required and are supervised based on their knowledge and experience.	Nil.
		 Bank reconciliation is prepared monthly (with statements from bank) and management approval documented. 	All bank reconciliations (including investments) are reviewed and signed off by management on a monthly basis.	Nil.
		 Customers are informed (signs, etc.) that they should obtain receipts. 	Receipts are issued as standard practice and as such, there is no requirement to install signage to this effect.	Nil.
		iv. Pre-numbered cash receipts are issued for every cash sale. Serial continuity is reviewed periodically and checked against cash deposits data.	Receipts produced in the corporate software systems are sequential in number. Where manual receipts are produced, these are issued from pre-numbered receipt books.	Nil.
		v. Staff are required to take their leave entitlements annually.	Whilst staff are encouraged to take leave entitlements annually, this is occasionally impacted by business continuity requirements. However, periodic 'outstanding leave' reports are distributed to management to enable the monitoring of staff leave accruals. As required, staff can be directed to take annual leave where accruals become excessive. Having said that however a program has been put in place to reduce staff with excessive leave.	Nil.
		vi. When opening mail, cheques are stamped "for deposit only" with the local government bank account number. Cheques received are listed, totalled and reviewed before deposit.	Cheques received by records are date stamped and placed in a plastic container with other remittances and any supporting documentation. A Records Officer delivers the container to a Customer Information Officer for their processing.	Nil.

Key Control and Monitoring Activities Worksheet



Risk Area	Key Control Activities	Comments	Further Controls Identified
		The Customer Information Officer stamps all cheques 'Not Negotiable – Payee City of Busselton' and then receipts into corporate software in a timely manner.	
	vii. All receipts, cash/cheques, are deposited on a regular and timely basis.	Front counter operations, and outstation banking, is completed and banked in a timely manner. The only instance where front counter retains revenue beyond date of receipt is when additional information is required in order to proceed. All held funds are a) entered into the payment referral register held in ECM, b) scanned to responsible officer outside of the team and c) receipted as soon as practicable following advice.	Situations where funds (cash/ cheques) are being held, or only banked periodically, should be included in an accounting procedures manual for the relevant site. Please refer to following item.
		The register is reviewed daily and updated as soon as advice is received. The register includes dates, completion times, advice received, responsible officer and any other relevant details.	
	viii. Reconciliation of daily deposit total to receivable posting and cash sales is prepared and reviewed.	Front counter deposits are reconciled, reviewed and signed off by supervisory staff, and banked on a daily basis. Similar processes also occur in relation to outstation deposits, where applicable. In addition, the Customer Service team maintains a variety of procedural documents directing Customer Information Officers in the handling of revenue.	It is recommended that all areas dealing with cash and banking formally update associated accounting processes and procedures, and that these documents be authorised by the respective Director, with a copy to be provided to the Finance Department.
		Notwithstanding this, current processes and procedures documentation in relation to	



Attachment A Key Control Activities and Monitoring Activities Per Section 7 of Local Government Accounting Manual

	Risk Area	Key Co	ontrol Activities	Comments	Further Controls Identified
				accounting activities are not centrally held in some instances. It is believed that updated accounting procedures manuals be prepared by each applicable area (as required), and be authorised by the respective Director.	
		control accou	on of aged receivables to unts is prepared monthly eent approval documented.	An Aged Trail Balance for sundry debtors is produced and reconciled to the General Ledger monthly. The reconciliation is reviewed and signed off by management.	Nil.
			kist to ensure receipts are e correct period.	Receipts are date based in the corporate software system, and as such, are automatically posted in the correct period. In respect of outstations, direct deposits are also journalled in the correct period.	Nil.
				Finance staff as part of the end of month process will ensure that all receipts applicable to a particular period (via the property system) are posted to that period plus accordingly any accruals as deemed appropriate.	
			rerdue customer accounts ted by management and documented.	The 'sundry debtors' and rates Aged Trial Balances are reviewed regularly. Action is taken for the follow-up and collection of outstanding debts in terms of the respective collection timelines. Comprehensive documentation is maintained in relation to actions taken for individual overdue debt collections.	Nil.
5.	Purchases, Payables, Payments	shipping, rece	ponsible for the purchasing, iving and payable functions at, adequately trained and	Staff responsible for purchasing and accounts payable functions are fully competent, adequately trained and are supervised as required.	Development planning commenced to train staff in key purchasing functions and encourage/ promote information sharing to ensure continuation of services and

159

Key Control and Monitoring Activities Worksheet



Risk Area	Key Control Activities	Comments	Further Controls Identified
	ii. Management reviews outstanding	This process is undertaken on a regular basis.	Develop a new operational practice to enforce requirements associated with the addition of a new creditor and subsequent amendments made to an existing creditor. One of the key checks will be verify the validity of the creditor and the associated bank account details to minimise the risk of fraud
	cheques on period-end bank reconciliation.	Outstanding cheques are identified, customers contacted and the appropriate action is taken to finalise the transaction.	NII.
	iii. Pre-numbered cheques are used. EFT's are allocated a sequential number for each creditor payment and details for every number is documented. Spoiled cheques are clearly marked "VOID" and cancelled.	The corporate software system automatically allocates EFT numbers (sequentially). Preencoded cheques are also utilised, with cancelled cheques clearly marked as such.	Nil.
	iv. The purchasing policy clearly defines who can issue purchase requisitions/orders and to what dollar limit.	The Council's adopted Purchasing Policy details dollar thresholds for quotation requirements, but does not define individual purchasing limits (as this is not the intent of the policy). Please refer activity 5 vi. for further comment.	Nil.
	 Access to purchasing, receiving, accounts payable, and inventory records is restricted to authorised personnel. 	The corporate software system has inbuilt parameters (authorisation levels) which restrict the ability of staff to view specific data or undertake certain functions. However it is not considered that general purchasing and accounts payable records (at transaction level) should be specifically restricted.	Nil.



Attachment A Key Control Activities and Monitoring Activities Per Section 7 of Local Government Accounting Manual

Risk Area	Key Control Activities	Comments	Further Controls Identified
	vi. Spending limits are set by budget or individual levels of authority. These limits are monitored by the system or manually.	Individual purchasing limits are determined by business need, and are approved by each staff member's supervisor. Purchasing limits are only established/ updated in the corporate system upon receipt of a valid authorisation request.	Whilst processes and procedures are working effectively, an Operational Practice and Procedure is required to formally document the current processes.
	vii. A list of preferred suppliers is maintained and used where possible.	The City's Purchasing Policy ensures compliance with relevant legislation and assists with ensuring due diligence and value for money in procurement.	NIL.
		Part 9 of the Purchasing Policy provides the framework for the establishment and operation of a Panel of Pre-qualified Suppliers (Panel) in accordance with amendments to the of the Local Government (Functions and General) Regulations 1996 in 2015. A Panel mirrors a 'Preferred Supplier' listing, the purpose being to simplify the process for requests for quotations (for goods and services purchased on an ongoing basis) while maintaining due diligence and value for money.	
		A panel created under previous regulations may continue to operate until they expire.	
		The City's Contract Register is utilised to create and maintain a centralised list of established Panels and individually contracted suppliers.	
	viii. Controls exist to ensure corporate buying cards/credit cards are only issued to	The City's Operational Practice & Procedure (OPP) relating to corporate credit cards	NIL.

Key Control and Monitoring Activities Worksheet



Risk Area	Key Control Activities	Comments	Further Controls Identified
	authorised staff and personal purchases are not allowed.	details the card authorisation process, whilst also stipulating that personal purchases are prohibited. Credit card transactions are validated against the monthly statement, with all transactions also reported to the CEO (for information). The City also utilises several 'store' cards (e.g. Coles store card). Whilst administered in a similar fashion to credit cards, formal processes have not been documented in respect of these facilities.	Further control identified in 2014 was that an Operational Practice and Procedure in respect of the administration of 'store' cards is required to be developed. This control has been addressed, with the Operational Practice and Procedure endorsed by the CEO on 17 October 2014.
	ix. Pre-numbered purchase orders and receiving reports are used and exceptions are approved and documented.	The corporate software system automatically allocates purchase order numbers on a sequential basis. There is no capacity for staff to manually allocate purchase order numbers.	Nil.
	 Period-end procedures exist to detect and account for unprocessed goods/service receipts. 	Prior to the end of each financial year, staff are regularly requested to review and finalise outstanding purchase orders. A final list of purchase orders to be carried over to the following financial year is reconciled and validated, with associated expenses accrued where required.	Nil.
	xi. Personnel receiving goods do not perform any accounting functions.	Accounting functions associated with purchasing and subsequent payment are administered by the Finance Department. Whilst this department also receives goods and services throughout the year, this activity is very limited. Furthermore, processing of purchase requisitions and subsequent payment is subject to the same controls and authorisations as the remainder of the organisation (including separation of authorisation/ payment functions).	Nil.



Attachment A Key Control Activities and Monitoring Activities Per Section 7 of Local Government Accounting Manual

Risk Area	Key Control Activities	Comments	Further Controls Identified
	xii. An aged accounts payable listing is reconciled to general ledger each month and exceptions investigated by management.	An Aged Trail Balance for accounts payable is produced on a monthly basis, with this document also incorporating a reconciliation to the General Ledger. Long outstanding creditors are reviewed to ensure action is taken to clear the same.	Nil.
	xiii. Aged report of open orders is reviewed each month and old/unusual items are investigated.	This process is undertaken by individual Business Units, as staff are able to review open orders via a simple system enquiry. However, several months in advance of financial year end, staff are regularly requested to review and finalise outstanding purchase orders. Regular communications are also issued detailing the number and value of outstanding orders (to demonstrate progress in this task).	Nil.
	xiv. Unit prices on invoices received are checked against price lists, quotes or approved purchase orders. Invoices are checked for correct calculations, discounts, taxes and freight before payment. xv. System has checks to prevent duplicate payments on same order.	Prior to payment, invoices are required to be reviewed and validated by relevant staff. Only upon signed authorisation that the above actions have occurred (by an officer with an appropriate financial delegation), is an invoice processed by the Finance Department for payment. The City's corporate software system does have a duplicate invoice number 'warning', to minimise the duplication of creditor	Nil.
	xvi. A list of accounts for payments is prepared in line with the legislation and authorised by council or a person with delegated authority before cheques are signed or EFT is authorised.	payments being made. The Council has delegated authority (LG6A) to the CEO to make payments on its behalf, pursuant to Regulation 12 of the Local Government (Financial Management) Regulations. In terms of Regulation 13 of the Regulations, a list of payments made is	Nil.



Attachment A Key Control Activities and Monitoring Activities Per Section 7 of Local Government Accounting Manual

Risk Ar	ea Key Control Activities	Comments	Further Controls Identified
		subsequently presented to the Finance	
		Committee and Council for noting.	
	xvii. Signing officers examine supportin	, ,	Nil.
	documentation to payments an	1 , ,	
	document approval.	need for authorising officers (with the	
		necessary financial delegation) to verify that	
		goods/ services have been received and that	
		the invoice amount is correct. Consequently,	
		officers signing release of payments are not	
		required to critically examine supporting	
		documentation, albeit confirmation of the	
		authorising officer's permission to approve an	
	xviii. All cheques must be made out t	invoice for payment is confirmed.	Nil.
	xviii. All cheques must be made out t authorised vendors and cannot be mad	1 0 1 1 1	INII.
	out to "cash".	payments being made in cash; excepting	
	out to cash.	those made from petty cash systems.	
		Consequently, only petty cash reimbursement	
		cheques are opened to enable encashment	
		(albeit the cheques are still payable to the	
		City of Busselton).	
	xix. A reconciliation of the accounts payabl		Nil.
	sub ledger to the general ledger	, ,	
	prepared monthly and approved b	, ,	
	management.	to the General Ledger. The reconciliation is	
		reviewed and authorised by management.	
	xx. Suppliers' statements are reconciled t	· ·	Nil.
	accounts payable monthly and reviewe	- - - - - - - - - -	
	by management.	managers where unpaid invoices have not	
		been authorised and returned to Finance for	
		processing.	
		1	

Key Control and Monitoring Activities Worksheet



Attachment A Key Control Activities and Monitoring Activities Per Section 7 of Local Government Accounting Manual

Risk Area	Key Control Activities	Comments	Further Controls Identified
	xxi. Procedures exist to ensure payments are recorded in the correct period.	Payments made are allocated to the period in which they are raised. A review of any exceptions may be undertaken as part of the end of month rollover process, but more particularly as part of financial year end processes.	Nil.
	xxii. Procedures exist to ensure all bank accounts and signatories are authorised by council.	The only new bank accounts that the City opens relate to new term deposit facilities. In terms of delegation 6D, the Council has delegated authority to the CEO to invest surplus funds in accordance with the Council's Investment Policy; which would necessarily include the establishment of new term deposit accounts as funding availability permits. The Council has also delegated authority to the CEO to make payments from the Municipal and Trust funds; via delegation 6A. In carrying out this function, the CEO also determines account signatories.	Nil.
	xxiii. The accounting policy for when goods should be capitalised is documented and clearly understood by accounting personnel.	Accounting staff are fully aware of the City's various capitalisation thresholds and ensure that costs are allocated accordingly. However, as other employees are not fully conversant with this matter, it can be problematic when developing annual budgets (as operating/capital budgets can be misallocated).	An Asset Capitalisation Operational Practice and Procedure, which clearly sets out the City's capitalisation thresholds and associated requirements, is under development.
	xxiv.Management regularly compares actual purchases (costs and expenses) to budgeted purchases and investigates and documents variances.	Management reports (detailing actual expenditure against year to date budget) are issued to management on a monthly basis for review. Material variances, which cannot be rectified by financial year end, are generally reported to the Council as part of monthly Financial Activity Statement reporting.	Nil.



Attachment A Key Control Activities and Monitoring Activities Per Section 7 of Local Government Accounting Manual

Risk Area	Key Control Activities	Comments	Further Controls Identified
	xxv. Management follows up creditor queries	,	Nil.
	on a timely basis.	to Accounts Payable staff in the first instance, where enquiries cannot be resolved at that	
		level, they are escalated to the relevant	
	xxvi.Management addresses the reasons for	officer/ manager for review and response. Should a creditor account have a debit	NII
	debit balance creditor accounts on a	balance (which rarely occurs), the item will	NII.
	timely basis.	appear on the associated trial balance and	
		will be investigated/ rectified.	



Attachment A Key Control Activities and Monitoring Activities Per Section 7 of Local Government Accounting Manual

	Risk Area	Monitoring Activities	Comments	Further Controls Identified
6.	Annual Budget	Monthly actuals are compared to budget and significant variances fully investigated and explained.	In addition to review as part of the monthly Financial Activity Statement (FAS) reporting, 'actuals to budget' reports (by Directorate) are distributed to Management on a monthly basis for review and comment as required.	Nil.
7.	Financial Reporting	i. Through presentation of the Monthly Financial Activity Statement (FAS) to Council, actual results are compared to budget each month; management reviews, investigates and explains significant variances.	Variance reporting is primarily guided by the Council's adopted reporting threshold of +/-10%, albeit noteworthy variances within the threshold will also be reported and commented upon as relevant. The City's auditors comment that the monthly FAS reporting is of a high quality and provides relevant financial information to Executive Management and the Council.	Nil.
8.	Grants	i. Management regularly reviews all grant income and monitors compliance with both the terms of grants and Council's grants policy (including claiming funds on a timely basis). ii. Through the FAS, grant revenue is	The expenditure of funding in line with associated grant conditions, and subsequent grant acquittal, is administered by responsible Business Unit staff and management. The Council does not have a specific grants policy, nor is it considered that such a policy is required. The Operating, and Non-operating, Grants,	Nil.
		compared to budget; management reviews, investigates and explains significant variances.	Subsidies and Contributions categories form part of monthly FAS reporting, and are reported and commented upon as required.	
9.	Receipting	 i. Income is compared to budget regularly in the FAS; management reviews, investigates and explains significant variances. 	Both operating and 'capital' revenues form part of the monthly FAS reporting, with variances exceeding the reporting threshold being reported and commented upon as relevant.	Nil.
		ii. Statements of accounts receivable are sent to customers enabling review.	In respect of sundry debtors, statements are issued approximately 30 days after invoice	Nil.



Attachment A Key Control Activities and Monitoring Activities Per Section 7 of Local Government Accounting Manual

Risk Area	Monitoring Activities	Comments	Further Controls Identified
		date.	
10. Rates	 Management reviews rates ageing profile on a monthly basis and investigates any outstanding items. 	Rates collection is an ongoing process. The City's outstanding rates ratio continues to be well below generally accepted levels.	Nil.
	 ii. Actual rate revenue is compared to budget; management reviews, investigates and explains significant variances. 	Upon levying, rates revenue is reconciled against the Council's adopted rates model. Subsequent movements in rates revenue is reviewed on a regular basis.	Nil.
	iii. Annual valuation update is balanced prior to the generation of rates; this is reconciled to the rate record and reviewed.	The annual UV and 3 yearly GRV valuation data is always reconciled and balanced prior to the generation of rates. Reconciliations are also undertaken on a monthly basis to capture the changes due to interim valuations.	Nil.
	iv. Interim valuation updates are balanced prior to the generation of the interim rates; this is reconciled to the rate record and reviewed.	Refer activity 10.iii. above.	Nil.
11. Receivables	 Receivables and revenue are compared to budget monthly; management reviews, investigates and explains significant variances. 	In addition to review as part of the monthly Financial Activity Statement (FAS) reporting, 'actuals to budget' reports (by Directorate) are distributed to Management on a monthly basis for review and comment as required.	Nil.
	ii. Management reviews provision for doubtful debts on a regular basis.	The City has not historically raised provisions for doubtful debts. If it is believed that a debt will not be recovered, then it is written off either under delegation or where required, via a formal Council decision.	Nil.
	iii. Management reviews debtors ageing profile on a monthly basis and investigates any outstanding items.	An Aged Trail Balance for sundry debtors is produced on a monthly basis, with this document also incorporating a reconciliation to the General Ledger. Long outstanding	Nil.



Attachment A Key Control Activities and Monitoring Activities Per Section 7 of Local Government Accounting Manual

Risk Area	Monitoring Activities	Comments	Further Controls Identified
		debtors are reviewed to determine the status of recovery action taken.	
	iv. Trade receivables age reconciliation to the general ledger is reviewed at least monthly.	This task is undertaken as part of the monthly review of the ageing of sundry debtors.	Nil.
12. Bank Accounts and Banking	i. Management reviews journal transactions to the bank account.	For efficiency purposes, numerous internal bank deposits (e.g. outstation banking) are journalled in Finance, rather than being receipted at the front counter. Management does not specifically review the associated journal transactions individually, nor other direct payments made, as this task is undertaken as part of the monthly bank reconciliation review.	Nil.
	ii. Management reviews bank reconciliations monthly to confirm large outstanding items are adequately explained and subsequently resolved.	Bank reconciliations for the Municipal, Trust and Restricted Assets bank accounts are completed monthly and reviewed by Management. Processes are also in place to ensure that long outstanding items (e.g. unpresented cheques) are cleared on a regular basis.	Nil.
13. Investments	i. Review the council investment performance regularly.	Investment performance (including rates of return and performance against budget) is reviewed and reported to the Finance Committee on a monthly basis.	Nil.
	ii. Actual investment income compared to budget on a regular basis; management reviews, investigates and explains significant variances.	Comments on investment interest performance form part of the monthly report to the Finance Committee. Where relevant, performance will also be incorporated as part of the monthly FAS reporting.	Nil.
	iii. Investments register maintained in accordance with regulations and	A Register of current Investments is provided to the Finance Committee on a monthly basis	Nil.



Attachment A Key Control Activities and Monitoring Activities Per Section 7 of Local Government Accounting Manual

Risk Area	Monitoring Activities	Comments	Further Controls Identified
	investment policy.	(per i. & ii. above) inclusive of a "Statement of Compliance with Council's Investment Policy 218". The City also maintains numerous supporting spreadsheets to further identify investment transactions (e.g. accrued interest calculations etc.).	
	iv. Reconciliation of investment register to general ledger routinely prepared and reviewed.	A reconciliation of Invested funds to the general ledger is completed and independently reviewed by management on a monthly basis.	Nil.
14. Payroll	 i. Management reviews employee costs against budget on a monthly basis and investigates any outstanding items. 	Managers receive monthly employee cost reports and overall financial performance reports. They are then responsible for noting and managing any variances. All managers also have access to budget data within the TechOne system.	Nil.
	 ii. Each departmental manager performs a regular review of reports detailing all employees listed on payroll master file; all unusual items are investigated. 	Stringent approval processes for appointment and management of employee payroll data, all changes made by payroll with established approvals. Payroll check/identify unusual discrepancies during each pay run. Casual employees on payroll file are reviewed every 6 months.	Nil.
	iii. Salary and hourly payroll reports (including compensation and withholding information) are reviewed and approved by management before payments are approved.	Timesheets are signed off by managers and/or supervisors and at this time they identify any variances. Payroll staff also checks/ identify unusual discrepancies during each pay run. Workers compensation payments are paid as per advice from our insurers. Taxation deductions are processed as per employee advice through Withholding Declarations	Nil.



Risk Area	Monitoring Activities	Comments	Further Controls Identified
	iv. The payroll deduction table data is periodically reviewed by management for accuracy and ongoing pertinence.	Deductions are generally employee driven with no deductions entered without sign off using official payroll deduction forms. Temporary deductions are saved within the Payroll Bring Up file to ensure they are actioned and ceased within approved timeframes.	Nil.
	v. Management reviews a selection of salary sacrifice calculations for accuracy and compliance with statutory requirements; identified errors are promptly corrected.	External salary sacrifice providers do regular checks to confirm employee details to ensure accuracy and compliance with legislation. Superannuation is checked to ensure compliance with thresholds.	Nil.
	vi. Each pay run is reviewed prior to authorisation for payment for consistency with prior pay runs and for abnormal items such as overtime.	Payroll perform an under and over check each fortnight prior to payroll being processed. HR Coordinator and Manager Corporate Services then double checks under and overs report each fortnight prior to signing off pay processing.	Nil.
15. Purchasing, Procurement and Payments	 i. Actual expenditure is compared to budget monthly; management reviews, investigates and explains significant variances. 	In addition to review as part of the monthly Financial Activity Statement (FAS) reporting, 'actuals to budget' reports (by Directorate) are distributed to Management on a monthly basis for review and comment as required.	Nil.
	ii. A list of all payments is prepared and presented monthly to the Council; management reviews, investigates and explains any unusual or large payments.	A List of Payments Made is presented to the Council on a monthly basis, via the Finance Committee in the first instance. Whilst explanations for unusual or large payments are not included in the listing provided to the Council, any requests for specific information on payments made is provided to all Councillors for their information.	Nil.

Key Control and Monitoring Activities Worksheet



Risk Area	Monitoring Activities	Comments	Further Controls Identified
	iii. Management reviews supporting documentation before approving payments.	The City has numerous processes and workflows relating to the authorisation of payments. Invoices must be authorised by a staff member with the necessary financial delegation; prior to an invoice being included in a payment run.	Nil.
16. Trade Payables	Management reviews trade payables ageing profile on a monthly basis and investigates any outstanding items.	An Aged Trail Balance for trade creditors is produced on a monthly basis, with this document also incorporating a reconciliation to the General Ledger. Long outstanding creditors are reviewed to ensure action is taken to clear the same.	Nil.
	ii. Trade payables age reconciliation to the general ledger is reviewed at least monthly.	This task is undertaken as part of the monthly review of the ageing of outstanding trade creditors.	Nil.
17. Fixed Assets	 Management compare actual fixed asset balance to budget; management reviews, investigates and explains significant variances. 	In addition to review as part of the monthly Financial Activity Statement (FAS) reporting, 'actuals to budget' reports (by Directorate) are distributed to Management on a monthly basis for review and comment as required.	Nil.
	ii. Activity recorded in fixed asset register is reviewed by management, including comparison to the capital budget.	A comprehensive reconciliation is undertaken on a monthly basis. Whilst incorporated within the overall reconciliation documentation, capital expenditure performance against budget forms part of monthly Directorate and FAS reporting.	Nil.
	iii. Management regularly reviews valuation of fixed assets (i.e. methodology and useful lives of assets) to ensure that assets' valuation is appropriate and in accordance with Australian Accounting Standards.	The reporting of non-current (fixed) assets at fair value has been mandated, with local governments required to value each asset class in accordance with the regulatory framework (i.e. three year cycle).	Nil.

Key Control and Monitoring Activities Worksheet



Risk Area	Monitoring Activities	Comments	Further Controls Identified
	iv. Management reviews depreciation rates and methodology (at least annually) to ensure that rates and remaining useful lives are reasonable. v. Fixed asset register to the general ledger reconciliation is prepared and reviewed routinely.	Individual assets acquired between initial recognition and the next revaluation of the asset class are carried at cost less accumulated depreciation as management believes this approximates fair value. These assets will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework. This matter is addressed as part of the fair value reporting processes and assets are reassessed annually to ensure that depreciation rates are reasonable and the correct useful lives apply. A comprehensive reconciliation is undertaken monthly, which is reviewed and authorised by management.	Nil.
18. Borrowings	 i. Borrowings actual and interest charges are compared to budget monthly; management reviews, investigates and explains significant variances. 	The annual budget is developed in line with existing loan repayment schedules. However, repayments on new loans are based on interest rate and drawdown timing projections. Consequently, variances will only be evident in relation to new loans. As required, variances are reported as part of the monthly FAS.	Nil.
19. Journals	 All journals are independently reviewed (including checks to ensure correct account allocation) and contain sufficient support information. 	Staff within the Finance Department have varying levels of authority to process journals; without the need for independent review. However, all journals are printed and filed, along with relevant documentation supporting the purpose/ reason for the journal.	As previously mentioned under point 1. (ii) It is considered prudent to formally compile a monthly report listing of all journals posted on a periodic basis for management's perusal/ authorisation. This will ensure that efficiencies remain with regard to the timely processing of all required journals, whilst also adding assurances that the journals are being



Attachment A Key Control Activities and Monitoring Activities Per Section 7 of Local Government Accounting Manual

Risk Area	Monitoring Activities	Comments	Further Controls Identified
20. General IT Risks	Regular IT audits performed focusing on data accuracy, retention, recovery and security. Results of these IT Audits reviewed by management and action plan promptly implemented.	Regular audits are undertaken in relation to business systems data, backup and recovery operations and IT security principles and systems, by both internal and external resources	reviewed and are in accordance with expected practices and consistent with set budget constraints. Whilst regular audits are conducted across all City managed systems and infrastructure, modern technologies have seen systems move outside of the City infrastructure and it is considered prudent the management of these systems be documented.



CITY OF BUSSELTON

External Penetration Test Report

April 13, 2016

Presented To:

Simon Clarke
IT Ops Manager
City of Busselton
Locked Bag 1
Busselton, WA 6280
Simon.carke@busselton.wa.gov.au
(089) 781-0369

Submitted By:

Matthew Romanek
Senior Principal Consultant
Dell SecureWorksDell SecureWorks
One Concourse Parkway
Suite 500
Atlanta, GA 30328
877.905.6661
mromanek@secureworks.com
562.600.0107

City of Busselton Digital Penetration Test Results

City of Busselton

External Penetration Test Report

Report Disclaimer Statement

Customer shall own all right, title, and interest in and to any written summaries, reports, analyses, and findings or other information or documentation prepared for Customer in connection with Dell SecureWorks' provision of the Consulting Services to Customer (the "Customer Reports"). The provision by Customer of any Customer Report or any information therein to any unaffiliated third party shall not entitle such third party to rely on the Customer Report or the contents thereof in any manner or for any purpose whatsoever, and Dell SecureWorks specifically disclaims all liability for any damages whatsoever (whether foreseen or unforeseen, direct, indirect, consequential, incidental, special, exemplary or punitive) arising from or related to reliance by any third party on any Customer Report or any contents thereof.

Copyrights and Trademarks

© 2016 Dell Inc. All rights reserved. Trademarks and trade names may be used in this document to refer to either the entities claiming the marks and names or their products. Dell and its affiliates disclaim responsibility for errors or omissions in typography or photography. Dell and its affiliates' terms and conditions of sale apply. A printed hard copy of Dell's terms and conditions of sale is available upon request.



176

City of Busselton

External Penetration Test Report

Table of Contents

1. Exe	cutive	Overview		
1.1.	1. Summary of Findings			
1.2.	1.2. Summary of Recommendations			
2. Exte	2. External Penetration Test			
2.1. Network Autopsy				
2.2.	Metho	odology		
2.2.	1.	Scope Validation		
2.2.	2.	Vulnerability Analysis		
2.2.	3.	Manual Verification4		
2.2.	4.	Exploitation		
2.3.	Rules	of Engagement		
2.4.	Narra	tive4		
2.5.	Key F	indings and Recommendations4		
2.5.	1.	Critical-Severity Findings4		
2.5.	2.	High-Severity Findings5		
2.5.	3.	Medium-Severity Findings5		
2.5.	4.	Low-Severity Findings5		
2.5.	5.	Informational-Severity Findings		
2.6.	Open	Ports		
Appendix	κ Α :	Key Terms8		
A.1	CVSSv	2 - Common Vulnerability Scoring System		
A.2	Defin	itions		
A.3	A.3 Severity Ratings			



City of Busselton

External Penetration Test Report

1. Executive Overview

City of Busselton (Busselton) contracted with Dell SecureWorks to perform the following security assessment task:

External Penetration Test

The security engagement occurred during the period from April 4, 2016, to April 8, 2016. The objective of this engagement was to identify vulnerabilities in Busselton's systems and network security that both internal and external adversaries could exploit.

Dell SecureWorks determined that minimal services are externally accessible on the targets provided by Busselton, and that Busselton is actively engaged in the use of automated technologies that help to prevent common information-gathering and vulnerability-enumeration activities. This appears to have impacted Dell SecureWorks' ability to identify and exploit vulnerabilities within Busselton 's public-facing environment, and should additionally help to limit the attack surface for all external threats. However, these technologies may also mask additional vulnerabilities of the underlying systems during legitimate vulnerability assessment activities. The identified targets appear to present limited or no direct security risk to the environment.

During the course of the assessment, Dell SecureWorks identified a minor set of vulnerabilities on one host relating to the encryption services provided by the Secure Sockets Layer(SSL) protocol. These vulnerabilities do not constitute a direct threat to the security of the environment, but in certain circumstances could allow an eavesdropper to defeat the encryption provided by the SSL protocol.

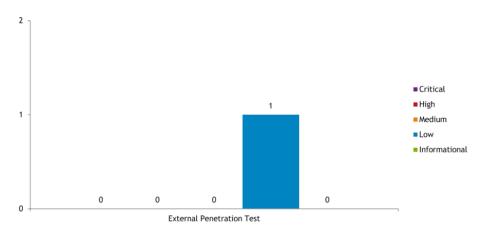
It is important to note that this report is not an objective measure, but is solely based upon observation and experience; it does not cover areas deemed out of scope or issues beyond the capabilities of this methodology.

1.1. Summary of Findings

A high-level overview of the results is presented below. Detailed results can be found in subsequent sections of this document.







178

External Penetration Test: Dell SecureWorks identified zero (0) critical-severity findings, zero
 (0) high-severity findings, zero (0) medium-severity findings, one (1) low-severity finding, and
 zero (0) informational-severity findings.

1.2. Summary of Recommendations

Dell SecureWorksDell SecureWorks provides the following recommendations to help maintain and improve upon Busselton's current security level:

- Disable support for SSLv3, which is no longer considered secure.
- Disable support for RC4-based ciphers.



City of Busselton

External Penetration Test Report

2. External Penetration Test

During the period from April 4, 2016, to April 8, 2016, Dell SecureWorks performed a technical network security assessment against a predetermined set of targets, including the IPs and hosts:

179



2.1. Network Autopsy

The target scope consists of three IPs which appear to represent endpoint firewalls used for inbound VPN and SMB traffic. Though services are listening on common web service ports, no applications are accessible by IP-based addressing.

Connections to these hosts are monitored by some form of security monitoring system that shuns source IPs when it detects scanning. It appears to use rate-limiting, in that it blocks traffic sent above a certain rate that it allows at a much lower rate. It also uses some form of attack recognition, where it instantly shuns a source that sends certain types of probing traffic used to identify vulnerabilities.

2.2. Methodology

The assessment consisted of several phases, each detailed below along with the methodology, associated findings, and subsequent recommendations. Dell SecureWorks utilizes the Penetration Testing Execution Standard (PTES) as the standard basis for penetration testing execution. The standard can be found here: http://www.pentest-standard.org.

Tools utilized are covered in the Penetration Testing Execution Standard Technical Guidelines (PTES-G), which can be found here:

http://www.pentest-standard.org/index.php/PTES_Technical_Guidelines

2.2.1. Scope Validation

This step validates the target list provided. This is a safety measure and ensures the accuracy of subsequent findings. Activities included were:

- Ping sweeps and route tracing
- Footprinting of networks and systems
- Internet domain name registration searches
- Internet registry number searches
- Domain name service (DNS) lookups

2.2.2. Vulnerability Analysis

Vulnerability testing is the process of discovering flaws, in systems and applications, that can be leveraged by an attacker. These flaws can range anywhere from host and service misconfiguration to insecure application design. The process used to look for flaws varies and is highly dependent on the particular component being tested.



City of Busselton Digital Penetration Test Results

City of Busselton

External Penetration Test Report

2.2.3. Manual Verification

Automated scanning tools occasionally fail to report some vulnerabilities. Therefore, manual verification does not rely on automated scanning. A testing methodology that solely relies on automated scan results can give a false sense of security.

Automated scanning tools often report false positives - reported vulnerabilities that are not actually present. For vulnerabilities discovered through automated scanning, manual verification ensures report findings are accurate and that the vulnerabilities reported are an accurate representation of your environment. Without this often-overlooked step, time may be wasted attempting to remediate vulnerabilities that don't exist.

2.2.4. Exploitation

The exploitation phase of the penetration test focuses solely on establishing access to a system or resource by bypassing security restrictions. The main focus is to identify the main entry point into the organization and to identify high-value target assets. Ultimately, the attack vector should take into consideration the success probability and highest impact on the organization.

2.3. Rules of Engagement

Systems were assessed and exploited to the extent described in the methodology. Any deviations from the stated methodology are noted in this section.

2.4. Narrative

Dell SecureWorks began testing by attempting to discover what services are offered by the target hosts by running a simple nmap scan. The lack of results from this test was the first indication of the shunning behavior of the IPS. By reducing the speed of the scan and varying the source IPs, Dell SecureWorks was able to work around this detection method to determine a list of open ports as described in section 2.6.

Dell SecureWorks then attempted to fingerprint those identified services. This is typically done by sending a series of malformed packets to a host and recording the ways in which it responds. Taken together, those responses create a fingerprint profile that can be used to identify underlying software. In this case, the IPS recognized the non-standard traffic and again shunned the source device, preventing the fingerprinting from being successful.

Over the course of several days, using variety of tools and source IPs so as to avoid the IPS as much as possible, Dell SecureWorks attempted to identify vulnerabilities on the enumerated services. Automated scanning software was typically very quickly blocked, but slower, manual testing was typically able to get through as long as the traffic appeared legitimate. Though this allowed for some testing, such as the cipher enumeration that was used to discover the vulnerabilities described in section 2.5, to succeed, the bulk of the testing only resulted in source address shunning.

2.5. Key Findings and Recommendations

The following set of tables lists key findings identified during the assessment, describes their severity, provides a remediation plan, and lists additional information where applicable.

2.5.1. Critical-Severity Findings

No critical-severity vulnerabilities were identified.

SecureWorks

City of Busselton Digital Penetration Test Results

181

City of Busselton

External Penetration Test Report

2.5.2. High-Severity Findings

No high-severity vulnerabilities were identified.

2.5.3. Medium-Severity Findings

No medium-severity vulnerabilities were identified.

2.5.4. Low-Severity Findings

2.5.4.1. Insecure Cryptographic Ciphers and Protocols

Insecure Cryptographic Ciphers and Protocols		Severity	CVSSv2
		Low	2.6
	The HTTPS web services on the affected systems are using the SSLv3 and/or SSLv2 protocols, which are insecure.		ffected
	SSLv3 is vulnerable to multiple attacks, including:	220.101.7.1	8
Description	 The POODLE (Padding Oracle On Downgrade Legacy Encryption) attack. The BEAST (Browser Exploit Against SSL/TLS) attack. 		
In addition to the insecure protocols, the servers are using insecure ciphers. Insecure ciphers are those with the following weaknesses:			
	 Ciphers that use the RC4-based encryption. 		
	Reconfigure the web services to use secure protocols and strong ciphers.		
Remediation	The links in the reference section of this finding provide various guides for configuring web servers with the optimal encryption protocols and ciphers.		

Reference

https://www.owasp.org/index.php/Transport_Layer_Protection_Cheat_Sheet

 $\underline{https://www.ssllabs.com/downloads/SSL_TLS_Deployment_Best_Practices.pdf}$

http://nvipubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-52r1.pdf

http://weakdh.org/

Notes

In the truncated example below, we use the sslscan tool to quickly enumerate supported protocols and ciphers. We have highlighted key parts that illustrate the above-mentioned issues.

Supported Server Cipher(s):

Accepted SSLv3 128 bits RC4-SHA

Accepted SSLv3 128 bits RC4-MD5

Accepted SSLv3 112 bits DES-CBC3-SHA

Accepted TLSv1.0 256 bits ECDHE-RSA-AES256-SHA

Accepted TLSv1.0 256 bits AES256-SHA

Curve P-256 DHE 256



City of Busselton External Penetration Test Report

Insecure Cr	yptographic	Ciphers and	Protocols		Severity	CVSSv
					Low	2.6
Accepted	TLSv1.0	128 bits	ECDHE-RSA-AES128-SHA	Curv	re P-256 D	HE 256
Accepted	TLSv1.0	128 bits	AES128-SHA			
Accepted	TLSv1.0	128 bits	RC4-SHA			
Accepted	TLSv1.0	128 bits	RC4-MD5			
Accepted	TLSv1.0	112 bits	DES-CBC3-SHA			
Accepted	TLSv1.1	256 bits	ECDHE-RSA-AES256-SHA	Curv	re P-256 D	HE 256
Accepted	TLSv1.1	256 bits	AES256-SHA			
Accepted	TLSv1.1	128 bits	ECDHE-RSA-AES128-SHA	Curv	re P-256 D	HE 256
Accepted	TLSv1.1	128 bits	AES128-SHA			
Accepted	TLSv1.1	128 bits	RC4-SHA			
Accepted	TLSv1.1	128 bits	RC4-MD5			
Accepted	TLSv1.1	112 bits	DES-CBC3-SHA			
Accepted	TLSv1.2	256 bits	ECDHE-RSA-AES256-SHA384	Curv	re P-256 D	HE 256
Accepted	TLSv1.2	256 bits	ECDHE-RSA-AES256-SHA	Curv	re P-256 D	HE 256
Accepted	TLSv1.2	256 bits	DHE-RSA-AES256-GCM-SHA384	DHE	1024 bits	
Accepted	TLSv1.2	256 bits	AES256-GCM-SHA384			
Accepted	TLSv1.2	256 bits	AES256-SHA256			
Accepted	TLSv1.2	256 bits	AES256-SHA			
Accepted	TLSv1.2	128 bits	ECDHE-RSA-AES128-SHA256	Curv	re P-256 D	HE 256
Accepted	TLSv1.2	128 bits	ECDHE-RSA-AES128-SHA	Curv	re P-256 D	HE 256
Accepted	TLSv1.2	128 bits	DHE-RSA-AES128-GCM-SHA256	DHE	1024 bits	
Accepted	TLSv1.2	128 bits	AES128-GCM-SHA256			
Accepted	TLSv1.2	128 bits	AES128-SHA256			
Accepted	TLSv1.2	128 bits	AES128-SHA			
Accepted	TLSv1.2	128 bits	RC4-SHA			
Accepted	TLSv1.2	128 bits	RC4-MD5			
Accepted	TLSv1.2	112 bits	DES-CBC3-SHA			

182

2.5.5. Informational-Severity Findings

No information-severity findings were identified.



City of Busselton

External Penetration Test Report

2.6. Open Ports

At the time of the assessment, the following systems and services were identified:

IP Address	Hostname (if resolved)	Protocol	Port	Service
220.101.7.17	220.101.7.17	ТСР	25	smtp
		ТСР	80	http
		ТСР	465	smtps
		ТСР	587	submission
		ТСР	4443	pharos
220.101.7.18	220.101.7.18	ТСР	25	smtp
		ТСР	443	https
		ТСР	465	smtps
		ТСР	587	submission
		ТСР	4443	pharos
61.88.8.54	mail.busselton.wa.gov. au	ТСР	25	smtp
		ТСР	80	http
		ТСР	443	https
		ТСР	465	smtps
		ТСР	587	submission



City of Busselton

External Penetration Test Report

Appendix A: Key Terms

A.1 CVSSv2 - Common Vulnerability Scoring System

Dell SecureWorksDell SecureWorks captures the characteristics of vulnerabilities consistent with CVSSv2 (http://www.first.org/cvss) across the assessed environments. CVSSv2 provides a universal, open, and standardized method for rating IT vulnerabilities. CVSS helps organizations prioritize and coordinate a joint response to security vulnerabilities, by communicating the properties of a vulnerability. An overall severity rating of high, medium, or low is then assigned, based upon the CVSSv2 score.

184

A.2 Definitions

The following terms and ratings are used to describe each vulnerability that was found:

Systems/URLs Affected: Describes by name, URL, or Internet Protocol (IP) Address the systems which are affected by the named vulnerability.

Description: A detailed explanation of the vulnerability and possible consequences of its successful exploitation.

Remediation: Describes possible or suggested steps to take to resolve the vulnerability.

Reference: If additional outside information is available, such as that found on websites, it will be listed here.

Notes: Where applicable, additional detail or clarifying information is included.

A.3 Severity Ratings

The following table defines Dell SecureWorksDell SecureWorks Severity Ratings as used throughout this report.



185

City of Busselton

External Penetration Test Report

Severity	Attributes
Critical	 Evidence of previous compromise (active incident). Exploitation results in a disclosure of sensitive information or can pose a severe impact to Client's reputation. Business Critical systems are heavily impacted, with the ability to alter information or change system settings. The issue described resulted in a complete system compromise that gave the attacker the highest-level user privileges on the system. The vulnerability resides directly on business critical systems. Exploitation is trivial with publically available exploit code, or no exploit code is needed. No authentication is required to exploit the vulnerable service or application. Client has no countermeasures in place to defend against this successful attack, or the deployed countermeasures were ineffective.
High	 Exploitation may result in a disclosure of sensitive information, or may impact Client's reputation. The issue described results in user-account or system compromise. Exploitation is trivial with publically available exploit code, or no exploit code is needed. No authentication is required or authentication is easily guessed/bypassed. Client has no countermeasures in place to defend against this successful attack, or the deployed countermeasures were ineffective.
Medium	 Exploitation may result in the disclosure of a limited amount of moderately sensitive information. Exploitation requires a skilled attacker. Exploitation is non-trivial, and known exploit code either does not exist, or needs to be heavily modified to work effectively. Client has countermeasures in place that might impede this attack. Another attack vector is needed for successful exploitation, such as: Client interaction Social Engineering Network or system misconfiguration
Low	 Critical client information/data is not directly at risk. Requires several additional attack vectors, or one very complicated/rare vector, such as: Control of the client system's internet connection Man-in-the-Middle access Previous compromise of a system Insider access/knowledge Exploitation is extremely difficult and/or time and resource intensive. Client has countermeasures in place that prevent exploitation.
Informational	 Information that may be of interest to an attacker. May provide data that can be used in conjunction with another attack. Can aid in a higher-severity vulnerability



Attachment C



186

This Certificate recognizes that

City of Busselton Australia

has completed a Software Asset Management engagement. As a result, no further license review should be required for a period of twelve months from the date below.

3/15/2016

Jacki Cerrence

Jackie Carriker Sr. Director - Software Asset Management

Microsoft

10.6 Audit Committee - 26/10/2016 - LOCAL GOVERNMENT (AUDIT) REGULATION 17 - AUDIT OF LEGISLATIVE COMPLIANCE

SUBJECT INDEX: Reporting and Compliance

STRATEGIC OBJECTIVE: Governance systems that deliver responsible, ethical and accountable

decision-making.

BUSINESS UNIT: Finance and Corporate Services

ACTIVITY UNIT: Governance Support

REPORTING OFFICER: Director, Finance and Corporate Services - Matthew Smith **AUTHORISING OFFICER:** Director, Finance and Corporate Services - Cliff Frewing

VOTING REQUIREMENT: Simple Majority

ATTACHMENTS: Attachment A Legislative Compliance Report - Local Government Act

1995 and Associated Regulations !

This item was considered by the Audit Committee at its meeting on 26 October 2016, the recommendations from which have been included in this report.

PRÉCIS

Regulation 17 of the *Local Government (Audit) Regulations* (the "Audit Regulations") requires the Chief Executive Officer to review the appropriateness and effectiveness of a local government's systems and procedures in relation to several matters, including legislative compliance. The results of the review are to be reported to the Audit Committee for review and deliberation, prior to formal presentation to the Council.

The first review of the City's legislative compliance was submitted to the Audit Committee in December 2014 and was ultimately considered at the Council meeting of 28 January 2015. However Regulation 17 requires that the City's legislative compliance systems, along with risk management and internal compliance systems, be reviewed at least once every two years. Thus a second review has recently been undertaken by officers.

This report presents the Audit Committee with the results of the second review of the appropriateness and effectiveness of the City's systems and procedures in respect to legislative compliance.

BACKGROUND

In February 2013, several amendments to the Audit Regulations were made. At this time, a new Regulation number 17 was effected, requiring the CEO to review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal control and legislative compliance; with the results of the review to be reported to the Audit Committee.

In order to be compliant with the new review and reporting requirements, the initial review of the City's legislative compliance was presented to the Audit Committee on 11 December 2014 and then to the Council on 28 January 2015. This report is now presented to the Audit Committee and the Council in order to meet the requirements of Regulation 17 of the Audit Regulations that systems in relation to legislative compliance be reviewed once at least every two calendar years.

The same approach has been taken to this second review as was taken upon the initial review of the City's legislative compliance. That is, officers have primarily relied on the outcome of the Annual Statutory Compliance Audit Return for the most recent calendar year, which was conducted in March 2016. This return and the external Auditor's report and review of the Statutory Compliance Audit was presented to Council at the meeting held on 23 March 2016 (item 10.7) and approved. In addition to

this, officers have undertaken a broader review of compliance with the *Local Government Act* and associated regulations utilising the format of the older version of the Statutory Compliance Audit Return (Attachment A) which used to include questions in relation to a much larger number of provisions of the *Local Government Act* and regulations. Similarly to last time, the Officer Comment section of this report also makes reference to a number of management systems and approaches which the City utilises to endeavour to ensure understanding of and compliance with the vast range of other legislation which regulates and impacts on the City's operations.

STATUTORY ENVIRONMENT

The *Local Government (Audit) Regulations* now require local governments to present formal reports from the CEO to its Audit Committee. The regulations provide:

17. CEO to review certain systems and procedures

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to –
- (a) Risk management; and
- (a) Internal control; and
- (b) Legislative compliance.
- (2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.
- (3) The CEO is to report to the audit committee the results of that review.

In addition to the new regulation, a further subregulation was also introduced as part of existing Regulation 16, further clarifying the Audit Committee's actions upon receipt of the aforementioned report from the CEO. This addition is detailed as follows:

16. Audit committee, function of

- (c) is to review a report given to it by the CEO under regulation 17(3) (**the CEO's report**) and is to -
- (i) Report to the council the results of that review; and
- (ii) Give a copy of the CEO's report to the Council.

This report provides an overview of the organisation's compliance with a range of requirements in the *Local Government Act 1995* and its associated regulations, including *Elections Regulations, Administration Regulations, Financial Management Regulations and Functions and General Regulations.*

RELEVANT PLANS AND POLICIES

A number of Council Policies guide activities which have assisted the organisation to remain compliant with a range of provisions of the Act and Regulations. These include, but are not limited to, the Fees, Allowances and Expenses for Elected Members Policy, Purchasing Policy, Regional Price Preference Policy, Meetings, Information Sessions and Decision-making Processes Policy, Complaints Handling Policy and the Code of Conduct.

FINANCIAL IMPLICATIONS

There are no direct financial implications associated with the recommendations as detailed within this report.

Long-term Financial Plan Implications

Nil

STRATEGIC COMMUNITY OBJECTIVES

Ensuring understanding of and compliance with the legislation impacting on the operations of the City is consistent with key goal area 6 of the City's Strategic Community Plan 2013 (Reviewed 2015) and in particular Community Objective 6.2 "Governance systems that deliver responsible, ethical and accountable decision-making".

RISK ASSESSMENT

There are no risks of a medium or higher level identified as part of this review, noting that a separate report will be put to the Audit Committee and Council in respect of the second review of the systems and procedures relating to risk management, which discusses the City's procedures for identifying and dealing with risks associated with the City's operations.

CONSULTATION

Not applicable as this report relates to a review of internal operational statutory compliance.

OFFICER COMMENT

A similar approach has been taken in respect of the second review of the appropriateness and effectiveness of the City's systems and procedures in relation to legislative compliance, as was taken at the initial review in 2014. The primary focus of the review has been on the Statutory Compliance Audit Return which the City has most recently completed, in this case being the return completed in March 2016 and the report from the external auditor accompanying that return. In addition, officers have completed the broader format of the Compliance Audit Return that used to be required by the Department of Local Government until 2011. This broader format contains many additional questions dealing with many aspects of the City's operations and their compliance with legislative requirements. The broader Compliance Audit Return is shown at Annexure A, noting that the format in this Annexure only contains questions which are additional to the current Compliance Audit Return and generally officers have not doubled up and answered the same question in both forms.

In his report, Lindsay Delahaunty, the external consultant appointed by the City to review the most recent (2015 Statutory Compliance Return), noted that "overall the City has continued to attain a high level of compliance in the areas under review and all supporting documentation has been maintained to a high standard". In his report Mr Delahaunty noted a range of statutory processes in respect of which he had reviewed all relevant documentation and come to the view that the City was fully compliant, including a number of property disposals under the *Local Government Act*, the tender register and a number of specific tender and expression of interest processes and an extensive review of the Council and Committee meetings minutes and agendas. The very good outcome and extremely high level of statutory compliance noted in this review should give the Council a high level of confidence in the internal systems and procedures of the City which are aimed to ensure legislative compliance.

A similar result has been achieved in the broader review of statutory and regulatory compliance contained at Annexure A. While it is noted that at the time of completing the broader review, some of the questions related to matters which were not currently relevant to the City's operations and other requirements were still in the process of being complied with, generally the outcome of the review demonstrates the City's high level of statutory compliance with only relatively minor issues of concern being noted.

While the City is formed as a statutory body under the *Local Government Act* and the Act and Regulations contain many of its key statutory functions, there is a broad range of other State and Federal laws that the City carries out statutory processes under or which otherwise impact on the City's operations.

A small snapshot of some of the other Acts that the City implements or adheres to is provided below:

- Bush Fires Act 1954
- Caravan Parks and Camping Grounds Act 1995
- Cat Act 2011
- Cemeteries Act 1986
- Dog Act 1976
- Emergency Management Act 2005
- Environmental Protection Act 1986
- Health Act 1911
- Land Administration Act 1997
- Liquor Control Act 1988
- Litter Act 1979
- Local Government (Miscellaneous Provisions) Act 1960
- Occupational Safety and Health Act 1984
- Planning and Development Act 2005
- Public Interest Disclosure Act 2003
- Rail Safety Act 2010
- State Records Act 2000
- Strata Titles Act 1985

There are a variety of processes and procedures that the City has in place in respect of these pieces of legislation and a variety of ways in which the City ensures that it complies with them. For example, many of the City's development consent and scheme amendment processes are carried out in accordance with the *Planning and Development Act 2005* and the City of Busselton Local Planning Scheme No. 21 which is delegated legislation made under that Act. Those statutory processes are reflected in a number of the City's business systems which are automated through the City's information technology systems, including document retention and retrieval process and online applications. Further, the City relies on employing qualified staff who are trained in and are aware of these statutory requirements and the requirement for this knowledge is reflected in the position descriptions for those staff, as is their authority to act in accordance with these laws.

A similar approach is taken in respect of Environmental Health Officers under the *Health Act 1911*, who are required to be sufficiently qualified to carry out processes under that Act and who in many instances require written authorisation reflecting this, which is held by the City. The statutory processes relevant to the City's Busselton and Dunsborough cemeteries under the *Cemeteries Act 1986* are reflected in written procedures and to some degree enshrined in IT business systems. The City has many occupational safety and health policy documents and guidelines which reflect the requirements of the *Occupational Safety and Health Act 1984* and again the City employs an OSH and Risk Officer who must be qualified and have sufficient knowledge in respect of the legislative requirements of that Act as they relate to the City's operations.

As well as making use of appropriately qualified officers who have appropriate knowledge, skills and training, and designed information technology software systems or documented internal processes, the City sometimes also utilises systems and guidelines designed by relevant State or Federal regulatory bodies to ensure statutory compliance with the legislation they regulate. Thus, for example, in order to ensure compliance with *Public Interest Disclosure Act 2003*, the City has a designated Public Interest Disclosure Officer who has received the appropriate training from the regulatory body and utilises guidelines and manuals published by the regulatory body in conjunction with the City's own information and guidelines which are on the City's intranet and external website. Similarly, many of the City's dealings in property involve carrying out processes under the *Land Administration Act 1997* and other legislation relevant to dealings involving State land and the City, as well as utilising the skills of officers knowledgeable in these areas, retains an up to date copy of the Land Titles Registration Practice Manual produced by Landgate which identifies the forms and processes required in relation to dealings in land.

These are examples of some of the ways in which the City ensures compliance with the requirements and processes of the various legislation which it is involved in the implementation of or has to comply with in carrying out City processes. Ultimately the City relies on a combination of properly structured and configured IT business systems, documented processes and procedures and appropriately qualified, knowledgeable and authorised staff (whose position descriptions reflect the necessary qualifications and skills for their role) to ensure it complies with the many and varied laws impacting on its operations.

CONCLUSION

The Statutory Compliance Returns, both the most recent Annual Return for the 2015 calendar year and the more detailed review carried out for the purpose of this report, demonstrate the generally very high level of statutory compliance which the City achieves in relation to a range of key legislative functions. The high standard of statutory compliance in the City's operations was also noted by the external auditor appointed by the City to review the 2015 Annual Compliance Return.

In addition to this, the Officer Comment section of this report details the approach the City takes to ensuring compliance with a range of different types of legislation which the City implements or has to comply with in carrying out its operations. Achieving compliance in relation to these laws primarily relies on the knowledge and skills of the appropriately qualified officers the City employs and the systems and processes they help design and oversee.

Officers believe that the information provided in this report, together with the Compliance Returns and independent report, sufficiently demonstrates that the City has appropriate and effective systems and procedures in place to ensure legislative compliance in respect of its operations.

OPTIONS

The recommendation is for the report to be received and noted and then provided to the Council. The Audit Committee may determine that more information is required prior to presenting the report to Council.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The recommendation is effective upon receipt of the report by the Audit Committee and the Council.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

That the Audit Committee note the contents of this report in relation to the review of legislative compliance as required by Regulation 17 of the Local Government (Audit) Regulations (1996).

Additional Local Government Act and Regulations Compliance Report

Reference to Statute	Question	Response	Comments
Disclosure of Interest			•
S5.66(b) Local Government Act 1995	Did the person presiding at the meeting, on all occasions, when given a member's written financial interest disclosure by the CEO, bring its contents to the attention of the persons present immediately before any matters to which the disclosure relates were discussed	Yes	Recorded in relevant meeting minutes.
S5.71(a) Local Government Act 1995	Did the CEO disclose to the Mayor or the President the nature of the interest as soon as practicable after becoming aware that he or she has an interest in the matter to which the delegated power or duty related	NA	
S5.71(b) Local Government Act 1995	Did an employee disclose to the CEO the nature of the interest as soon as practicable after becoming aware that he or she had an interest in the matter to which the delegated power or duty related	NA	
S5.71 Local Government Act 1995	On all occasions were delegated powers and duties not exercised by employees that had an interest in the matter to which the delegated power or duty related	Yes	
Elections			
S4.17(3) Local Government Act 1995	Was approval sought from the Electoral Commissioner where Council allowed a vacancy to remain unfilled as a result of a Councillor's position becoming vacant under S2.32 and in accordance with S4.17(3)(a) and (b)	NA	
S4.20(2) Local Government Act 1995	Did the local government appoint a person other than the CEO to be the returning officer of the local government for an election or all other elections held while that appointment applied, after having written agreement of the person concerned and the Electoral Commissioner	NA	The election was conducted by the Western Australian Electoral Commission as a postal election and not as an in-person election requiring the internal appointment of a returning officer.
S4.20(4) Local Government Act 1995	Did the local government declare the Electoral Commissioner to be responsible for the conduct of an election, after having first obtained the written agreement of the Electoral Commissioner	Yes	The City of Busselton had a pre-existing written agreement in place with the Electoral Commissioner.
S4.20(5) Local Government Act 1995	Where a declaration had not already been made, was a declaration made under S4.20(4) prior to the 80th day before the election day	NA	Refer to comment above.
S4.32(4) Local Government Act 1995	Did the CEO, within 14 days after receiving a claim for enrolment, decide whether the claimant was eligible or not eligible under S4.30(1)(a) and (b) and accept or reject the claim accordingly	Yes	

Additional Local Government Act and Regulations Compliance Report

Reference to Statute	Question	Response	Comments
nererence to statute	a control		Comments
S4.32(6) Local Government Act 1995 and Elections Regulation 13	Did the CEO record on all occasions the decision in the owners and occupiers register in accordance with Regulation 13 of the Local Government (Elections) Regulations 1997 and give written notice of the decision to the claimant without delay, for eligibility to enrol	Yes	
S4.32(5) Local Government Act 1995	Did the CEO give written notice to the person before making a decision under subsection (1)(c) and allow 28 days for the person to make submissions on the matter	NA	
S4.35(3) Local Government Act 1995	Did the CEO after making a decision under subsection (1)(c) give written notice of it to the person	NA	
S4.35(5) Local Government Act 1995	Did the CEO, on receipt of advice of the Electoral Commissioner's decision on an appeal, take any action necessary to give effect to that decision	NA	No appeals processed.
S4.35(6) Local Government Act 1995	Did the CEO give written notice on all occasions to the person, where after considering submissions made under subsection 2, the CEO decided that the person was still eligible under S4.30 to be enrolled to vote at elections for the district or ward	NA	
S4.35(7) Local Government Act 1995	Did the CEO, on all occasions, record any decision under subsection (1) or (6) in the register referred to in S4.32(6)	Yes	All adjustments made on the basis of ineligibility or death have been recorded in the register.
S4.39(2) Local Government Act 1995	Did the CEO on or after the 70th day, but no later than the 56th day give statewide public notice of the time and date of the close of enrolments	Yes	This was undertaken by the Electoral Commission under the contract for electoral services, however, the notice was also advertised locally by the City of Busselton.
S4.41(1) Local Government Act 1995	Did the CEO prepare an owners and occupiers role for the election on or before the 36th day before election day	Yes	While the election was conducted by the Electoral Commission, this matter remains a responsibility of the CEO. The owners and occupiers role which records all eligible voters due to being an absentee landowner or lessee of rateable property is prepared by the CEO and sent to the Commission to be combined with the residents' role for voting eligibility purposes.
S4.41(2) Local Government Act 1995	Did the CEO certify that the owners and occupiers roll included the names of all persons who were electors of the district or ward under S4.30 at the close of enrolments	Yes	

Additional Local Government Act and Regulations Compliance Report

Reference to Statute	Question	Response	Comments
S4.43(1) Local Government Act 1995	Where the CEO was returning officer (RO) and the rolls were not consolidated, did the RO delete the names of any person from the owners and occupiers roll whose name also appeared on the residents roll on or before the 22nd day before election day	NA	
S4.47(1) Local Government Act 1995	Where the CEO was RO, did the RO give statewide public notice calling for nominations of candidates for the election on or after the 56th day before election day but no later than the 45th day before election day	NA	The CEO was not RO. This was undertaken by the Electoral Commission under the contract for electoral services, however, the notice was also advertised locally by the City of Busselton
S4.47(2)(a) Local Government Act 1995	Did the notice referred to in S4.47(1) calling for nominations specify the kind of election to be held and the vacancy or vacancies to be filled	Yes	
S4.47(2)(b) Local Government Act 1995	Did the notice referred to in S4.47(1) calling for nominations specify the place where nominations may be delivered or sent	Yes	
S4.47(2)(c) Local Government Act 1995	Did the notice referred to in S4.47(1) calling for nominations specify the period within which nominations had to be delivered or sent	Yes	
S4.47(2)(d) Local Government Act 1995	Did the notice referred to in s4.47(1) calling for nominations specify any other arrangements made for the receipt by the returning officer of nominations	NA	
S4.61(2) Local Government Act 1995	Did the Council of the local government, where it decided to conduct the election as a postal election, make that decision by absolute majority	Yes	The decision to appoint the Electoral Commissioner to conduct all elections within a specified period was made by absolute majority
S4.61(3) Local Government Act 1995	Where a decision was made under s4.61(2) and a relevant declaration had not already been made, was that decision made prior to the 80th day before election day	NA	The agreement was already in place
S4.64 Local Government Act 1995	Where the CEO was RO, did the RO give Statewide public notice (election notice) as soon as practicable after preparations for the election, but no later than on the 19th day before election day, in accordance with regulations that included details of how, when and where the election would be conducted and the names of the candidates	Yes	The CEO was not RO. This was undertaken by the Electoral Commission under the contract for electoral services, however, the notice was also advertised locally by the City of Busselton.
Local Government (Elections) Regulation 7	Did a person, before acting as an electoral officer, make the required declaration as stated in election regulation 7	Yes	
Local Government (Elections) Regulation 8(2)	Where the CEO was RO, did the RO prepare and adopt a Code of Conduct for any Extraordinary Elections	NA	
Local Government (Elections) Regulation 8(3)	Where the CEO was RO, did the RO provide each electoral officer a copy or access to a copy of the electoral code of conduct for any Extraordinary Elections	NA	

Additional Local Government Act and Regulations Compliance Report

Reference to Statute	Question	Response	Comments
Local Government (Flections) Regulation	Has the relevant information as listed in Election Reg 13 been recorded in the owners and occupiers	Voc	
13(1)	register	163	
Local Government (Elections) Regulation	Did the CEO amend the register from time to time to make sure that the information	Yes	
13(4)	recorded in it is accurate		
Local Government (Elections) Regulation	,,,,	Yes	
17	acceptance for 2 years after the claim and notice expired, and a copy of a notice of rejection for 2		
	years after the claim was rejected		
	Did the CEO or an employee of the local government appointed as Returning Officer keep the	NA	The CEO was not RO, however, even under the
26(4)	deposit referred to in s4.49(d) separate from other money and credited to a fund of the local		contract for services with the Electoral
	government		Commission, the City undertook the cash
			receipting process and held the deposits in accordance with these requirements.
			accordance with these requirements.
Local Government (Elections) Regulation	Did the CEO establish and maintain an electoral gift register and ensure that all 'disclosure of gifts'	Yes	The register was established, however, no gifts
30G(1)	forms completed by candidates and received by the CEO were placed on the electoral gift register at		were disclosed by any candidate.
	the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the		
	candidates		
Local Government (Elections) Regulation	Did the CEO remove any "disclosure of gifts" forms completed by unsuccessful candidates from the	NA	
30G(3)	electoral gift register in accordance with the period under regulation 30C and retain those forms		
	separately for a period of at least 2 years		
Local Government (Elections) Regulation 30H	Has the electoral gift register been kept at the appropriate local government offices	Yes	
Local Government (Elections) Regulation	Has a postal voters register been kept of electors whose applications are under regulation 37(1)(b)	Yes	
40	and are accepted under regulation 38(1), which contains the enrolment details of each elector		
	included on it and any ward in respect of which the elector is registered		
Local Government (Elections) Regulation	Was the report relating to an election under s4.79 provided to the Minister within 14 days after the	Yes	This was the responsibility of the Electoral
81	declaration of the result of the election		Commission under the contract for services
			with the City.
Executive Functions			
S3.18(3)(a) Local Government Act 1995	Has the local government satisfied itself that the services and facilities that it provides ensure	Yes	Services provided have not changed substantially
	integration and co-ordination of services and facilities between governments		in the last 2 years. Most significant new facilities
			have been provided in cooperation with other
			levels of government and/or have been partially
			funded by them.

Additional Local Government Act and Regulations Compliance Report

Reference to Statute	Question	Response	Comments
S3.32(1) Local Government Act 1995	Was a notice of intended entry given to the owner or occupier of the land, premises or thing that had been entered	Yes	
S3.50 Local Government Act 1995	Did the local government close a thoroughfare wholly or partially for a period not exceeding 4 weeks under the guidelines of 3.50	Yes	
S3.18(3)(b) Local Government Act 1995	Has the local government satisfied itself that the services and facilities that it provides avoid unnecessary duplication of services or competition particularly with the private sector	Yes	Noting no significant new services have been provided in the last 2 years and new facilities are generally of a 'public' nature.
S3.18(3)(c) Local Government Act 1995	Has the local government satisfied itself that the services and facilities that it provides ensure services and facilities are properly managed	Yes	The City has operational and asset management plans for major facilities and most services.
S3.40A(1) Local Government Act 1995	Where in the opinion of the local government a vehicle was an abandoned vehicle wreck, was it removed and impounded by an employee authorised (for that purpose) by the local government	Yes	
S3.40A(2) Local Government Act 1995	Where the owner of the vehicle was identified within 7 days after its removal under s3.40A(1), did the local government give notice to that person advising that the vehicle may be collected from a place specified during such hours as are specified in the notice	Yes	
S3.40A(3) Local Government Act 1995	Where notice was given under s3.40A(2) did it include a short statement of the effect of subsection (4)(b) and the effect of the relevant provisions of sections 3.46 and 3.47	Yes	
S3.51(3) Local Government Act 1995	Did the local government give notice of what is proposed to be done giving details of the proposal and inviting submissions from any person who wishes to make a submission and allow a reasonable time for submissions to be made and consider any submissions made	NA	
S3.52(4) Local Government Act 1995	Has the local government kept plans for the levels and alignments of public thoroughfares that are under its control or management, and made those plans available for public inspection	Yes	Plans, or detail of levels and alignments, in either hard copy or electronic format can be made available upon request. The City has had some difficulty retreiving all information in relation to older services located on the Busselton Foreshore in the context of works being done by the City.
S3.32(2) Local Government Act 1995	Did the notice of intended entry specify the purpose for which the entry was required	Yes	
S3.32(2) Local Government Act 1995	Was the notice of intended entry given not less than 24 hours before the power of entry was exercised	Yes	
Finance			

Additional Local Government Act and Regulations Compliance Report

Reference to Statute	Question	Response	Comments
S5.53 Local Government Act 1995, Administration Regulation 19B	Has the local government prepared an annual report for the financial year ended 30 June 2010 that contained the prescribed information under the Act and Regulations	Yes	
S5.54(1), (2) Local Government Act 1995	Was the annual report accepted by absolute majority by the local government by 31 December 2013	Yes	
S5.54(1), (2) Local Government Act 1995	Where the Auditor's report was not available in time for acceptance by 31 December, was it accepted no more than two months after the Auditor's report was made available	NA	
S5.55 Local Government Act 1995	Did the CEO give local public notice of the availability of the annual report as soon as practicable after the local government accepted the report	Yes	
S5.56 Local Government Act 1995, Administration Regulation 19C	Has the local government made a Strategic Community Plan for its district in respect of the period specified in the plan (being at least 10 financial years)	Yes	
Local Government Administration Regulation 19C	Before a Strategic Community Plan, or modifications to a plan were adopted under regulation 19C, did the local government consult with its electors and ratepayers	Yes	
S5.94 , 5.95 Local Government Act 1995	Did the local government allow any person attending the local government during office hours to inspect information, free of charge, listed in s5.94 of the Act and subject to s5.95 whether or not the information was current at the time of inspection	Yes	
S5.96 Local Government Act 1995	Where a person inspected information under Part 5, Division 7 of the Act and requested a copy of that information, did the local government ensure that copies were available at a price that did not exceed the cost of providing those copies	Yes	Photocopying charges are reviewed annually. The price per copy does not exceed the cost of providing the service.
S5.98 Local Government Act 1995, Administration Regulation 30	Was the fee made available to elected members for attending meetings within the prescribed range	Yes	Following the Salaries and Allowances Tribunal's determination on 12 April, 2016, the Fees, Allowances and Expenses for Elected Members Policy was updated on 10 August 2016, ensuring that any allowances established were within prescribed ranges.
S5.98 Local Government Act 1995, Administration Regulation 31	Was the reimbursement of expenses to elected members within the prescribed ranges or as prescribed	Yes	Refer comment above.
S5.98A Local Government Act 1995, Administration Regulation 33A	Where a local government decided to pay the deputy mayor or the deputy president an allowance, was it resolved by absolute majority	Yes	This decision was included in the policy adoption mentioned above, a decision made by absolute majority.

Additional Local Government Act and Regulations Compliance Report

Reference to Statute	Question	Response	Comments
S5.98A Local Government Act 1995, Administration Regulation 33A	Where a local government decided to pay the deputy mayor or the deputy president an allowance, was it up to (or below) the prescribed percentage of the annual local government allowance to which the mayor or president is entitled under section 5.98(5)	Yes	
S5.99 Local Government Act 1995, Administration Regulation 34	Where a local government decided to pay Council members an annual fee in lieu of fees for attending meetings, was it resolved by absolute majority	Yes	This decision was included in the policy adoption mentioned above, a decision made by absolute majority
S5.99 Local Government Act 1995, Administration Regulation 34	Where a local government decided to pay Council members an annual fee in lieu of fees for attending meetings, was it within the prescribed range	Yes	Following the Salaries and Allowances Tribunal's determination on 12 April, 2016, the Fees, Allowances and Expenses for Elected Members Policy was updated on 10 August 2016, ensuring that any allowances established were within prescribed ranges.
S5.99A Local Government Act 1995, Administration Regulation 34A, AA, AB	Where a local government decided to pay Council members an allowance instead of reimbursing telephone, facsimile machine rental charges and other telecommunication, information technology, travelling and accommodation expenses, was it resolved by absolute majority	Yes	This decision was included in the policy adoption mentioned above, a decision made by absolute majority
S5.99A Local Government Act 1995, Administration Regulation 34A, AA, AB	Where a local government decided to pay Council members an allowance instead of reimbursing telephone, facsimile machine rental charges and other telecommunication, information technology, travelling and accommodation expenses, was it within the prescribed range	Yes	Following the Salaries and Allowances Tribunal's determination on 12 April, 2016, the Fees, Allowances and Expenses for Elected Members Policy was updated on 10 August 2016, ensuring that any allowances established were within prescribed ranges.
S5.1000(1) Local Government Act 1995	Did the local government pay a fee for attending committee meetings only to a committee member who was a council member	Yes	
S5.100(2) Local Government Act 1995	Where the local government decided to reimburse a committee member, who was not a council member or employee, for an expense incurred by the person in relation to a matter affecting the local government, was it within the prescribe range	NA	
S6.8 Local Government Act 1995	Was expenditure that the local government incurred from its municipal fund, but not included in its annual budget, authorised in advance on all occasions by absolute majority resolution	Yes	A number of budget amendments throughout the year were processed as reports to the Finance Committee and Council accordingly.

Additional Local Government Act and Regulations Compliance Report

Reference to Statute	Question	Response	Comments
and the Control of Control of the Co	TO A STATE OF THE		100000000000000000000000000000000000000
S6.8(1)(c) Local Government Act 1995	Did the Mayor or President authorise expenditure from the municipal fund in an emergency. (Please	NA	
	indicate circumstances in the "Comments" column)		
S6.8 Local Government Act 1995	In relation to expenditure that the local government incurred from its municipal fund that was	NA	
	authorised in advance by the mayor or president in an emergency, was it reported on all occasions		
	to the next ordinary meeting of council		
56.12, 6.13, 6.16(1), (3) Local	Did Council at the time of adopting its budget, determine the granting of a discount or other	NA	No early payment discount or incentive offered.
Government Act 1995	incentive for early payment by absolute majority		
S6.12, 6.13, 6.16(1), (3) Local	Did Council determine the setting of an interest rate on money owing to Council by absolute	NA	No interest on monies outstanding other
Government Act 1995	majority		than rates.
S6.12, 6.13, 6.16(1), (3) Local	Did Council determine to impose or amend a fee or charge for any goods or services provided by the	Yes	
Government Act 1995	local government by absolute majority. (Note: this applies to money other than rates and service		
	charges)		
S6.17(3) Local Government Act 1995	Were the fees or charges imposed for receiving an application for approval, granting an approval,	Yes	While some of these types of fees are not
	making an inspection and issuing a licence, permit, authorisation or certificate, limited to the cost of		determined by the Council (being regulated by
	providing the service or goods		the State), those that are have been reviewed
			annually (last review in April 2016) cognisant of
			the cost of providing the goods and services.
S6.17(3) Local Government Act 1995	Were the fees or charges imposed for any other service prescribed in section 6.16 (2)(f), limited to	NA	No fees are imposed under this subsection.
	the cost of providing the service or goods		
S6.19 Local Government Act 1995	After the budget was adopted, did the local government give local public notice for all fees and	Yes	
	charges stating its intention to introduce the proposed fees or charges and the date from which it		
	proposed to introduce the fees or charges		
S6.20(2) Local Government Act 1995,	On each occasion where the local government exercised the power to borrow, was the Council	Yes	
Financial Management	decision to exercise that power by absolute majority (Only required where the details of the		
Regulation 20	proposal were not included in the annual budget for that financial year)		
S6.76(6) Local Government Act 1995	Was the outcome of an objection under section 6.76(1) promptly conveyed to the person who made	Yes	There was one objection in 2016 and the
	the objection including a statement of the local government's decision on the objection and its		outcome was communicated by letter dated 30
	reasons for that decision		September 2016.
Local Government Financial	Has efficient systems and procedures been established by the CEO of a local government as	Yes	As evidenced by results of externally conducted
Local Government Financial	inas efficient systems and procedures been established by the CEO of a local government as	163	As evidenced by results of externally conducted
Management Regulation 5	listed in Finance Reg 5	103	Financial Management System Review last

Additional Local Government Act and Regulations Compliance Report

Reference to Statute	Question	Response	Comments
Local Government Financial Management Regulation 6	Has the local government ensured that an employee to whom is delegated responsibility for the day to day accounting or financial management operations of a local government is not also delegated the responsibility for conducting an internal audit or reviewing the discharge of duties by that employee	Yes	No such delegation is in place. Further information on segregation of duties is contained in the report in relation to systems for internal control.
Local Government Employees			
S5.36(4), 5.37(3) Local Government Act 1995, Administration Regulation 18A(1)	Did the local government advertise for the position of CEO and for designated senior employees in a newspaper circulated generally throughout the State	NA	No recruitment processes for CEO or designated senior employees have been undertaken. Note the appointment of the Acting Director of Finance and Corporate Servies was for a period of just less than 1 year and thus while a senior employee this appointment is not for a "designated" senior employee under the Act.
S5.36(4), 5.37(3) Local Government Act 1995, Administration	Did all advertisements for the position of CEO and for designated senior employees contain details of the remuneration and benefits offered	NA	
S5.36(4), 5.37(3) Local Government Act 1995, Administration	Did all advertisements for the position of CEO and for designated senior employees contain details of the place where applications for the position were to be submitted	NA	
S5.36(4), 5.37(3) Local Government Act 1995, Administration	Did all advertisements for the position of CEO and for designated senior employees detail the date and time for closing of applications	NA	
S5.36(4), 5.37(3) Local Government Act 1995, Administration Regulation 18A	Did all advertisements for the position of CEO and for designated senior employees indicate the duration of the proposed contract	NA	
S5.36(4), 5.37(3) Local Government Act 1995, Administration Regulation 18A	Did all advertisements for the position of CEO and for designated senior employees provide contact details of a person to contact for further information	NA	
S5.37(2) Local Government Act 1995	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee	NA	Noting there was a report to appoint the Acting Director of Finance and Corporate Services put to the 10 August, 2016 Council meeting even though this was not required by this section because the appointment was for less than 1 year.
S5.38 Local Government Act 1995	CEO and each senior employee), reviewed within the most recently completed 12 months of their term of employment	Yes	Yes in 2015. At the time of completion of this report some performance reviews were still to be completed in 2016 but there is a process in place to ensure all reviews are completed by the end of the calendar year.
Local Government Administration Regulation 18D	Where Council considered the CEO's performance review did it decide to accept the review with or without modification (if Council did not accept the review, the preferred answer is N/A & refer Q12)	Yes	

Additional Local Government Act and Regulations Compliance Report

Reference to Statute	Question	Response	Comments
The state of the s	District Control		11000000000
Local Government Administration	Where the Council considered the CEO's performance review, but decided not to accept the review,	NA	
Regulation 18D	did it decide to reject the review (if Council accepted the review, the preferred answer is N/A refer Q11)		
S5.39 Local Government Act 1995	During the period covered by this Return, were written performance based contracts in place for the CEO and all designated senior employees who were employed since 1 July 1996	Yes	
S5.39 Local Government Act 1995,	Does the contract for the CEO and all designated senior employees detail the maximum amount of	Yes	
Administration Regulation 18B	money payable if the contract is terminated before the expiry date. This amount is the lesser of the value of one year's remuneration under the contract		
S5.39 Local Government Act 1995,	Does the contract for the CEO and all designated senior employees detail the maximum amount of	Yes	
Administration Regulation 18B	money payable if the contract is terminated before the expiry date and this amount is the lesser of		
	the value of the remuneration they would be entitled to had the contract not been terminated		
S5.50(1) Local Government Act 1995	Did Council adopt a policy relating to employees whose employment terminates, setting out the	Yes	
	circumstances in which council would pay an additional amount to that which the employee is		
	entitled under a contract or award		
S5.50(1) Local Government Act 1995	Did Council adopt a policy relating to employees whose employment terminates, setting out the manner of assessment of an additional amount	Yes	
S5.50(2) Local Government Act 1995	Did the local government give public notice on all occasions where council made a payment that was more than the additional amount set out in its policy	NA	
S5.53(2)(g) Local Government Act 1995,	For the purposes of section 5.53(2)(g) did the annual report of a local government for a financial	Yes	Provided on page 43 of the City of
Administration Regulation 19B	year contain the number of employees of the local government entitled to an annual salary of \$100,000 or more		Busselton's 2015-16 annual report.
S5.53(2)(g) Local Government Act 1995,	For the purposes of section 5.53(2)(g) did the annual report of a local government for a financial	Yes	Provided on page 43 of the City of
Administration Regulation 19B	year contain the number of those employees with an annual salary entitlement that falls within each band of \$10,000 and over \$100,000		Busselton's 2015-16 annual report.
Local Government Administration	Was the allowance paid to the mayor or president for the purposes of s5.98(5) within the prescribed	Yes	Following the Salaries and Allowances Tribunal's
Regulation 33	range		determination on 12 April, 2016, the Fees,
			Allowances and Expenses for Elected Members
			Policy was updated on 10 August, 2016, ensuring
			that any allowances established were within
			prescribed ranges.

Additional Local Government Act and Regulations Compliance Report

Reference to Statute	Question	Response	Comments
Local Laws			
S3.12(2) Local Government Act 1995, Functions and General Regulation 3	On each occasion that Council resolved to make a local law, did the person presiding at the Council meeting give notice of the purpose and effect of each proposed local law in the manner prescribed in Functions and General Regulation 3 Have all Council's resolutions to make local laws been by absolute majority	Yes	Dogs Amendment Local Law 2015 Jetties Amendment Local Law 2015 and Cemeteries Local Law 2015.
S3.12(4) Local Government Act 1995	Have all Council's resolutions to make local laws been by absolute majority Have all Council's resolutions to make local laws been recorded as such in the minutes of the	Yes	
S3.12(4) Local Government Act 1995	meeting	Yes	
S3.12(6) Local Government Act 1995	After the local law was published in the Gazette, did the local government give local public notice summarising the purpose and effect of the local law and the day on which it came into operation	Yes	
S3.12(6) Local Government Act 1995	After the local law was published in the Gazette, did the local government give local public notice advising that copies of the local law may be inspected or obtained from its office	Yes	
S3.16(1) Local Government Act 1995	Have all reviews of local laws under section 3.16(1) of the Act been carried out within a period of 8 years	Yes	All local laws have been reviewed, although the Health Local Law 1997 requires substantial amendment which will occur following the making of the new State Health Act.
S3.16(1), (2) Local Government Act 1995	If the local government carried out a review of a local law under section 3.16 of the Act, to determine whether or not the local law should be repealed or amended, did it give Statewide public notice stating that it intended to review the local law	Yes	
	If the local government carried out a review of a local law under section 3.16 of the Act, to determine whether or not the local law should be repealed or amended, did it give Statewide public notice advising that a copy of the local law could be inspected or obtained at the place specified in the notice	Yes	
S3.16(1), (2) Local Government Act 1995	If the local government carried out a review of a local law under section 3.16 of the Act, to determine whether or not the local law should be repealed or amended, did it give Statewide public notice detailing the closing date for submissions about the local law	Yes	
S3.16(3) Local Government Act 1995	Did the local government (after the last day for submissions) prepare a report of the review and have it submitted to Council	Yes	
S3.16(4) Local Government Act 1995	Was the decision to repeal or amend a local law determined by absolute majority on all occasions	Yes	

Additional Local Government Act and Regulations Compliance Report

Reference to Statute	Question	Response	Comments
Meeting Process			
S2.25(1)(3) Local Government Act 1995	Where Council granted leave to a member from attending 6 or less consecutive ordinary meetings of Council was it by Council resolution	Yes	
S2.25(1)(3) Local Government Act 1995	Where Council granted leave to a member from attending 6 or less consecutive ordinary meetings of Council, was it recorded in the minutes of the meeting at which the leave was granted	Yes	
S2.25(3) Local Government Act 1995	Where Council refused to grant leave to a member from attending 6 or less consecutive ordinary meetings of Council, was the reason for refusal recorded in the minutes of the meeting	NA	
S2.25(2) Local Government Act 1995	Was Ministerial approval sought (on all occasions) before leave of absence was granted to an elected member in respect of more than 6 consecutive ordinary meetings of council	NA	
S5.4 Local Government Act 1995	On all occasions when the mayor or president called an ordinary or special meeting of Council, was it done by notice to the CEO setting out the date and purpose of the proposed meeting	Yes	
S5.5 Local Government Act 1995	On all occasions when councillors called an ordinary or special meeting of Council was it called by at least 1/3 (one third) of the councillors, by notice to the CEO setting out the date and purpose of the proposed meeting	NA	
S5.5(1) Local Government Act 1995	Did the CEO give each council member at least 72 hours notice of the date, time, place and an agenda for each ordinary meeting of Council	Yes	
S5.5(2) Local Government Act 1995	Did the CEO give each council member notice before the meeting, of the date, time, place and purpose of each special meeting of Council	Yes	
S5.7 Local Government Act 1995	Did the local government seek approval (on each occasion as required) from the Minister or his delegate, for a reduction in the number of offices of member needed for a quorum at a Council meeting	NA	
S5.7 Local Government Act 1995	Did the local government seek approval (on each occasion as required) from the Minister or his delegate, for a reduction in the number of offices of member required for absolute majorities	NA	
S5.8 Local Government Act 1995	Did the local government ensure all Council committees (during the review period) were established by an absolute majority	Yes	Committees generally on 19 October, 2015 (C1510/275) and Meelup Committee terms of reference altered on 29 September 2015 (C1510/280).
S5.10(1)(a) Local Government Act 1995	Did the local government ensure all members of Council committees, during the review period, were appointed by an absolute majority (other than those persons appointed in accordance with section 5.10 (1)(b))	Yes	

Additional Local Government Act and Regulations Compliance Report

Reference to Statute	Question	Response	Comments
S5.10(2) Local Government Act 1995	Was each Council member given their entitlement during the review period, to be appointed as a committee member of at least one committee, as referred to in section 5.9(2)(a) & (b) of the Act	Yes	
S5.12(1) Local Government Act 1995	Were Presiding members of committees elected by the members of the committees (from amongst themselves) in accordance with Schedule 2.3, Division 1 of the Act	Yes	
S5.12(2) Local Government Act 1995	Were Deputy presiding members of committees elected by the members of the committee (from amongst themselves) in accordance with Schedule 2.3 Division 2 of the Act	Yes	
S5.15 Local Government Act 1995	Where the local government reduced a quorum of a committee meeting, was the decision made by absolute majority on each occasion	NA	
S5.21(4) Local Government Act 1995	When requested by a member of Council or committee, did the person presiding at a meeting ensure an individual vote or the vote of all members present, were recorded in the minutes	NA	No such requests were made on the basis that it is the standard practice, in accordance with the Standing Orders, for the votes of all members to be recorded in the minutes.
S5.22(1) Local Government Act 1995	Did the person presiding at a meeting of a Council or a committee ensure minutes were kept of the meeting's proceedings	Yes	
S5.22(2), (3) Local Government Act 1995	Were the minutes of all Council and committee meetings submitted to the next ordinary meeting of Council or committee, as the case requires, for confirmation	Yes	
S5.22(2), (3) Local Government Act 1995	Were the minutes of all Council and committee meetings signed to certify their confirmation by the person presiding at the meeting at which the minutes of Council or committee were confirmed	Yes	
S5.23(1) Local Government Act 1995	Were all council meetings open to members of the public (subject to section 5.23(2) of the Act)	Yes	
S5.23(1) Local Government Act 1995	Were all meetings of committees to which a power or duty had been delegated open to members of the public (subject to section 5.23(2) of the Act)	Yes	
S5.23(2), (3) Local Government Act 1995	On all occasions, was the reason, or reasons, for closing any Council or committee meeting to members of the public, in accordance with the Act	Yes	
S5.23(2), (3) Local Government Act 1995	On all occasions, was the reason, or reasons, for closing any Council or committee meeting to members of the public recorded in the minutes of that meeting	Yes	
S5.24(1) Local Government Act 1995, Administration Regulations 5.6	Was a minimum time of 15 minutes allocated for questions to be raised by members of the public and responded to at every ordinary meeting of Council	Yes	A minimum time of 15 minutes was made available albeit rarely required.
S5.24(1) Local Government Act 1995, Administration Regulations 5, 6	Was a minimum time of 15 minutes allocated for questions to be raised by members of the public and responded to at every special meeting of Council	Yes	A minimum time of 15 minutes was made available albeit rarely required.

Additional Local Government Act and Regulations Compliance Report

Reference to Statute	Question	Response	Comments
S5.24(1) Local Government Act 1995,	Was a minimum time of 15 minutes allocated for questions to be raised by members of the public	Yes	A minimum time of 15 minutes was made
Administration Regulations	and responded to at every meeting of a committee to which the local government has delegated a		available albeit rarely required.
5, 6	power or duty		
Local Government Administration	Was a period of 30 minutes allowed from the advertised commencement time before any Council or	NA	
Regulation 8	committee was adjourned due to the lack of a quorum		
Local Government Administration	Was voting at Council or committee meetings conducted so that no vote was secret	Yes	
Regulation 9			
Local Government Administration	Were all motions to revoke or change decisions at Council or committee meetings supported in the	NA	
Regulation 10(1)	case where an attempt to revoke or change the decision had been made within the previous 3		
	months but failed, by an absolute majority		
Local Government Administration	Were all motions to revoke or change decisions at Council or committee meetings supported in any	Yes	
Regulation 10(1)	other case, by at least one third of the number of officers of member (whether vacant or not) of the		
	Council or committee		
Local Government Administration	Were all decisions to revoke or change decisions made at Council or committee meetings made (in	Yes	
Regulation 10(2)	the case where the decision to be revoked or changed was required to be made by an absolute		
	majority or by a special majority), by that kind of majority		
Local Government Administration	Were all decisions to revoke or change decisions made at Council or committee meetings made in	Yes	
Regulation 10(2)	any other case, by an absolute majority		
Local Government Administration	Did the contents of minutes of all Council or committee meetings include the names of members	Yes	
Regulation 11	present at the meeting		
Local Government Administration	Did the contents of minutes of all Council or committee meetings include where a member entered	Yes	
Regulation 11	or left the meeting, the time of entry or departure, as the case requires, in the chronological		
	sequence of the business of the meeting		
Local Government Administration	Did the contents of minutes of all Council or committee meetings include details of each motion	Yes	
Regulation 11	moved at the meeting, including details of the mover and outcome of the motion		
Local Government Administration	Did the contents of minutes of all Council or committee meetings include details of each decision	Yes	
Regulation 11	made at the meeting		
Local Government Administration	Did the contents of the minutes of all Council or committee meetings include, where the decision	Yes	
Regulation 11	was significantly different from written recommendation of a committee or officer, written reasons		
	for varying that decision		
Local Government Administration	Did the contents of minutes of all Council or committee meetings include a summary of each	Yes	
Regulation 11	question raised by members of the public and a summary of the response given		

Additional Local Government Act and Regulations Compliance Report

Reference to Statute	Question	Response	Comments
Local Government Administration Regulation 11	Did the contents of minutes of all Council or committee meetings include in relation to each disclosure made under sections 5.65 or 5.70, where the extent of the interest has been disclosed, the extent of the interest	NA	
Local Government Administration Regulation 12(1)	Did the local government, at least once during the period covered by this return, give local public notice for the next twelve months of the date, time and place of ordinary Council meetings	Yes	
Local Government Administration Regulation 12(1)	Did the local government, at least once during the period covered by this return, give local public notice for the next twelve months of the date, time and place of those committee meetings that were required under the Act to be open to the public or that were proposed to be open to the public	Yes	
Local Government Administration Regulation 12(2)	Did the local government give local public notice of any changes to the dates, time or places referred to in the question above	Yes	All meeting dates for 2016 advertised in December 2015. Changes to date and time of Policy and Legsilative Committee and Finance Committee meetings were advertised in May, June, August and September 2016.
Local Government Administration Regulation 12(3), (4)	In the CEO's opinion, where it was practicable, were all special meetings of Council (that were open to members of the public) advertised via local public notice	Yes	
Local Government Administration Regulation 12(3), (4)	Did the notice referred to in the question above include details of the date, time, place and purpose of the special meeting	Yes	
Local Government Administration Regulation 13	Did the local government make available for public inspection unconfirmed minutes of all Council meetings within 10 business days after the Council meetings	Yes	
Local Government Administration Regulation 13	Did the local government make available for public inspection unconfirmed minutes of all committee meetings within 5 business days after the committee meetings	No	There were a few occasions identified where the availability of the minutes of a Committee meeting has exceeded the prescribed five days, particularly only in the first 6 months of 2016. Actions have since been taken to ensure this requirement is being met.
Local Government Administration Regulation 14 (1), (2)	Were notice papers, agenda and other documents relating to any Council or committee meeting, (other than those referred to in Admin Reg 14(2)) made available for public inspection	Yes	
Local Government Administration Regulation 14A	On all occasions where a person participated at a Council or committee meeting by means of instantaneous communication, (by means of audio, telephone or other instantaneous contact) as provided for in Administration Regulation 14A, did the Council approve of the arrangement by absolute majority	NA	
Local Government Administration Regulation 14A	On all occasions where a person participated at a Council or committee meeting by means of instantaneous communication, (as provided for in Administration Regulation 14A) was the person in a suitable place as defined in Administration Regulation 14A(4)	NA	

Additional Local Government Act and Regulations Compliance Report

Reference to Statute	Question	Response	Comments
S5.27(2) Local Government Act 1995	Was the annual general meeting of electors held within 56 days of the local government's acceptance of the annual report for the previous financial year	Yes	The annual report was accepted on 28 October 2015 and the annual general meeting of electors was held on 30 November 2015.
S5.29 Local Government Act 1995	Did the CEO convene all electors' meetings by giving at least 14 days local public notice and each Council member at least 14 days notice of the date, time, place and purpose of the meeting	Yes	
S5.32 Local Government Act 1995	Did the CEO ensure the minutes of all electors' meetings were kept and made available for public inspection before the Council meeting at which decisions made at the electors' meeting were first considered	Yes	
S5.33(1) Local Government Act 1995	Were all decisions made at all electors' meetings considered at the next ordinary Council meeting, or, if not practicable, at the first ordinary Council meeting after that, or at a special meeting called for that purpose	N/A	There were no Electors' motions passed at the Electors meeting held on 30 November 2015.
S5.33(2) Local Government Act 1995	Were the reasons for Council decisions in response to decisions made at all electors' meetings recorded in the minutes of the appropriate Council meeting	Yes	
S5.103(3) Local Government Act 1995, Administration Regulation 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees	Yes	
Miscellaneous Provisions			
S9.4 Local Government Act 1995	Has each person who received an unfavourable decision from Council, or from an employee of the local government exercising delegated authority, (that is appealable under Part 9 of the Act) been informed of his or her right to object and appeal against the decision	Yes	Templates for notice of decisions have been established in the City's technology systems and information relating to the appeal rights is included in the templates.
S9.29(2)(b) Local Government Act 1995	On all occasions, were those employees who represented the local government in court proceedings, appointed in writing by the CEO	Yes	
S9.6(5) Local Government Act 1995	Did the local government ensure that the person who made the objection was given notice in writing of how it has been decided to dispose of the objection and the reasons why	NA	

11. PLANNING AND DEVELOPMENT SERVICES REPORT

11.1 ADOPTION OF THE REVISED ENVIRONMENT STRATEGY

SUBJECT INDEX: Environmental projects and programmes

STRATEGIC OBJECTIVE: Growth is managed sustainably and our environment is protected and

enhanced as we develop.

BUSINESS UNIT: Environmental Services
ACTIVITY UNIT: Environmental Planning

REPORTING OFFICER: Senior Natural Resource Management / Environment Officer - Will

Oldfield

AUTHORISING OFFICER: Director, Planning and Development Services - Paul Needham

VOTING REQUIREMENT: Simple Majority

ATTACHMENTS: Attachment A Environment Strategy 2016

Attachment B Schedule of Submissions.

PRÉCIS

This report presents the outcomes from the submissions period on the Draft Environment Strategy 2016 and recommends the document for final adoption by Council with some minor changes.

The Environment Strategy will provide direction on how the City will meet the environmental aspirations of the community, as set out in the Strategic Community Plan and guide the City's future activities in environmental management and sustainability.

BACKGROUND

The City of Busselton Environment Strategy was originally adopted by Council in March 2014 and over the past twelve years it has guided the City's role in the management of local environmental issues. The Strategy has assisted with incorporating sound environmental management as an organisational value and core business activity, while creating a positive organisational culture. The Strategy has also enhanced working relationships with the community in general, particularly with environmental community groups.

To ensure that Environment Strategy remains current, relevant and a key guiding document on environmental matters, a review was undertaken and a revised Environment Strategy (the Strategy) presented to the 27 July 2016 Ordinary Council meeting. At that meeting Council resolved (resolution C1607/173) to endorse the advertising of the revised Strategy for community consultation purposes.

The Strategy was advertised for a period of 45 days inviting comments and submissions from the public. The public advertising period closed on 12 October 2016, and the submissions received have been reviewed and where appropriate incorporated into the Strategy for Councils final adoption.

STATUTORY ENVIRONMENT

As part of its many functions and operations, the City must have regard to the following environmental legislation:

- Environmental Protection Act 1986
- Contaminated Sites Act 2003
- Wildlife Conservation Act 1950
- Rights in Water and Irrigation Act 1914
- Waste Avoidance and Resource Recovery Act 2007
- Environmental Protection and Biodiversity Conservation Act 1999 (Commonwealth)

National Greenhouse and Energy Reporting Act 2007 (Commonwealth)

A number of changes have been made to environmental legislation since Council's endorsement of the Environment Strategy in 2004. This review ensures the Strategy remains consistent with environmental legislation.

The Town Planning framework and Local Environmental Planning Strategy guides development and integrates environmental conservation, preservation and protection of key natural assets through the planning and development process and is a significant component of the City's implementation of environmental management at a strategic level.

RELEVANT PLANS AND POLICIES

Environment Policy 030, guides the City's commitment to continuous improvement in environmental management towards creating a sustainable balance between environmental, social and economic values throughout the District. The Strategy is a key document to provide direction on how the City will work towards the principles of Environment Policy 030.

The following other key environmental related plans have also been endorsed by Council:

- Local Environmental Planning Strategy
- Biodiversity Incentives Strategy
- Corporate Energy Action Plan
- Local Water Action Plan
- Waste Management Strategy (draft)

FINANCIAL IMPLICATIONS

There are no financial implications associated with the officer recommendation seeking Council adoption of the Strategy.

Long-term Financial Plan Implications

The Strategy guides the approach towards ensuring the City's natural environment is cared for and enhanced for the enjoyment of the community and visitors through the development and implementation of management plans, programmes and associated on-ground works, much of which will be accomplished utilising available resources and within the City's current ten-year financial plan.

While the Strategy is expected to have a ten year life, the strategic actions within the document will be reviewed every three years. Council may wish to implement a range of initiatives in environmental management and sustainability during the life of the Strategy and any actions requiring additional resources will be evaluated and if considered appropriate by the Council, incorporated into the City's ten-year financial plan and annual budget development process. As implementation of environmental projects occurs, and improvements are made to natural area management, there may be a need to amend Long Term Financial Plan allocations in future reviews of the Plan.

STRATEGIC COMMUNITY OBJECTIVES

The review of the Environment Strategy is relevant to Key Goal Area 5 – Cared for and Enhanced Environment and Community, Objective 5.1 – "Our natural environment is cared for and enhanced for the enjoyment of the community and visitors" And Objective 5.2 "Growth is managed sustainably and our environment is protected and enhanced as we develop."

RISK ASSESSMENT

An assessment of the potential implications of not implementing the officer recommendation has been undertaken using the City's risk assessment framework. The assessment sought to identify 'downside' risks only rather than 'upside' risks and where the risk, following implementation of controls, has been identified as medium or greater.

Risk	Controls	Consequence	Likelihood	Risk Level
Environmental/	Environment Strategy developed	Minor	Possible	Medium
Reputational risk	in consultation with the			
arising from	community and implementation			
inadequate	of actions to manage use, access			
management of	and protection of environmental			
natural environs.	and heritage values.			

CONSULTATION

The review of the Strategy involved an initial consultation with community and agency stakeholders resulting in the revised Strategy that was presented to the 27 July 2016 Ordinary Council meeting, followed by broader community and agency consultation in August 2016, the submission from which are included with this report as Schedule of submission in Attachment B.

The initial community and agency stakeholder consultation to review the Strategy involved:

- Workshops with key stakeholders including environment groups and agencies;
- Meetings with the City Environmental Reference Group;
- Workshop with City Staff;
- South West Aboriginal Land and Sea Council briefing; and
- Councillor briefing and workshop.

Following Council's endorsement of the Strategy in July 2016, a further and broader consultation process was undertaken which included:

- Advertising seeking submissions on the Strategy in a local paper during the 45 day consultation period
- Direct email to agency stakeholders
- Direct email to community stakeholders
- Two information sessions (Busselton and Dunsborough) promoted via direct email and notices in the Council for Community. Staff were available at these sessions to provide information answer questions and invite submissions.

OFFICER COMMENT

The City received 15 submissions on the Environment Strategy, 7 from Agencies and 7 from individuals and 1 from a community group, a summary of which is included with this report at Attachment B.

A number of changes have been made relating to matters raised in submissions however, most of the requested changes relate to formatting or further information to clarify roles of agencies or to improve the accuracy of the Strategy. One new strategic action has been added to the Strategy and two strategic actions have been modified. The proposed changes to the Strategy have been highlighted in red within the Strategy and included with this report at Attachment A.

The proposed changes to strategic actions are summarised as follows:

1. Page 10, Strategic Actions Biodiversity – add new Strategic Action No 1.3 as follows:

Work in partnership with other agencies and organisations to identify opportunities for implementation of recovery plans for protection of endangered species

Strategic Action 1.3 has been added to the Strategy to reflect City cooperation with other agencies through the formation of partnerships to implement recovery plans for the protection of endangered species.

2. Page 10, Strategic Action Biodiversity – amend Strategic Action No 1.8 as follows:

Add the words 'and voluntary conservation covenant'

Strategic Action 1.8 relates to the City's continued to promotion the opportunities for conservation through the Biodiversity Incentive Strategy, the Leeuwin Naturaliste Ridge Statement of Planning Policy and the Busselton Wetlands Conservation Strategy.

3. Page 14, Strategic Action Water – amend Strategic Action No 2.6 as follows:

Investigate opportunities for alternative fit for purpose water use options for City land and within new land developments.

Strategic Action 2.6 ha been amended to further clarify the intent and proposed of this strategic action.

As well as supporting the changes described above, it is also recommended that the presentation of the Strategy be improved to make it more consistent with other important strategic documents, and that an introduction from the Mayor also be added – and the officer recommendation also provides for those changes to occur.

CONCLUSION

The Strategy has been prepared following extensive consultation with key stakeholders and community and it is recommended that Council adopt the revised Environment Strategy.

OPTIONS

The Council may resolve not to adopt the revised Environment Strategy or may require certain aspects within the Strategy to be amended.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The revised Environment Strategy will be published on the City Website so that it is available to the public within 30 days of the decision to adopt it. Implementation of the Strategy will commence immediately should Council support the officer recommendation.

OFFICER RECOMMENDATION

That the Council adopts the revised Environment Strategy (Attachment A) to guide the City's continuous improvement in environmental management towards creating a sustainable balance between environmental, social and economic values throughout the District, subject to improvements to the presentation of the document to be consistent with other important strategic documents, and through the insertion of an introduction from the Mayor.

212 **Environment Strategy 2016**



City of Busselton

Environment Strategy 2016-2021

FINAL

November 2016

Environment Strategy 2016

Contents

IN	TRODUCTION	4
	Strategic Community Plan	4
	Environmental Themes	4
	Implementation	4
	Implementation Tools	5
	Assumptions that sit behind the Strategy	6
	Link to Local Environmental Planning Strategy	6
	Monitoring and Reporting	6
1.	BIODIVERSITY	7
	Scope and context	7
	Vision	8
	Objectives	8
	Previous achievements	8
	Strategic actions Biodiversity	.10
2.	WATER RESOURCES	.11
	Scope and context	.11
	Vision	.12
	Objectives	.12
	Previous achievements	.12
	Strategic actions- Water	. 14
3.	COMMUNITY	.15
	Scope and context	. 15
	Vision	. 15
	Objectives	. 15
	Previous achievements	.16
	Strategic actions- Community	. 17
4.	ENVIRONMENTAL SUSTAINABILITY	.18
	Scope and context	.18
	Vision	. 18
	Objectives	. 18
	Previous achievements	18

	Strategic actions- Environmental Sustainability	20
5.	GOVERNANCE AND RESOURCING	21
	Scope and context	21
	Vision	21
	Objectives	21
	Previous achievements	21
	Strategic actions- Governance	22
6.	ACTIONS AND STRATEGY TABLES FOR ALL THEMES	23
	Actions and Strategies Table - BIODIVERSITY	23
	Actions and Strategies table - WATER	24
	Actions and Strategies Table - COMMUNITY	25
	Actions and Strategies table - ENVIRONMENTAL SUSTAINABILITY	26
	Actions and Strategies table - GOVERNANCE AND RESOURCING	27
Α	PPENDIX 1 - ENVIRONMENT POLICY	28
A	PPENDIX 2 - FLAGSHIP PROJECTS	30
	Project Plan 1	30
	Project Plan 2	31
	Project Plan 3	32
Α	PPENDIX 3 - Best practice tools for environmental management	33
Α	PPENDIX 4 - Informing documents and References	35
	Federal/State/Local Objectives Concerning Biodiversity	35
	Federal/State/Local Objectives Concerning Water	38
	Federal/State/Local Objectives Concerning Community	40
	Federal/State/Local Objectives Concerning Land	41
	Federal/State/Local Objectives Concerning Sustainability	43

INTRODUCTION

The Environment Strategy aims to provide opportunities and solutions to protect and care for the environment. Environmental considerations are an integral part of all decision making and planning processes and the City's integrated planning framework ensures this Environment Strategy integrates and aligns with other City strategies, plans and programmes and identifies with community objectives through transparent, accountable community engagement and reporting processes.

The release of this Strategy represents outcomes of a major review of the actions and achievements of the 2004 Environment Strategy. This strategy is one of the City's key guiding documents for managing natural assets.

Strategic Community Plan

The City has an important role in environmental management and protection of natural areas and this commitment is a key pillar of the City's vision:

"A vibrant and cohesive community that protects its natural environment, meets the needs of it's population and ensures that future development maintains the City's unique character, lifestyle and community values".

A key goal towards this vision and guiding the Environment Strategy is that the 'environment is cared for and enhanced as the City's key asset', through the achievement of the following community objectives:

- Our natural environment is cared for and enhanced for the enjoyment of the community and visitors
- > Growth is managed sustainably and our environment is protected and enhanced as we develop and
- Environment and climate change risks and impacts are understood and managed

Environmental Themes

The Environmental Strategy provides the City's response to local environmental pressures under 5 key environmental themes, being: Biodiversity, Water, Community, Sustainability and Governance. The Environment Strategy focuses on the major environmental issues under each theme, to guide the development and implementation of environmental actions and strategies.

Implementation

The City recognises the necessity for contemporary social, cultural and economic perspectives in environmental management to generate local economic, social and cultural benefits to the community. The City will work closely with the community to implement the strategic actions. Strategies with the highest priority and most beneficial activities will be developed as flagship projects. Example key priority flagship projects have been outlined in Appendix 2.

The following criteria guides the identification of priority strategic actions for implementation:

9 November 2016

- 11.1
- Level of risk to key environmental assets
- Legislative requirements
- Maintenance of momentum on existing projects
- Commitments to the community
- Opportunities to work with other stakeholders
- Availability of resources

Implementation Tools

Environmental management will be incorporated into the diverse activities the City is responsible for and implemented through multiple tools to achieve strategic outcomes.

Tools	Explanation/example
Policy or planning	A strategic method to address environmental issues that may be affected
development	by other City business, such as development. The creation and
	implementation of a policy may resolve complex ecological issues, such as
	retention of remaining habitat meeting certain criteria for protection of
	endangered species.
Management	The recognition that an action of some kind is required to address a threat
	or problem. Management methods may be varied and will depend on the
	issue. For example, preparation of a management plan for a foreshore area
	with recommendations for action.
Evidence based	City undertakes scientific research trial or project to determine a
science, trials as	management outcome and or obtain evidence to support management
evidence for	decisions. The City may partner with other organisations to undertake the
decision making	trial. For example monitoring of water quality; possum habitat and/or
	trialling weed control methods for revegetation projects.
Community	Community engagement to address a human induced threat to the
engagement and	environment is a recognised tool for implementation because most
leadership	environmental 'issues' or problems requiring management stem from a
	human induced cause. Lack of education or understanding for the impacts
	of the activity on an environmental system can often result in the
	generation of an environmental problem, then requiring future
	management. By increasing education/engagement and training, the City
	can help manage environmental threats.
On-ground works	On-ground works is a practical way to address a direct threat or
	environmental issue. Such activities often help to engage the community
	and or might address a specific threat or need. Often grant money can be
	sourced to undertake this form of management. Staff resources are also
	required to administer these and to continue to manage them after
	implementation to ensure ongoing success.
Partnerships or	Working closely with other groups/organisations can be a way to expand
consultation	capacity and manage resources. Funding bodies often look for partnership
	projects because they garner wider scientific expertise to support
	management actions, engage a broader cross section of the community
	and establish best practice outcomes.
Resourcing	Applying for additional resources, and funds to develop new projects or to
	support an existing idea, project or concept. This might involve applying for
	grants or finding sponsorship projects.

Assumptions that sit behind the Strategy

This Environment Strategy and the strategic actions listed are underpinned by the following assumptions:

- · Many strategic actions will be delivered through partnerships with others.
- Environmental risk will be considered during implementation of all projects.
- Natural Resource Management is recognised as a long-term process. The ongoing maintenance of all activities is acknowledged as being as important as new projects because 'protection and conservation' are considered best practice management techniques.
- Where possible, the precautionary principle is applied to all actions and projects.
- Methodologies for implementation of Strategic Actions may change according to adaptive management principles/best practice dictates.
- Strategic actions are pitched at a broad, strategic level to allow flexibility and to address
 economic, and social values as well as environmental issues.
- Projects and programs derived from the strategies shall be Specific, Measurable, Achievable, Realistic and Timely.

Link to Local Environmental Planning Strategy

The town planning framework and Local Environmental Planning Strategy guides development and integrates environmental conservation, preservation and protection of key natural assets through the planning and development process and is a significant component of the City's implementation of environmental management at a strategic level.

Monitoring and Reporting

Information will be provided to the community on progress towards implementation of strategic actions on a periodic basis.

Flagship projects will be reviewed annually in order to keep implementation of the Strategy relevant and engaging.

Whilst this document is expected to have a ten year life expectancy, the strategic actions within the document will be reviewed every three years. This ensures the strategic directions of the document, City business, local, national and international trends and the influence of evolving issues such as sustainability and climate change, are on target, relevant and align with priorities within the City's Community Strategic Plan. At the three year review, a report will be provided to Council on opportunities for the Strategy's future strategic direction to continue to deliver the strategic actions and Flagship projects.

1. BIODIVERSITY

Scope and context

For the purposes of this plan, Biodiversity is defined as the 'richness of life', the number and variety of organisms within the Busselton district and recognises the variability across and within ecosystems and species, as well as the threatening processes which affect the conservation of them. The City sits within a globally recognised "Biological Hotspot", an area of such high diversity and unique species not found anywhere else in the world.

Threatening processes that affect long-term biodiversity in the City include weeds, pests, disease, vegetation clearing associated with land use and development, lack of understanding and resources, unmanaged access and human activities.. The impact of climate change on biodiversity of coastal reserves is recognised and is addressed through ongoing monitoring and appropriate management to continue to protect and enhance biodiversity values in coastal areas.

This chapter is focussed on strategic actions the City can implement to protected species, native vegetation, coastal management and threatening processes such as phytophthora dieback, weed control and recreation.

Management actions identified in this plan aim to recognise, conserve, protect and celebrate our rich biodiversity through implementation of a range of management tools. Coordination of appropriate strategies and actions will continue to ensure biodiversity in Busselton is maintained and, improved as greater understanding and best practice techniques are applied to determine sustainable solutions.

Biodiversity of local national, international significance are:

Flora:

- The City has 28 declared rare flora species.
- 9 Priority 1, 20 Priority 2, 38 Priority 3 and 26 Priority 4.
- 1 Species presumed extinct.

Threatened Ecological Communities and Priority Ecological Communities:

- Threatened Ecological Communities 11
- P1 Priority Ecological Communities 12
- P2 Priority Ecological Communities 1
- P3 Priority Ecological Communities 1

Fauna:

Threatened Fauna

- Terrestrial = 19 species
- Marine (Turtles, Whales, Seabirds) = 18 species

Priority Species

• All categories = 19 species

Internationally protected (various treaties)

- 30 species (note that some of these species are also protected under the above categories)
- Bush reserves- Ambergate Reserve, Meelup Regional Park, Ruabon reserve and Carbunup Reserve.
- Meelup Regional Park, Leeuwin-Naturaliste National Park, Ngari Capes Marine Park, Yelverton, Whicher and Tuart National Parks.
- Internationally recognised Wetlands: Vasse Wonnerup Wetlands (Ramsar).

Vision

The City's exceptionally high biodiversity values are recognised and protected in the long term.

Objectives

- To strategically manage natural areas under the City's care in order to maximise the long term conservation of high priority biodiversity assets
- To identify and actively pursue effective methods to protect biodiversity as part of the strategic planning and land tenure framework
- To proactively address threats to biodiversity assets as per best practice natural resource management practices
- To work with the community and stakeholders to combine resources and provide opportunities to maximise successful biodiversity conservation outcomes

Previous achievements

The following is a summary of the major achievements during the term of the 2004 Environment Strategy.

- Developed and implemented Reserves Vegetation Protection Policy (240) to provide direction for investigation of incidents of unauthorised damage vegetation on City managed land
- Busselton Biodiversity Strategy reviewed and adopted by Council and endorsed by WAPC in
 February 2011. There has been renewed interest in the program with subdivisions and rate
 rebate concessions steadily being processed. 689ha of bushland has been protected through
 29 properties being re-zoned to Bushland Protection. 281ha of bushland has been protected
 through the rates concession incentive on 18 properties.
- Strategic Ecological assessment of 52 bushland reserves funded through the South West Biodiversity Project, which led to the development of a Natural Area Management Action Plan that prioritises management actions for 2000 ha of natural areas managed by the City.
- Western Ringtail Possum Habitat Protection Strategy completed in 2009, detailing how WRP habitat can be protected and enhanced.
- Offset planting program initiated to manage requirements of native vegetation clearing permits
- Surveyed vegetation condition, and selected weed species, on all rural roadsides with support from volunteers using Roadside Conservation Committee (DPaW) methodology.
- Assisted the South West Biodiversity Project in identifying Regional Ecological Linkages (SWREL). The SWREL mapping/information was also incorporated into the Local

Attachment A

- Environmental Planning Strategy (LEPS) and is used in the assessment of development applications.
- Initiated a Street Tree Planting program to improve streetscape amenity and habitat values for Western Ringtail Possum in urban areas.
- Initiated the Nature Verge program to encourage urban residents to plant local native vegetation on their verges to reduce water use, provide shade, improve amenity and habitat values.
- Developed and implemented management plans for the following reserves:
 - Bushland Management Plans: Ambergate Reserve, Blythe Reserve, Carbunup Reserve, Creekview Reserve, Marri and Armstrong Reserves, Meelup Regional Park Management Plan, Minion Reserve, Peron Reserve, Ruabon Tutunup Rail Reserves, Vintners Ridge Reserve.
 - Foreshore Reserves: Broadwater Reserve, East Busselton Reserve, Quindalup Reserve 34111, Toby Inlet, West Street Reserve, Quindalup Reserve 46, Dugalup Brook, Dunsborough Foreshore, Busselton Central East and Yallingup foreshore.
- Locke Estate Environmental Fire Management Plan adopted by Council.
- Fire Management Plans developed for 30 bushland reserves.
- State Planning Policy 3.7 Planning in Bushfire Prone Areas and the associated Guidelines
 updated in 2010 and now greater adherence is being given in planning considerations for
 development. Where possible development is only being allowed in cleared areas.
- Dieback survey completed in Meelup Regional Park, Big Rock Reserve, Ambergate Reserve and Carbunup reserves.
- Implementation of maintenance protocols for the strategic firebreak network in order to prevent the spread of Phytophthora dieback.

Strategic actions Biodiversity

Action No.	Strategic Action
1.1	Continue to develop and review management plans for natural areas under the City's care, including application of fire management
1.2	Continue improvement of planning mechanisms for the protection of biodiversity and habitat. Review and finalise the draft Western Ringtail Possum Habitat Protection and Enhancement Strategy.
1.3	Work in partnership with other agencies and organisations to identify opportunities for implementation of recovery plans for protection of endangered species
1.4	Assess and provide recommendations for strategic approaches to control dieback through prevention, education and management
1.5	Identify sites of high environmental value which may require conservation outcomes to be secured via changes to land tenure
1.6	Develop opportunities to improve planning for the protection of vegetation in City reserves to balance potential conflicting values such as fire, biodiversity, public open space and amenity.
1.7	Develop initiatives to raise awareness and protect endangered fauna
1.8	Continue to promote the opportunities for conservation through the Biodiversity Incentives Strategy, the Leeuwin Naturaliste Statement of Planning policy, the Busselton Wetlands Conservation Strategy and voluntary conservation covenants.
1.9	Develop guidelines to encourage voluntary retention and protection of significant vegetation including habitat trees.
1.10	Develop a program to strategically address the loss of vegetation in foreshore areas
1.11	Continue to manage weeds and feral animals on City land.

Environment Strategy 2016

2. WATER RESOURCES

Scope and context

Human activities and land use within water catchment areas across Western Australia and in the South West have had a major impact on wetlands and waterways through vegetation clearing, pollution, water use and encroaching development. Agricultural land uses have historically had the largest effect on water catchments, wetlands and water quality, however, recent urban expansion and development is increasingly impacting on water quality in wetland environments.

The City contains a number of complex water catchments, with modified drainage networks some of which drain to coastal wetlands including the Ramsar listed Vasse-Wonnerup wetlands. Most wetlands in Busselton have been greatly affected by land clearing and land use activities. The major water courses, except for the Carbunup River, have been heavily modified as part of the rural drainage network that was constructed to reduce inundation of farm land. Poor land use practices and drainage of excess water have increased erosion and sedimentation in the drainage system, increased the loss of nutrients from the land and resulted in loss of biodiversity from the natural creeks and rivers. Sediment and nutrient lost from the catchment is contributing to eutrophication of the City's waterways and wetlands.

Management of water resources is very much a shared responsibility. This chapter contains strategic actions that the City will aim to achieve, however the table below illustrates the broader responsibilities of the many agencies and organisations involved in management of water.

Responsible Agency/ Organisation	Water asset	Responsibilities
Department of Water	Proclaimed Ground and Surface Water Management Areas, estuary peripheral wetlands, and wetlands physically connected to waterways	Water licencing (surface and groundwater extraction). Coordination of the Vasse-Wonnerup taskforce Coordination of the Revitalising Geographe Waterways Initiative
Geocatch	Geographe Catchment	Catchment management Promoting best practices to improve water quality
Water Corporation	Rural drains including natural waterways used for conveyance of flood water Mains water supply (Duns.) Sewerage	Maintenance of the drainage network to ensure rural land inundation is managed and facilitate community behaviour change for reducing water use Supply potable water
Busselton Water	Mains water supply (Busselton)	Ensure safe drinking water for residents and facilitate community behaviour change for reducing water use

Department of Parks and Wildlife	Water bodies in National Parks and wetlands, Marine Parks	Encouraging the conservation of natural resources and maintaining natural ecosystem function
Department of Fisheries	Protection and regulation of aquatic fauna in waterways and ocean	To manage fish stocks and ensure they are available for future generations. Biosecurity - prevent the introduction of exotic and potentially harmful plants and animals to natural waterways
Department of Agriculture and Food	Irrigation Water	Extension of techniques to improve water use efficiencies and nutrient management in agriculture.
Department of Planning	Water Resource Planning	Implementation of Better Urban Water Management
City of Busselton	Vasse River and Toby Inlet Urban stormwater drainage. Groundwater license for watering of Sports grounds, parks and gardens	Preparation and implementation of management plans for the Vasse River and Toby Inlet. Construction, and maintenance of drainage in residential areas Wise use of water in all public amenities.
		Effective use of planning tools to minimise water use in new buildings and developments

The focus of this chapter is on strategic action the City can undertake or influence with respect to wetlands and waterways, water quality, stormwater and water sensitive urban design.

Vision

Water assets are actively managed, protected and valued by the community.

Objectives

- To ensure proactive management of water assets within the Geographe catchment.
- To provide opportunities for the community to engage with and learn about water assets, and practical ways to minimise impacts at the individual level.
- To embed sustainable water management practises throughout the City's operations. To cultivate new ways to improve urban water management
- $\bullet\ \ \$ To implement the urban water management planning framework

Previous achievements

 Busselton Wetlands Conservation Strategy 2005, developed in collaboration with government agencies and WAPC, to identify local wetlands considered to be most at risk 224

- from development and set incentives and protections in place to manage development around the Busselton Wetlands.
- Busselton Wetlands Project team implementation of wetland conservation, education and tourism initiatives.
- Development of Wetland Trails Development Plan (2007) and New River Demonstration Site concept plan (2010). Both plans are being progressively implemented.
- Preparation and implementation of Foreshore Management plans for Toby Inlet and Dugalup Brook.
- In partnership with Geocatch, installed stormwater retrofit systems in the Light Industrial Area and CBD of Busselton. Installations occurred at Barlee Street, Queen Street roundabout, Coles' car park, Albert Street bio-retention basins, College avenue living stream, Frederick Street wetland, Bunbury Street basin/wetland, Queen Street Cultural Precinct and the Busselton Community Resource Centre and the Busselton Foreshore.
- Adoption of Stormwater Management and Drainage Infill Contributions Local Planning Policy Provisions (October 2014). The policy provisions provide a requirement for all developments to use/infiltrate water on site, or to provide a developer contribution to the City for retrofit stormwater treatment systems within the stormwater drainage network. WSUD Guidelines have been drafted to guide implementation.
- Participation in the Vasse Estuary Technical Working Group, responsible for determining directions for management of the Vasse-Wonnerup Estuary and provided on-ground support for a variety of actions such as fish kill clean -ups.
- Formation of the Waterways Improvement Reference Group to investigate and provide leadership on water quality issues in the Lower Vasse River on behalf of the Busselton community. This Group lobbied the State government to investigate water quality issues associated with the waterways and wetlands of the Geographe catchment. This led to significant investment by the State to support development of Vasse Geographe Strategy.
- The City also implemented a Water Campaign in 2010 to managing corporate water use (ICLEI Water Campaign), reporting on water savings and operational initiatives to reduce water use for City buildings, parks and gardens.

Strategic actions- Water

Action No.	Strategic action
2.1	Prepare management plans for the Lower Vasse River and Toby Inlet, in close consultation with the local community and stakeholders.
2.2	Continue to work with all partners of the Vasse Taskforce to develop strategic and integrated approaches to management of Water Quality in the wetlands and waterways of Geographe Catchment.
2.3	Apply Water Sensitive Urban Design principles in City stormwater management programs and upgrades, addressing both water quality and volume.
2.4	Prepare and manage district water management strategies for Busselton and Dunsborough
2.5	In partnership with other water agencies continue to raise awareness about water quality and wetland values and strategies to reduce nutrients entering waterways and wetlands through the Busselton Wetlands Initiative
2.6	Investigate opportunities for alternative fit for purpose water use options for city land and within new land developments
2.7	Develop action plans and programmes to increase water use efficiency and water quality.
2.8	Support the consolidation of reserves around the Busselton Wetlands, including through appropriate zoning of land and management of environmental values through the Busselton Wetlands Conservation Strategy
2.9	Continue to work with other agencies on strategies to manage groundwater and salt intrusion in the region

COMMUNITY

Scope and context

This section of the Environment Strategy addresses the establishment and continued fostering of many different community relationships to protect, enhance and celebrate our natural environment.

The City recognises the close relationship between the natural environment and the community. It is the natural environment that provides a backdrop to Busselton, Vasse, Yallingup and Dunsborough's international recognition as beautiful and valued places to visit and live. The natural environment and surrounds of the Busselton region have been integral to the economic and industrial development of the towns and localities, and for the development and expansion of tourism in the region. This Environment Strategy recognises that with increased community use, these highly valued environmental assets are further compromised, and a balance must be established to manage community use and protect environmental values in the future.

Opportunities exist to engage, educate and encourage the community to appreciate and protect the environment, and to utilise these tools to ensure the beautiful and unique City environment is not compromised in the future by increased use, tourism, access, development and associated human induced impacts. Community engagement provides an opportunity to encourage greater appreciation and education of our natural resource values. It also provides new ways to help the local community participate in protection, enhancement and conservation of key environmental assets through on-ground projects, volunteering and natural resource management. Continuing to foster these relationships will help to promote collective ideas, implement projects and provide new ways to share and manage limited resources.

The City has a long history of engagement with other environmental agencies, departments and communities. Partnering with others can also encourage new innovations around community engagement, tourism and education across jurisdictions and responsibilities.

The City acknowledges the existing hard work and dedication of community groups already working on natural resource management on City owned reserves, wetlands, rivers and foreshores. Existing community groups working in natural resource management help to achieve annual successes in revegetation, weed control, education, dieback management and fire planning. The City recognises engagement and partnership with the community will help to ensure our natural assets are protected and improved for the long-term.

Vision

An engaged and empowered community that positively contributes to the conservation, protection and enhancement of our natural environment for the long-term benefit of all.

Objectives

- To develop and maintain effective relationships with the natural resource management community.
- To provide support and resources to assist community groups and individuals to protect and enhance the natural environment.

To provide opportunities for the community to celebrate and appreciate the natural environment through positive experiences that encourage environmental stewardship.

Previous achievements

- · Initiation of Community Environment Grant scheme, to support NRM community group activities on City reserves from 2006-2011. This funding was replaced by the Community Bids scheme which has an NRM component.
- Establishment of the Environmental Reference Group which reviews implementation of the Environment Strategy and acts as a sounding board for environmental issues within the City
- Friends of Reserve Strategy, endorsed by Council in 1999, to support NRM group activities.
- Building community Environmental Awareness through Geocatch newsletter, Council for Community local newspaper and Bay to Bay Newsletter. Supported many awareness raising projects through the Community Environment Grants (i.e. brochures, displays, signage, events) and community forums.
- Assist landowners with dieback management and feral animal control.
- In partnership with the South West Biodiversity Project the City;
 - o Identified biodiversity values of City's reserves and prioritise management recommendations which culminated in the Natural Areas Management Action Plan.
 - o Updated vegetation mapping for the revision of the Biodiversity Incentives Strategy.

Strategic actions- Community

Action No.	Strategic action
3.1	Support and build capacity of volunteers to undertake bush care and other biodiversity conservation initiatives. Develop and implement an NRM and Community Engagement Strategy to support community involvement in managing City lands.
3.2	Develop and implement the NRM Community Group Manual to manage new and existing NRM volunteers.
3.3	Continue to support community environmental groups to access funding and resources for strategic and on-ground environmental projects.
3.4	Create a Strategic communication plan for undertaking environmental awareness with community in partnership with other agencies
3.5	Provide support for event organisers with regards to environmental management
3.6	Develop community programs to raise awareness and facilitate behaviour change in all areas of environmental sustainability.
3.7	Support, coordinate and promote environmental initiatives and projects to the community.
3.8	Work within the City Aboriginal Reconciliation Plan process to discuss proposed projects and management of natural areas.
3.9	Work with others to enhance ecotourism opportunities around Western Ringtail Possum and other endangered flora and fauna.
3.10	Provide and support community programs for habitat enhancement and protection of threatened species
3.11	Support partnerships with universities and community interest groups (citizen science) to study environmental initiatives of relevance to the City

229

4. ENVIRONMENTAL SUSTAINABILITY

Scope and context

Attachment A

Environmental sustainability is a state in which the demands placed on the environment can be met without reducing its capacity to allow all people to meet their needs, now and in the future. For the City, this means committing to managing resources appropriately for the benefit of current and future generations.

The City continues to monitor and report energy, water and waste use in line with local, national and international aspirations and targets, and work with the community and stakeholders to develop new and innovative ways to reduce the environmental impact of our operations and services. Environmental sustainability is finding effective ways to engage with and empower the community to reduce their own resource consumption and to make the city a more sustainable place to live and appreciate.

Being environmentally sustainable also requires adapting to a changing climate and responding to the challenges of a coastal environment. Looking forward, the City will need to build its capacity for resilience and work with stakeholders and residents in futureproofing our communities and environment.

Vision

An empowered local community and organisation that strives for an environmentally sustainable future, for all, and in perpetuity.

Objectives

- To embed sustainability practices in City's core business.
- To reduce the organisation's use of non-renewable resources.
- To empower a resilient local community in making sustainable decisions for the future.
- To proactively plan for a changing climate.

Previous achievements

- Energy Action Plan reviewed and endorsed by Council in August 2014. The City joined the Cities for Climate Change Program (CCP) in June 2008. Achieved Milestone 1 (energy audit), Milestone 2 (setting of emissions reduction goals) and Milestone 3 (drafting of a corporate Energy Action Plan) of the CCP program. The CCP Australia Program and its milestone framework support ended on 30 June 2009 when the Federal Government discontinued its funding. However, the City resolved to continue basing its climate change mitigation work on the CCP framework due to its past success with other local governments across Australia.
- Implementation of a Water Action Plan. The City commenced a Water Campaign Program in
 June 2008. Achieved Milestone 1 (water audit), Milestone 2 (setting of water consumption
 and quality goals) and Milestone 3 (drafting of corporate Water Action Plan) of the Water
 Campaign. Implementation of the Water Action Plan is ongoing.,
- Designed and incorporated sustainably sourced geothermal energy to heat the Geographe Leisure Centre and the pool to reduce building energy use.

11.1 Attachment A

- Installation of solar powered and wind powered street lighting.
- LED lighting upgrades for all City facilities to improve lighting and reduce energy use across City infrastructure.
- Annual Greenhouse gas emissions reporting in City Annual Report to continue to monitor emissions savings and new projects.
- Green waste stockpiled and mulched 2 times a year. A local composting company takes most of the material and a proportion is retained for use by residents at no charge.
- Installation of weighbridge at Dunsborough Waste Facility to monitor waste streams and assess new methods for reduction, recycling and reuse of waste. Design of new lined cell for Dunsborough Waste Facility. Conversion of Busselton landfill site to transfer station.
- School education programmes on waste issues and action they can take on recycling, saving energy, reducing land fill and reducing waste.
- A Coastal Scoping study completed in 2007 provided guidance and direction for high priority studies and works required in Geographe Bay. This and subsequent studies has led to development of coastal infrastructure such as Abbey and Quindalup Boat ramp upgrades and parking. Coastal protection works have been completed at Busselton and Dunsborough Foreshore, the Locke Estate and some experimental low key work has occurred at Norman Road in Broadwater.
- The City is involved in the Peron Naturaliste Partnership (PNP) looking at coastal adaptation strategies for coastal towns between Cape Peron and Cape Naturaliste. The PNP has delivered the Coastal Adaptation Decision Pathway Project and a Coastal Community Adaptation Awareness plan.

11.1 Attachment A

Strategic actions- Environmental Sustainability

Action No.	Strategic action		
4.1	Continue to implement and review City's Energy Action Plan.		
4.2	Continue to implement and review City's Water action plan to agreed targets		
4.3	Continue to implement and review City's waste reduction strategy		
4.4	Develop a Corporate Sustainability Policy for the City		
4.6	Develop a climate change declaration for the City.		
4.7	Implement the findings of the Coastal Adaptation Decision Pathway Project and a Coastal Community Adaptation Awareness Plan developed by the Peron Naturaliste Partnership.		
4.8	Develop and promote a strategic position on coastal risk areas through the PNP. Support the development of tools for community living in coastal risk areas.		
4.9	Continue to support the Green Taskforce to reduce corporate emissions for energy water and waste.		

Attachment A

GOVERNANCE AND RESOURCING

Scope and context

As a large local government in the South West region, the City recognises the significance of the attractive, unique environment of Geographe Bay and surrounds as a destination of choice for many local, national and international visitors to visit and as a place to live. The City recognises good environmental management requires appropriate resourcing across the organisation, to achieve best practice outcomes in the environment across all disciplines. . Training and resourcing are regularly reviewed and appropriately managed to ensure the organisation maximises its opportunities and capabilities to service the community and protect the natural values of the region.

The organisation supports innovation, proactivity, critical review and adaptive management techniques within core business. The City recognises that environmental initiatives need to be adequately and appropriately delivered to protect and enhance the significant environmental values within the district.

The focus of this chapter is how the City as an organisation can continue to provide effective and appropriate resources and opportunities to manage these expectations successfully into the future.

Vision

A resilient, resourceful and accountable organisation that seeks partnerships with its stakeholders to achieve mutual environment benefits.

Objectives

- · To seek creative and innovative funding solutions and resourcing opportunities
- To consider partnerships as adding value to our core business
- To strategically and proactively plan according to environmental priorities
- To communicate and consult with our stakeholders
- To be a leader in sustainable environmental management
- To drive sustainable development through planning tools and policies

Previous achievements

- · Preparation and implementation of the Reserve Vegetation Protection Policy
- Provided training for relevant staff on Dieback management, Tree decline and treatment, Acid Sulphate Soils, vegetation management and sustainability practices.

11.1 Attachment A

Strategic actions- Governance

Action No.	Strategic action
5.1	Investigate opportunities for increasing and improving sustainable future development.
5.2	Generate productive partnerships with private sector and community groups to resource environmental projects for community benefit
5.3	Develop and implement environmental training for the organisation.
5.4	Develop an environmental offset policy

Attachment A Environment Strategy 2016

6. ACTIONS AND STRATEGY TABLES FOR ALL THEMES

Actions and Strategies Table - BIODIVERSITY

Action No.	Strategic Actions	Current stage of implementation	Implementation tool/s for management	Who is responsible
140.				
1.1	Continue to develop and review management plans for natural areas under the City's care, including application of fire management	Ongoing	Management, Community engagement and leadership	Internal
1.2	Continue improvement of planning mechanisms for the protection of biodiversity and habitat. Review and finalise the draft Western Ringtail Possum Habitat Protection and Enhancement Strategy.	To be reviewed	Planning or Policy development	internal
1.3	Work in partnership with other agencies and organisations to identify opportunities for implementation of recovery plans for protection of endangered species	Ongoing	Planning development, On-ground works, Management	internal
1.4	Assess and provide recommendations for strategic approaches to control dieback through prevention, education and management	Review and develop	Policy and Planning development, On- ground works, Community engagement and leadership, Evidence based science	Internal
1.5	Identify sites of high environmental value which may require conservation outcomes to be secured via changes to land tenure	New	Planning and Policy development, Management.	Internal
1.6	Develop opportunities to improve planning for the protection of vegetation in City reserves to balance potential conflicting values such as fire, biodiversity, public open space and amenity.	New	Partnerships Policy and Planning development, Community engagement and leadership	Internal
1.7	Develop initiatives to raise awareness and protect endangered fauna	Ongoing	Management, On-ground works, Planning and Policy Development	Internal
1.8	Continue to promote the opportunities for conservation through the Biodiversity Incentives Strategy, the Leeuwin Naturaliste Statement of Planning policy, the Busselton Wetlands Conservation Strategy and voluntary conservation covenants.	Ongoing	Community engagement and leadership, Policy and planning Development	Internal
1.9	Develop guidelines to encourage voluntary retention and protection of significant vegetation including habitat trees.	Ongoing	Policy and planning Development	Internal
1.10	Develop a program to strategically address the loss of vegetation in foreshore areas	Ongoing	Management, On-ground works, Planning and Policy Development	Internal
1.11	Continue to manage weeds and feral animals on City land.	Ongoing	Natural area management, On-ground works	Internal

235 Environment Strategy 2016

Actions and Strategies table - WATER

Attachment A

Action	Strategic action	Current stage of implementation	Implementation method	Responsibility
2.1	Prepare management plans for the Lower Vasse River and Toby Inlet, in close consultation with the local community and stakeholders.	Under development	Partnerships, Policy and Planning Development, Management and On-ground	Internal and External stakeholders
			works	
2.2	Continue to work with all partners of the Vasse Taskforce to develop strategic and integrated	Ongoing	Partnerships, Policy and Planning	Internal and external stakeholders
	approaches to management of Water Quality in the wetlands and waterways of Geographe		Development , Management and On-ground	
	Catchment.		works	
2.3	Apply Water Sensitive Urban Design principles in City stormwater management programs and	Ongoing	Policy and Planning development, On-	Internal
	upgrades, addressing both water quality and volume.		ground works	
2.4	Prepare and manage district water management strategies for Busselton and Dunsborough	New	Policy and Planning development,	Internal and external stakeholders
			Partnerships, Management	
2.5	In partnership with other water agencies continue to raise awareness about water quality and	Ongoing	Management, Partnerships with others,	Internal and External stakeholders
	wetland values and strategies to reduce nutrients entering waterways and wetlands through the		Community engagement and leadership	
	Busselton Wetlands Initiative			
2.6	Investigate opportunities for alternative fit for purpose water use options for city land and within	Ongoing	Policy and Planning development,	Internal
	new land developments		Management,	
2.7	Develop action plans and programmes to increase water use efficiency and water quality.	Ongoing	Policy and Planning development,	Internal
			Management and On-ground works	
2.8	Support the consolidation of reserves around the Busselton Wetlands, including through	Ongoing	Policy and Planning development	Internal
	appropriate zoning of land and management of environmental values through the Busselton			
	Wetlands Conservation Strategy			
2.9	Continue to work with other agencies on strategies to manage groundwater and salt intrusion in	Ongoing	Policy and Planning development,	Internal
	the region		Management and On-ground works	

Actions and Strategies Table - COMMUNITY

Actions	Action strategy	Current stage of implementation	Implementation method	Responsibility
rerence				
3.1	Support and build capacity of volunteers to undertake bush care and other biodiversity	In development	Policy and Planning development,	Internal
	conservation initiatives. Develop and implement an NRM and Community Engagement Strategy to		Management, Community engagement and	
	support community involvement in managing City lands.		leadership	
3.2	Develop and implement the NRM Community Group Manual to manage new and existing NRM	In development	Policy and Planning development,	Internal
	volunteers.		Management, Community engagement and	
			leadership, Resourcing	
3.3	Continue to support community environmental groups to access funding and resources for	Ongoing	Community Engagement, Management	Internal
	strategic and on-ground environmental projects.			
3.4	Create a Strategic communication plan for undertaking environmental awareness with community	New	Policy and Planning and Development,	Internal and external stakeholders
	in partnership with other agencies		Partnerships, Resourcing	
3.5	Provide support for event organisers with regards to environmental management	New	Management, Community engagement and	Internal
			leadership,	
3.6	Develop community programs to raise awareness and facilitate behaviour change in all areas of environmental sustainability.	New	Community engagement and leaderships	
3.7	Support, coordinate and promote environmental initiatives and projects to the community.	New	Community engagement and leadership, On-	Internal
			ground works	
3.8	Work within the City Aboriginal Reconciliation Plan process to discuss proposed projects and	New	Community engagement and leadership,	Internal
	management of natural areas.		Partnerships	
3.9	Work with others to enhance ecotourism opportunities around Western Ringtail Possum and other	Ongoing	Community engagement and leadership,	Internal and External stakeholders
	endangered flora and fauna.		Partnerships	
3.10	Provide and support community programs for habitat enhancement and protection of threatened	Ongoing	Community engagement and leadership,	Internal, partnerships with external
	species		Management, Resourcing, On-ground works	stakeholders
3.11	Support partnerships with universities and community interest groups (citizen science) to study	Ongoing	Policy and Planning development,	Internal and external stakeholders
	environmental initiatives of relevance to the City		partnerships and consultation, Resourcing,	
			Evidence based science	

Attachment A Environment Strategy 2016

Actions and Strategies table - ENVIRONMENTAL SUSTAINABILITY

Actions reference	Action strategy	Current stage of implementation	Implementation method (refer p9-10)	Responsibility
4.1	Continue to implement and review City's Energy Action Plan.	Ongoing	Management, Partnerships, Policy or	Internal
			Planning development	
4.2	Continue to implement and review City's Water action plan to agreed targets	Ongoing	Management, Partnerships, Policy or	Internal
			Planning development	
4.3	Continue to implement and review City's waste reduction strategy	Ongoing	Management, Partnerships, Policy or	Internal
			Planning development	
4.4	Develop a Corporate Sustainability Policy for the City	New	Policy or Planning development,	Internal
			Management	
4.6	Develop a climate change declaration for the City.	Under development	Policy and Planning development,	Internal
			Management	
4.7	Implement the findings of the Coastal Adaptation Decision Pathway Project and a Coastal	New	On-ground works, Management,	Internal
	Community Adaptation Awareness Plan developed by the Peron Naturaliste Partnership.		Partnerships	
4.8	Develop and promote a strategic position on coastal risk areas through the PNP. Support the	New	Policy and planning development,	Internal
	development of tools for community living in coastal risk areas.		Community engagement and leadership	
4.9	Continue to support the Green Taskforce to reduce corporate emissions for energy water and	Ongoing	Community engagement and leadership,	Internal
	waste.		Management	

Attachment A Envir

Environment Strategy 2016

238

Actions and Strategies table - GOVERNANCE AND RESOURCING

Actions reference	Action strategy	Current stage of implementation	Implementation method	Responsibility
5.1	Investigate opportunities for increasing and improving sustainable future development.	New	Policy and Planning development	Strategic Planning/ Environmental planning
5.2	Generate productive partnerships with private sector and community groups to resource environmental projects for community benefit	Ongoing	Resourcing, Partnerships	
5.3	Develop and implement environmental training for the organisation.	New	Management, Evidence based Science	Environmental Planning
5.4	Develop an environmental offset policy	New	Policy	Environmental and Strategic planning

11.1

239

APPENDIX 1 - ENVIRONMENT POLICY

PURPOSE 1.

The City will undertake its activities and ensure its decision-making considers the impacts on the environment and identifies measures to adequately to actively manage them. The City will therefore obtain adequate levels of information required to properly assess proposals, activities and works programmes to achieve acceptable environmental standards and statutory compliance..

The City will demonstrate a commitment towards continuous improvement in environmental management and progress towards creating a sustainable balance between environmental, social and economic values in the City.

2. **SCOPE**

Decisions and activities will have regard to relevant environmental legislation and will be based upon recognised best practice environmental management standards. The most up to date information on environmental impacts, and their management, will be used to assess the acceptability of proposals and activities. Where applicable it will be the responsibility of the proponent to provide sufficient information to enable this to occur.

Where information is not available, the Precautionary Principle will be used by the City and the Council to assist in decision-making and advice will be sought from relevant government agencies or other recognised experts with suitable qualifications and experience on the environmental issues being considered.

POLICY CONTENT 3.

Implementation of the policy will be achieved through the following activities:

Manage natural areas under City ownership, management or control to retain and enhance their environmental values and functions by:

- Implementing the Environment Strategy and adopted Management Plans;
- complying with all environmental legislation; and,
- conforming to best practice management standards.

Establish effective working relationships and partnerships with the community and other stakeholders to undertake environmental management activities;

Provide the opportunity for active stakeholder involvement, ownership and participation through:

- the provision of clear and consistent information to stakeholders;
- consultation with the broader community where applicable; and
- participation in the City Environmental Reference Group.

Ensure that City activities do not lead to unacceptable environmental impacts and are undertaken in accordance with current best practice standards. This will be achieved by:

9 November 2016

- good governance and sound decision making;
- providing opportunities for staff training;
- placing the onus on the proponent of any proposals, activities and work programs to identify
 and assess environmental impacts and propose measures to manage these or modify the
 proposal; and
- ensuring stakeholders are aware of the City's activities and how potential environmental impacts are being managed.

Plan, design, operate and conduct operations in a manner that minimises waste and the demand on natural resources and energy.

Policy Background

Policy Reference No. – 30

Owner Unit – Environmental Planning

Originator – Environment Strategy Consultant

Policy approved by – Council

Date Approved – 9 March 2011

Review Frequency – As required

Related Documents – Environment Strategy

Background/History – Policy updated 2011 after adoption in 2004 as part of the Environment Strategy

Council Resolution	Date	Information
C1103/070	9 March 2011	Policy updated after adoption in 2004 as part
		of the Environment Strategy
		Version 2

APPENDIX 2 - FLAGSHIP PROJECTS

The following Flagship Projects have been provided as examples to illustrate potential for future plans.

Project Plan 1

Project Plan 1			
Operational Action/strategy		Intent of project:	the country and and anticipation of the officers
Relates to: Community Theme: 3.4 Create a Strategic communication plan for enhancing local community environmental awareness in partnership with other agencies 3.5 Provide support for event organisers with regards to environmental management. 3.6 Develop community programs to raise awareness and facilitate behaviour change in all areas of environmental sustainability.		Community Environmental Events. Promote events calendar to inform community of events/activities. E.g. (Meelup moon walk, Possum night stalks, Wildflower show, Birdlife Australia.) Develop a framework for assessment and promotion of environmental activities. Assist groups to ensure the events run according to environmental best practice. Link with organisations that can promote and deliver environmental activities and agreed outcomes.	
Project Name	COMMUNITY MEETS ENVIRONMENT		
What do we want to achieve with this project? What are the key outcomes?	What are the main challenges/Obstacles with this kind of project	Who are the key stakeholders that would have a vested interest in a successful outcome for this project? Which of these stakeholders can most influence our key decision makers?	What benefits can these stakeholders derive from the achievement of this priority project? How could we involve these stakeholders in this project?
Achieve? Greater community appreciation for our natural assets More engaged community (visitors and local) Reduced environmental footprint for events	Coordination – central repository for all information /events environmental Pop-up events such as art at the wetlands, ballet by the bay etc Resources Attracting new audiences Volunteer fatigue	Wildlife care groups Conservation awareness groups GBTA Art Geo Tour operators	Additional attractions for tourists Winter program to extend visitor stays during off peak times
Outcomes Increased attendance for environmental activities Coordinated effort Seasonal variety and continuity of environmental events.		GBTA - Tourists City webpage Existing community groups Naturalists Club State agencies	Develop a network and promote regularly. Half day seminars on managing environmental tourist attractions of Busselton for tour operators

Project Plan 2

Operational Action/strategy Relates to Sustainability theme: 3.6 Develop community programs to raise awareness and facilitate behaviour change in all areas of environmental sustainability. 4.1 Continue to implement and review City's Energy Action Plan.		Sustainable Initiative workshop Engagement with community on reduction of energy water and waste use in residences as part of the Energy Action plan community actions and engagement with external partners such as Geocatch.		
Project Name COMMUNITY SUSTAINABILITY INITIATIVES What do we want to achieve with this What are the main challenges/Obstacles		Who are the key stakeholders that	What benefits can these stakeholders	
project? What are the key outcomes?	with this kind of project	would have a vested interest in a successful outcome for this project? Which of these stakeholders can most influence our key decision makers?	derive from the achievement of this priority project? How could we involve these stakeholders in this project?	
Achieve Engage new home buyers Engage existing home owners/renters Linking the environment and sustainability More resources allocated to this Culture of best practice and a benchmark Efficiency	Resourcing limitation Buy-in from stakeholders and level of importance	Energy Reference Group General public	Target audience – BUILDERS Community partnerships Community gardens Geographic locations Geocatch	
Outcomes Sustainability Initiatives workshops Efficient new builds Efficient retro builds	Provision of incentives for less waste to landfill *	Energy Reference Group Sustainability champions	Worm farms Bins Verges/native plants	

^{*} measured by number of participants less waste to landfill

243

Project Plan 3

"Living Drains"

Operational Action/strategy IN PARTNERSHIP WITH WATER AGENCIES Relates to Water themes: Undertake initiatives to encourage living drain projects for increased habitat and Apply Water Sensitive Design principles in to City Stormwater management programs changing perceptions. and upgrades, addressing both water quality and volume. In partnership with other water agencies continue to raise awareness about water quality and wetland values and strategies to reduce nutrients entering waterways and wetlands through the Busselton Wetlands Initiative LIVING DRAINS **Project Name** What do we want to achieve with this What are the main challenges/Obstacles Who are the key stakeholders that What benefits can these stakeholders project? with this kind of project would have a vested interest in a derive from the achievement of this What are the key outcomes? successful outcome for this project? priority project? Which of these stakeholders can most How could we involve these stakeholders influence our key decision makers? in this project? Achieve? Cut maintenance costs Current management practices Water Corporation Ecological linkages Land tenure Busselton water Good PR Better water quality Resources Geocatch/DOW Nutrient reductions Better looking water ways GLCN · Leverage funding from other sources Better/more recreational spaces Green Army Education SWCC Maintain drainage function · Community ownership of environmental assets Outcomes Current management practices/minds Cut maintenance costs Ecological linkages, (Possums/Birds) Vesting/owners Public relations Water quality Cost of implementation Nutrient reductions (offsets) Aesthetics Lever future funding management On-going management conflict Recreation approach Education, resource (demonstration) Direct engagement in project Inspiration Maintain drainage function

APPENDIX 3 - Best practice tools for environmental management

Four best practice environmental methods are:

- Conservation. Conservation is 'doing no harm' to intact natural functioning systems and environments. It is the cheapest and most effective way to manage the environment. Conservation recognises that some environmental systems are not being adversely affected by threatening processes, and should be maintained without interference. Conservation methods may involve exclusion and installation of barriers. Areas that require protection are often the most pristine and valued environmental assets within a district. Ironically these areas are often the places people want to visit or utilise. Management considerations must balance environmental conservation and human use to conserve and maintain ecosystem function.
- Protection. This management method considers techniques to safeguard areas that are less
 impacted by environmental threats. Methods such as treating a susceptible area of
 vegetation against dieback on a regular basis to prevent an infestation from occurring would
 be a form of protection. Protection methods are often long-term and ongoing and may be
 perceived as being costly, as the outcome might not be a radical change in the condition of
 the environment. Protection methods are however critical to ensure more intensive
 methods are not required in the future. Resource allocations for protection projects are
 critical 'insurance policies' for the environment.
- Management. Management methods are applied once environmental threats have been identified and conservation or protection methods will not prevent degradation. Management techniques are ongoing and assist with protection or conservation of key values, but usually involve a more long-term program to help to control or keep in check an existing threat. Management options are expensive and can be seen as 'Band-Aids' as they rarely address the core problem or threat and rarely result in the restoration of a natural ecosystem. However, the City recognises that management techniques are necessary and that resources need to be committed to management to keep threatening processes at an acceptable level. Weed control and planting are ongoing tools used for environmental management. While management methods seldom result in a 'restored' environment they are proactive and effective tools to engage the community and to maintain natural values in a given area.
- Enhancement. Areas that have been identified as not adversely affected by threatening processes (I.e. areas set aside for conservation), can be modified in small ways to make these areas accessible without impacting them. This might involve providing formalised access to an attractive view in a nature reserve. Enhancement may also mean selective and strategic management, such as returning a native animal back to an area where it used to reside in order for that animal to help restore the natural processes. E.g. So that the flora will germinate naturally. Enhancement may also mean restoring a particular function, e.g. habitat, to a degraded environment. Enhancement projects need to be carefully considered to prevent them causing degradation.

These environmental methods will be applied where appropriate to assist implementation of the strategic actions of the strategy.

APPENDIX 4 - Informing documents and References

These documents are tools to provide relevant background information on each theme.

Federal/State/Local Objectives Concerning Biodiversity

Level of Govern ment	Environment strategies/ Plans	Relevant Objectives	Further reference	How this relates to the environment strategy/action?
Federal	Australia's Biodiversity Conservation Strategy 2010-2030	 Mainstreaming biodiversity in community. Increasing Indigenous peoples engagement Enhancing strategic investments and partnerships. Building ecosystem resilience in a changing climate by: protecting diversity, maintaining and re-establishing ecosystem functions, reducing threats to biodiversity. Getting measurable results through: improving and sharing knowledge, delivering conservation initiatives efficiently 	http://www.environme nt.gov.au/biodiversity/p ublications/australias- biodiversity- conservation-strategy	The City's Environment Strategy acknowledges the intention of these objectives to achieve best practice outcomes. Principles of adaptive management are paramount and should be applied by those undertaking biodiversity management in the future
State	State of the Environment report 2007	At a national level, Western Australia has eight of 12 Australian biodiversity hotspots. At a global level, the South West is recognised as one of the world's 34 biodiversity hotspots. WA currently has 362 threatened plants, 199 threatened animals and 69 threatened ecological communities. Recovery plans have been developed for less than one-third of threatened species and ecological communities. There is ongoing loss and degradation of biodiversity in WA. Knowledge about many species and ecosystems and some threats to biodiversity remains inadequate.	http://www.epa.wa.gov .au/AbouttheEPA/SOE/2 007/Pages/default.aspx	Region has a number of threatened species and ecological communities- Western Ringtail Possum, Carnaby's and other cockatoo species, plus threatened flora and several threatened communities. The City 's plan aims to implement recovery plans in partnership with other organisations and increase opportunities for protection of endangered species
Regiona I	WA Bush Forever 2000	General information about determining viable and sustainable reserve areas based on threat analysis and influence of size.	http://www.bushlandpe rth.org.au/bush- forever-overview	Provides a background and framework for long-term vegetation management and

246

Environment Strategy 2016

				impact of most likely threats
Regiona I	Local Government Guidelines for Bushland Managemen t in the Perth and Coastal South-West NRM Regions of Western Australia 2009	Provide local government officers direction in prioritising management actions for natural areas and to ensure that management of these areas is in line with biodiversity principles. Guidelines developed to assist local government environmental officers to holistically plan management actions by ensuring that reserves are prioritised for management according to their biodiversity values, the threats that may impact upon them and that the finite resources are used to achieve best long-term outcomes.	http://pbp.walga.asn.au /Publications/LocalGove rnmentGuidelinesforBus hlandManagement.aspx	Guidelines for community engagement, prioritising reserves for future management, relate to City strategy actions.
	Local Government Biodiversity Planning Guidelines 2004	Strategy guides the development of a local planning policy for biodiversity conservation; an action plan for managing biodiversity on Local Government land; a strategy to provide incentives for conservation on private land; and amendment of the local planning strategy and town planning scheme.	http://pbp.walga.asn.au /Publications/LocalGove rnmentBiodiversityPlan ningGuidelines.aspx	Plan assists with environmental planning
	State Local Planning Policy 2.6, and Guidelines	Recommendations for generic coastal planning and management, including specific objectives and pro forma for coastal management plans	http://www.planning.w a.gov.au/publications/1 168.asp	Coastal management and planning documents are informed by this document. Management plans include this information
Local City	Environment strategy 2004	All objectives are relevant	http://www.busselton. wa.gov.au/Environment -Waste/Environmental- Planning/Environment- Strategy	Previous plan helps to inform the new Environment Strategy, some original recommendations still outstanding, intent of plan is the same as new plan
City	Local Environment al Planning strategy	Helps guide development and environmental protection for the City for over 30 years. Vision to accommodate its current and future populations in environmentally sustainable communities characterised by settlements that recognise and embrace the	See City website	Links planning policy with environmental values. Relates directly to policy decisions the City undertakes and therefore

2011 (City)	physical and environmental features. Areas of environmental and		informs the Environment Strategy
	cultural significance will be identified and protected by the City's		and implementation
	planning framework, which will result in land use and development		
	being environmentally sensitive.		
Peron	Network of other organisations and local governments committed to	http://peronnaturaliste.	Provides valuable baseline data
Naturaliste	monitoring, identifying and managing coastal assets in relation to	org.au/	on coastal reserves, assets and
partnership	the impacts of climate change		provides recommendations and
(Alliance)			action planning and policy on
			future coastal asset management
			that affects biodiversity.
South West	Identifies coastal nodes in the City that are of high environmental	http://www.swnrmstrat	Identifies many of the coastal
Catchments	and community value and lists potential management actions for	egy.org.au/get-	areas in Busselton of high value
Council	protecting, conserving or enhancing these areas.	involved/coastal-action-	requiring coastal management.
Coastal		plan/	This information can be used to
Action Plan			assist with the Environment
2015			Strategy implementation.

Federal/State/Local Objectives Concerning Water

Level of Governmen	Environment strategies/Plan	Relevant Objectives	Further reference	How this relates to the environment strategy/action?
t	s			J.,
Federal	Department of environment Annual report 2013-2014	Reports such as this provide a snapshot/baseline of water, a finite resource, in Australia.	http://www.environment.g ov.au/about- us/publications/annual- report-2013-14- environment	General knowledge and understanding about water cycles and statements about how water is managed federally can assist with planning water management at the City
Federal	Ramsar Convention- wetlands of international importance	The City works closely with Federal and state agencies with managing Ramsar wetlands in and around Busselton.	http://www.ramsar.org/ab out/wetlands-of- international-importance	The Vasse-Wonnerup Estuary in Busselton is recognised as a Ramsar wetland. The City works closely with a number of agencies to manage, study and protect this internationally significant water body.
State	Rights in irrigation and Water Act WA and subsidiary legislation	The Act relates to rights in water resources, to make provision for the regulation, management, use and protection of water resources, and for related purposes.	http://www.slp.wa.gov.au/ legislation/statutes.nsf/mai n mrtitle 844 homepage. html	The Department of Water has powers to regulate surface and groundwater use and to permit the interference with bed and banks of a waterway to construct a dam or a crossing.
State	Environmental Protection Act WA and subsidiary legislation	The Act provides for an Environmental Protection Authority, for the prevention, control and abatement of pollution and environmental harm, for the conservation, preservation, protection, enhancement and management of the environment and for matters incidental to or connected with the foregoing	https://www.slp.wa.gov.au /legislation/statutes.nsf/m ain mrtitle 304 homepag e.html	The Department of Environmental Regulation is responsible for implementing the powers of the act. The act covers such matters as; Licencing of polluting processes, batching plants, Clearing of native vegetation, Controlled waste sites, Rural landfill Noise Unauthorised discharges
Local	ICLEI Water	Launched in 2000, the overarching ICLEI Water	http://www.iclei.org/detail	The City is part of the ICELI water

Attachment A

	Campaign	Campaign promotes the development of local water	s/article/water-	reporting and reducing program for
		action plans to achieve tangible improvements in	campaign.html	corporate water responsibility.
		local water quality, conservation and access. A wide		http://www.busselton.wa.gov.au/Envir
		range of local initiatives have been taken in		onment-Waste/Environmental-
		different regions across the world.		Planning/Environmental-
				sustainability/Water-Campaign
Local	Independent	Review was to strategically investigate issues, roles	Document available in-	Document was delivered in November
	Review of the	and responsibilities for managing water bodies such	house	2014. The report has been instrumental
	Current and	as lake, rivers and streams in the Busselton area. It		in the State government forming a
	Future	has been long recognised that water in Busselton is		Taskforce to investigate waterways and
	Management	polluted and requires a coordinated management		wetland management across the
	of Water Assets	approach. This document identified key roles and		catchment.
	in the	responsibilities.		
	Geographe			
	Catchment			
	2014 (Prof			
	Barry Hart for			
	City)			
Local	Water Quality	Documents relating to the City's efforts to improve	http://www.busselton.wa.	City works with government agencies
	Improvement	water quality in the Lower Vasse River. 2014. Such	gov.au/files/sharedassets/	and Geocatch to improve water quality.
	Treatment	work is ongoing	public/ecm/envplan/water	
	Trials In The		qualvasse/discussion docu	
	Lower Vasse		ment - final jan 2014.pdf	
	River 2014			
	Busselton	Guiding sustainable use and wise management of	http://www.planning.wa.g	Supports planning strategies at the City
	wetlands	biodiversity and environmental values of the	ov.au/publications/756.asp	and provides guidance for management
	conservation	Busselton wetlands.		of public lands where wetlands are
	strategy			present

Federal/State/Local Objectives Concerning Community

Level of	Environment	Relevant Objectives	Further reference	How this relates to the environment
Government	strategies/Plans			strategy/action?
	Major actions			
Local				
	A Guide to managing	Legal responsibilities , volunteer		Broadly relevant to managing community
	Volunteers in WA	insurance and OSH		groups and for the development of a specific
	Local Government	requirements		NRM community group manual.
	(LGIS, 2012)			
	City Friends of	Outdated manual to provide	http://www.busselton.wa.gov.a	Managing community groups working on
	Reserves Strategy	information to individuals and	u/Environment-	NRM is core business
	1999	groups that work on City	Waste/Environmental-	
		managed land on NRM issues	Planning/Community-	
		Provides framework for working	participation-and-awareness	
		with community groups		
	NRM community	Manual to provide information	Plan not published yet, under	Guide for management of community
	Group Manual 2015	to individuals and groups that	development	volunteer groups.
		work on City managed land on		
		NRM issues Manage community		
		involvement, insurances,		
		training and obligations etc		
	City Environment	All of this document	http://www.busselton.wa.gov.a	This document was reviewed and a gap
	Strategy 2004		u/Environment-	analysis undertaken to ensure actions from
			Waste/Environmental-	previous strategy were updated and
			Planning/Environment-Strategy	considered

Environment Strategy 2016

Federal/State/Local Objectives Concerning Land

Level of	Environment	Relevant Objectives	Further	How this relates to the environment
Governmen	legislation/strategies		reference	strategy/action?
t	/Plans			
Federal	Environment	The EPBC Act enables the Australian	https://www.c	EPBC Act influences the management of land in WA
	Protection and	Government to join with the states and	omlaw.gov.au/	and links to many state regulations and documents
	Biodiversity	territories in providing a national scheme of	Series/C2004A	
	Conservation Act	environment and heritage protection and	<u>00485</u>	
	1999 (EPBC Act)	biodiversity conservation. The EPBC Act focuses		
		Australian Government interests on the		
		protection of matters of national environmental		
		significance, with the states and territories		
		having responsibility for matters of state and		
		local significance		
State	Biosecurity and	Considers agricultural weeds and pests and	http://www.sl	Agricultural weeds and pests can and do affect
	Agriculture	ongoing management	p.wa.gov.au/le	management of the land and industry, increased
	Management Act		gislation/statu	costs for control and management or eradication.
	2007, which contains		tes.nsf/main_	Such problematic flora and fauna can also be
	the Western		mrtitle 2736	environmental weeds and pests and may greatly
	Australian Organism		homepage.ht	impact on environmental management activities
	List (WAOL).		<u>ml</u>	especially in prone areas such as catchments, drains
				and bushland reserves.
	Environmental	Various legislation and regulations relating to	http://www.d	Environmental governance for land use and
	Protection Act 1986,	clearing and land management	er.wa.gov.au/	management
	Contaminated Sites		<u>about-</u>	
	Act 2003,		us/legislation	
	Environmental		Link to a	
	Protection		number of	
	regulations 1987 and		documents	
	Environmental		provided here	
	protection, Clearing		and listed	
	of Native Vegetation		adjacent.	
	2004			

Environment Strategy 2016

Waste Avoidance and	Issues relating to waste management and	http://www.sl	Waste legislation required for management of local
Resource Recovery	contamination which the City must address	p.wa.gov.au/le	government business such as waste disposal. These
Act		gislation/statu	may impact on soils and nature reserves and are also
		tes.nsf/main_	concerned with illegal dumping, a common
		mrtitle 2758	occurrence in environmental management.
		homepage.ht	
		<u>m</u>	
		I	
Bush Fires Act 1954,	Fire management is complex and various acts in	http://www.sl	Fire management is important in rural areas such as
and associated:	place to assist with long-term protection and	p.wa.gov.au/le	Busselton. Generic fire regimes and guidelines can
 Fire and 	hazard reduction.	gislation/agen	change vegetation complexes and introduce threats,
Emergency		cy.nsf/dfes_m	such as weeds, that impact on the long term
Services Act of		enu.htmlx	sustainability of bushland. Consideration of fire
1998			management adjacent to reserves is vital to ensure
Fire Brigades Act			appropriate management decisions are undertaken
1942			and so they do not compromise integrity of bushland
 Bush Fires Act 			areas, but at the same time address life and
1954			property issues
 Emergency 			
Services Levy Act			
2002			

Federal/State/Local Objectives Concerning Sustainability

Level of Government	Environment strategies/Plans	Relevant Objectives	Further reference	How this relates to the environment strategy/action?
Federal				
	Sustainable Australia report 2013 (Australian Government)	Broad overarching document that addresses the state of Australia in terms of sustainability and provides some recommendations on future sustainable priorities	http://www.environment.gov.au/ sustainability/publications/sustai nable-australia-report-2013- conversations-future	Many of the recommendations are broad but address local government programs and these can broadly be applied to the Environment Strategy
State		·		
	Western Australian State Sustainability Strategy 2003	Broadly identifies initiatives for considering sustainability across corporate objectives	http://www.nrm.wa.gov.au/nrm- in-wa/key-publications/wa-state- sustainability-strategy.aspx	Some initiatives may be useful to consider during Strategy implementation

Schedule of submissions on the draft Environment Strategy 2016

No.	Submitter	Nature of the submission	Response	Outcome
	AGENCIES			
1	A/Director, Bushfire & Environmental Protection, Department of Fire & Emergency Services	Pg.9 Replace reference to the 2010 Bushfire Protection Guidelines with reference to State Planning Policy 3.7 Pg.41 The last section on bushfire legislation is incomplete	Agree Noted. Complete and clarify the statement in the 4th column on	Strategy amended Strategy amended
			p.41 as follows: 'Fire management is important in rural areas such as Busselton. Generic fire regimes can change vegetation complexes and introduce threats, such as weeds, that impact on the long term sustainability of bushland. Consideration of fire management adjacent to reserves is vital to ensure appropriate management decisions are undertaken and so they do not compromise integrity of bushland areas, but at the same time address life and property issues.'	
2	Acting Regional Director Department of Agriculture and Food	Page 12. DAFWA also plays an important role in nutrient management SA 1.8 add 'voluntary'	Noted. Add to Table p12. Agree. Voluntary Conservation	Strategy amended Strategic action 1.8 amended.
		conservation covenants'.	Covenants are another mechanism for protection of	Strategie dellor. 215 differided.

Attachment B

			bushland on private property.	
3	Executive Officer, Office of the Director General, Department of Environment Regulation	DER has no comment on this matter	Noted	No change
4	Heritage Approvals and Advice Officer , Department of Aboriginal Affairs	General advice in relation to Due Diligence Guidelines.	Noted.	No change
5	Environment Officer Busselton Water	Table p12. Add to City of Busselton responsibilities – 'Effective use of planning tools to minimise water use in new buildings and developments'	Agree. Better Urban Water Management framework implemented through the City planning system.	Table amended
		SA 2.6 – Add, 'Investigate opportunities for treated wastewater re-use and other alternative supply options on City Land'	Agree. Wording change as per DoW submission -'Investigate opportunities for alternative fit for purpose water use options for city land and within new land developments.'	Strategic Action 2.6 amended
		Add, 'Planning tools to support water use efficiency and fit for purpose water supply'	The Planning tools exist and are part of the planning processes outlined in p12.	No change
		Add to Objectives in Section 6 To drive sustainable development through planning tools and policies'.	Agree. This objective aligns with SA 5.1.	Objective added to Section 6
		Busselton Water are very keen to partner with the City, particularly in relation to water.	Noted.	No Change
6	Environmental Officer	Add references in appendix 4	Agree.	Reference to RSNAs and LSNAs in

	Strategic Policy and Planning Division	to Regionally Significant		Busselton added to Appendix 4
	Office of the Environmental Protection	Natural Areas (RSNA) and		
	Authority	Locally Significant Natural		
	•	Areas (LSNA.		
		Add reference to Regional	REI is not specifically relevant	No change
		Estuaries Initiative which	or does not add to the	
		provides strategic direction	knowledge base in the	
		towards improving the health	reference section.	
		of WA estuaries.		
		Supportive of the intent of the	Noted	No change
		Environment Strategy.		
7	Environmental Officer	Section 2, page 7 – Update	Agree. There would now be 11	Strategy amended.
	Integrated Land & Water	number of TECs in Busselton	TECs listed.	
	South West Region /	district.		
	Department of Water	Page 11 Table DoW Water	Agreed.	Strategy amended
		asset column should read:		
		Proclaimed Ground and Surface		
		Water Management Areas,		
		estuary peripheral wetlands,		
		and wetlands physically		
		connected to waterways.		
		Responsibilities column,		
		remove: management of		
		waterways.		
		Page 11 table add, Department	Agree.	Strategy amended
		of Planning, Water asset: Water		
		Resource Planning,		
		Responsibilities:		
		Implementation of Better Urban		
		Water Management.	l	.
		Strategic Action 2.1 Be specific	Not critical for the Environment	No change
		about type of management	Strategy to be specific about	
		plans.	the naming of these plans.	

	INDIVIDUALS	Strategic action 2.6, amend to read: 'Investigate opportunities for alternative fit for purpose water use options for city land and within new land developments'.	Agree.	SA 2.6 amended
8	Individual submission	SA 3.2 - Can the public have access to the NRM manual in draft?	Yes. When the City is ready to release a draft it will be discussed with stakeholders.	No change
		 SA 4.6 - What is a Climate Change Declaration? How will it be implemented? 	A declaration is a statement by the City on what it's commitment towards Climate Change mitigation will be.	No change
9	Individual submission	 The number of the strategic actions is slightly confusing because the chapter numbers are different. 	Noted. This shall be addressed in the final version of the Strategy	Numbering of chapters aligned with Strategic Action numbers in strategy
10	Individual submission	Biodiversity PP7&8 Carbunup Reserve should be mentioned alongside other bush reserves. Spelling of 'Carbanup' incorrect (page 9, 11).	Agree.	Strategy amended
		Appendix 4 – CommentTo ensure that these recovery plans and protection of endangered species occur then vesting and purpose of the Carbunup Reserve needs urgent action. Refer to 4.2 and 4.3 of the Carbunup Reserve Management Plan (2002)	Add a SA to Biodiversity section 'Work in Partnership with other agencies and organisations to identify opportunities for implementation of recovery plans for protection of endangered species '	Strategy amended

11	Individual submission	Page 22 Action Item 1.6. the designers and developers of rural semi urban subdivisions should be responsible for access roads so that residents evacuating the settlement are not impeding fire- fighting vehicles.	Developers are required to comply with various regulations/specifications in relation to subdivision layouts and safety. It is the City's responsibility to ensure the plans comply.	No change
		Page 34: Appendix 3: it is suggested that text is revised so that the term: method replaces the term tool in the heading; and method is not used as a synonym for tool or technique; and that the term technique is used rather than the term tool. Some words of the first sentence of the management method section are missing and therefore the meaning has been lost. There is overlap between the Protection and Management Method sections.	Agree. Appendix 3, substitute the term 'tool' with 'method'. Review sentences for completeness and overlap.	Strategy amended
		Page 41: fourth column: last sentence is incomplete.	Agree. Strategy amended as per response to submitter 1.	Strategy amended
12	Individual submission	Sect 2 – Establishment of corridors. The valuable corridors that exist should be protected and extended for flora and fauna. Where corridors do not exist, or are in a poor condition, they should be enhanced.	Agree. The Local Environmental Planning Strategy supports this comment. The Biodiversity Incentives Strategy also provides for the creation of corridors. The City will also encourage this work through Strategic actions 1.2, 1.5 and 1.9	No change

Schedule of Submissions

Sect 2 Far too much clearing is State and Federal legislation No change being allowed. Developers seem to that regulates land clearing. have no restrictions and are not Legislative controls would have penalised for disregarding to be more stringent in order to conditions/requirements. generate a change on this issue. Agencies work with their powers/legislation to retain higher value natural areas in developments. The City will investigate any specific instances of non-compliance with planning approval conditions. Sect 3 – Too many dams/weirs The Department of Water is No change have been built on our creeklines. responsible for the approval of Seasonal waters have been hugely water licences and provides affected. Suggest 'Stop damming guidance on Dam construction /reducing the natural flow and and operation in rural areas. collection of water in creeks and The City could work with DoW rivers.' under SA 2.5 if this became a high priority. Sect 3 – Water tanks and solar The community and industry No change panels installation and incentives. are taking the lead on solar Our Shire is very backward in its energy because it is thinking and approach to these economically viable and two items. We are in a very good therefore does not require local location to make much more use government intervention. of tanks and panels. They should Water tanks are being be mandatory and encouraged. promoted under WSUD

13	Individual submission	Sect 4 – Encourage community to revegetate with appropriate plants and keep funding the initiative (NatureVerge?)to help develop streetscapes. Sect 4 – Develop strategies to educate the resident and transient population about the fauna, flora and environmental aspects of the region. Biodiversity: Are the "WRP Habitat Protection Strategy" and the "WRP Habitat Protection and Enhancement Strategy" two different documents? The WRP Recovery Plan was drafted as a Federal Recovery Plan but shelved after Public Consultations. The plan was based on a conservation status that was already outdated when the draft went out for public comment and is currently again under review. Funding for any implementation is far from secure – if the plan should ever be brought up-to-date.	principles to help retain/infiltration rainfall onsite. The City cannot make tanks mandatory as water is supplied and managed by other agencies. The City encourages planting of streetscapes through the NatureVerge initiative. This is covered under strategic actions 3.4 and 3.9 and the Flagship project 'Community meets environment'. Appendix 2. The City did not manage to get Amd 146 endorsed by WAPC, however there are other things the City could do. The 2 documents mentioned are the same. 'Review' means the City will take another look at what it can do and 'finalise' means we get it adopted so it can be implemented. A Recovery Plan in Draft state is still a useful reference for the types of actions needed.	No change No change
		SA 1.3 - A habitat strategy for enhancement and other benefits on Street verges and in City reserves. This would imply that a few wide-spaced trees on	Agree. Street trees are only part of the equation and the City needs to be planting for the	Strategy amended by combining the intent of SA 1.3 into SA 1.2

street verges constitute habitat. Habitat is far more than vegetation. It is defined as the sum of the specific resources that are needed by organisms and is therefore a complex web of many factors such as food/shelter availability, predators, parasites, and competitors. In the Strategy, there is no mention of any more intense planting programs let alone any concrete protective measures for vegetation. However, in order to improve anything, a tool needs to be developed to enable the assessment of habitat values. City reserves as potential wrp habitat were sacrificed for the effort to limit dog presence on beaches. Dog exercise areas particularly those where the understorey is 'cleaned away' (= destroyed) - jeopardise ringtail safety particularly in our increasingly hot summers. 1.6 - Without adequate protection of

many other benefits they provide. These matters need to be addressed in a comprehensive single strategy on habitat protection and enhancement (SA 1.2)and therefore it is recommended to remove action 1.3.

1.6 - Without adequate protection of vegetation, all efforts to protect wrp are mere window-dressing. However, according to this 'action', the City is merely at the point where opportunities need to be developed so that planning can be improved in the distant future. With a 93% risk of extinction in the best habitat available (PVA for Locke NR) in a 20-years-timeframe, the time to search for opportunities might be running out.

Agree. Protection of existing habitat is a very high priority and will be a focus of SA 1.6.

No change

1.9 - Will these guidelines be developed for City Staff to enable them to encourage retention or protection of vegetation without any incentives on offer and no obligation whatsoever to do so?

The guidelines will apply to everyone.

No change

1.10 - The City's Foreshore Development

The loss of vegetation in these

No change

		has resulted in severe loss of important habitat trees and a recent clearing application shows that this will be ongoing. Dunsborough's regional boating facilities will also lead to loss of important foreshore vegetation. Those are just 2 major examples of strategic destruction of vegetation by the City. I doubt that this would have been stopped if a program to address these issues was in place.	developments has been minimised, existing vegetation was incorporated where possible and there has been significant plantings to offset these losses. SA 1.10 will identify foreshore areas where habitat vegetation can be retained.	
		6. Objectives: To communicate and consult with our stakeholdersTo be a leader in sustainable environmental management There needs to be communication and consultation between City departments Examples given.	Noted. The ES is a whole of organisation document. The objectives equally apply internally as externally to the organisation. The examples given illustrate the many ways in which current practices impact on Western Ringtail Possums. SA 1.2 enables the City to bring these issues to the fore again and respond in a better way.	No change
14	Individual submission	It is accepted that this is a general document however if it is to be of value a specific list of actions with time frames should immediately follow Council's adoption of the Strategy. SA 1.1 and 1.10 need to list specific priorities and projects with timeframes for implementation. E.g bush reserves and priority weeds. SA 1.11 Nominate areas of weed and feral	Noted. Others have asked for more specific actions also. The intent of the Strategic actions is to identify priority areas that the City should be working in. As the City works with it's partners on the various strategic actions the more specific outcomes will be identified and are expected to be more relevant and up to	No change

Attachment B

		animal control and identify coordination with DPaW and landowners for onsite action Page 11 - Responsibility should note coordination with Vasse Task Force	This responsibility is included in table but it could also include coordination of Revitalising Geographe Waterways.	Strategy amended
		SA 3.2 The general community is unaware of any manual. Who is compiling the document?	The City is developing the NRM manual and when ready will be raising awareness of key stakeholder groups and inviting comment.	No change
		SA 3.9 Ecotourism needs careful control and is not a matter of tourism dollars.	Agree. The underlying intent is to allow some opportunities for the general public/visitors to experience some of our local wildlife to increase awareness of both their uniqueness and the issues they face. All tourism ventures must be managed in a sustainable manner and with the welfare of the flora and fauna being paramount.	No change
15	GROUPS Local Residents Group, Windlemere.	We believe that the document could	The Strategy is intended to be	No change
		be substantially improved if the details of the environmental risk management standard (eg Standards Australia risk management), including: risk ranking of environmental factors	strategic in nature. The City is required by law to observe certain standards when preparing management plans for reserves.	

Attachment B

	and treatment of the factors to reduce the risks to ARLAP; and management performance set out in terms of quantitative objectives, standards and measured criteria for each factor at extreme or high risk; continuously improve the management system, and project funding.	New reserve management plans (SA 1.1) for reserves will include detailed fire management recommendations. SA 1.6 includes fire planning issues under which Federal and State fire standards can be considered	

12. ENGINEERING AND WORKS SERVICES REPORT

Nil

13. COMMUNITY AND COMMERCIAL SERVICES REPORT

13.1 CITY OF BUSSELTON ECONOMIC DEVELOPMENT STRATEGY (2016-2026)

SUBJECT INDEX: Regional Economic Development Strategies

STRATEGIC OBJECTIVE: A strong, innovative and diversified economy that attracts people to

live, work, invest and visit.

BUSINESS UNIT: Commercial Services

ACTIVITY UNIT: Economic and Business Development

REPORTING OFFICER: Economic and Business Development Coordinator - Jon Berry **AUTHORISING OFFICER:** Director, Community and Commercial Services - Naomi Searle

VOTING REQUIREMENT: Simple Majority

ATTACHMENTS: Attachment A Final Draft City of Busselton Economic Development

Strategy (2016-2026)

Attachment B Final Draft City of Busselton Economic Development

Strategy (Initiatives to Guide Implementation).

PRÉCIS

City officers have prepared a draft Economic Development Strategy ('EDS') for the Busselton district, which identifies strategies and initiatives which aim to attract inward investment; enhance business retention and expansion; support regional workforce development; identify and advocate for strategic economic infrastructure; and enhance the quality of place, particularly precincts with high tourist visitation.

This report seeks the Council to endorse the draft EDS (in Attachment A) as a guide for future planning and to establish a Reference Group (Taskforce) of key business, government and community stakeholders to support Council deliver the EDS and to identify and advocate for resources to progress specific initiatives identified in a draft Implementation Plan (in Attachment B).

BACKGROUND

The draft EDS defines local economic development by using the International Economic Development Council (IEDC) definition, which is 'a program, group of policies, or activity that seeks to improve the economic well-being and quality of life for a community, by creating and/or retaining jobs that facilitate growth and provide a stable tax base'.

The EDS has been prepared by City officers by conducting a literature review of contemporary national and international research into the determinants and success factors for local economic development, desktop analysis of economic and demographic trends within the Busselton local government area in the context of regional, state, national and international trends and stakeholder engagement with business, government and community groups.

Strategic alignment with the South West Development Commission's 'South West Regional Investment Blueprint (2015)' has been identified as critical in pursuing recommended initiatives which have been documented in a draft implementation plan (refer Attachment B), which will provide a reference guide for practical delivery of the EDS.

Additionally, the EDS can potentially be used as a springboard into the State Government's Regional Centres Development Plan (RCDP) which is a program designed to help nine designated regional centres realise their economic potential and create a flourishing community that is highly attractive

to external investors (<u>www.drd.wa.gov.au/projects/Economic-Development/Pages/Regional-</u>Centres-Development-Plan.aspx).

This report and the EDS recommends the establishment of an Economic Development Taskforce (EDT) as a means for providing local leadership 'from the ground up', to facilitate collaboration amongst business, government and community leaders to deliver the EDS and potentially an RCDP 'Growth Plan', should funding for Busselton be forthcoming from the State Government.

STATUTORY ENVIRONMENT

The draft EDS is not a statutory planning document, rather it is an 'informing strategy' within the City's Integrated Planning Framework. Accordingly, there are no legal or statutory considerations associated with Council adopting the Strategy.

The proposed City of Busselton Economic Development Taskforce (EDT) will be a reference group with no formal decision-making powers or authority vested to it by Council. Minutes of meetings and associated recommendations will be conveyed to the full Council for information and consideration. Although not a formal Committee of Council (as defined in s5.8 of the Local Government Act 1995), the EDT will provide leadership and advice to Council on implementation of the Strategy.

RELEVANT PLANS AND POLICIES

The draft EDS references and aligns with other City of Busselton strategy documents that can influence regional and local economic development outcomes, including:

- City of Busselton Local Planning Strategy (2016): This document was prepared to guide the new City of Busselton Local Planning Scheme 21 and involved considerable community and stakeholder consultation;
- Busselton and Dunsborough CBD Conceptual Plans: Council has endorsed final concept plans
 to guide future development and management of the Busselton city centre and the
 Dunsborough town centre. These plans form the basis for detailed design and engineering
 work, targeted consultation and implementation of a range of initiatives.
- City of Busselton Social and Ageing Plan (2015): This document recognises the importance of a robust economy as a foundation in local sustainability and providing the means for a vibrant living place with a diverse range of recreational, educational and cultural activities; and,
- Directorate Plans and Policies: Internal plans and policies (e.g. asset management and landuse planning policies) can shape the sense of 'place' and impact on the City's ability to attract and retain residents, visitors and a skilled workforce.

The draft EDS also references State Government regional development plans including:

- State Planning Strategy 2050 (2014): Sets out the settlement network across Western Australia. It identifies Perth as the State capital, and a hierarchy of regional centres and subcentres.
- South West Regional Planning and Infrastructure Framework (2014) (Department of Planning): Identifies the need for an integrated approach between regional planning and infrastructure delivery and sets out a regional planning vision for key infrastructure projects required to support industry, residents and visitors
- South West Regional Investment Blueprint (2015) (South West Development Commission and Regional Development Australia SW: The State Government's principal regional development planning document for the South West. It identifies objectives and strategies aimed at helping to grow jobs, services and facilities across the Region.

• Regional Development Strategy (2016): Provides a framework to prioritise and progress the opportunities with the most potential, emerging from the Regional Investment Blueprints and other sources. It is the vehicle to develop a 'whole-of-state' approach to matters of importance across the nine regions.

FINANCIAL IMPLICATIONS

The adopted 2016/17 budget includes resources for the Economic Development Activity Unit, comprising of staff overheads, administration and annual initiatives. The Department of Regional Development has granted the City \$20k (also included in the adopted 2016/17 budget) to support capability building of key stakeholder organisations.

Delivery of the proposed initiatives identified in the EDS and associated Implementation Plan will be prioritized with advice from the proposed Economic Development Taskforce and (subject to Council approval) integrated into the City's 4-year Corporate Business Plan. Further resourcing of selected initiatives may also be available from State and Federal Government grant programs, private investment and the State Government's Regional Centres Development Program (RCDP), should Busselton be supported in Tranche 2 of the RCDP program, with a decision likely in late 2016.

Long-term Financial Plan Implications

Initiatives and projects that form part of the Economic Development Strategy will be incorporated in to future reviews of the Long Term Financial Plan as required.

STRATEGIC COMMUNITY OBJECTIVES

The City's Strategic Community Plan (SCP) identifies a desire by the community for Council to foster a strong local economy that sustains existing and attracts new business, industry and employment opportunities. The SCP states the following objectives for Council to achieve:

Key Goal Area 3:

Robust local economy: A strong local economy that sustains existing and attracts new business, industry and employment opportunities.

- A strong, innovative and diversified economy that attracts people to live, work, invest and visit:
- A City recognised for its high quality events and year round tourist offerings, and;
- A community where local business is supported

Key Goal Area 2:

Well-planned vibrant and active places: An attractive city offering great places and facilities promoting an enjoyable and enriched lifestyle.

- A City where the community has access to quality cultural, recreation, leisure facilities and Services
- A City of shared, vibrant and well planned places that provide for diverse activity and strengthen our social connections

RISK ASSESSMENT

The Officer recommendation does not introduce any risks identified as being high or medium.

CONSULTATION

Stakeholder consultation was conducted by undertaking preliminary workshops with selected business, industry and community leaders that helped inform strategies and proposed initiatives

identified in the draft report. Further, a stakeholder consultation draft was distributed to organisations identified on page 37 of the draft Strategy document (at Attachment A). Responses were received from the following organisations by the requested closing date of 17 October 2016.

Organisation	Comment	Officer Action
Department of	Supportive. Has offered Bunbury office as support for	No action
Planning	implementation and Perth office in the provision of forecasting/land use information.	
Department of	Fully supportive of the Strategy, particularly working with the City	No action
Agriculture and Food WA (DAFWA)	and stakeholders on development of agribusiness opportunities.	
Margaret River	Supportive of the Strategy with minor amendments suggested for	Suggested
Busselton Tourism	several implementation initiatives (2.8; 4.5; 4.9; 6.10; 6.11)	amendments captured in final
Association Inc		draft at
		Attachment A
Tourism WA	Supports the Strategy intent and associated implementation plan,	Suggested
	and particularly the references to the importance of tourism for	amendments
	Busselton's economic development into the future. Supports a	captured in final
	continued focus on events, cruise shipping and investment	draft at
	attraction into ageing tourism accommodation. Suggests a strengthened focus on food and wine tourism and business	Attachment A
	tourism along with efforts to attract and nurture a skilled	
	workforce in hospitality as tourism grows. Continued efforts for	
	services to support the airport redevelopment are also highlighted	
	including car hire, taxi services and shuttle buses. Requests	
	removal of TWA from Tourism Directional initiative (4.13) initiative	
Department of	as it is Main Roads WA role. Supportive, particularly in the focus areas of Business Retention	Taskforce to
Training and	and Expansion, Regional Workforce Development and Industry	consider
Workforce	Development. Invited City of Busselton participation on the South	participation on
Development	West Workforce Development Alliance (SWDA)	SW WDA
Regional	Supportive. Suggests greater emphasis on:	Suggested
Development	promoting 'business to business' Buy Local	amendments
Australia (SW)	economic risk assessment may be useful	captured in final draft at
	sister cities with China to create a network across the SW	Attachment A
	Supports a business reference group and newsletterMapping of trading between towns	Attachment
Ausindustry	Supportive. Willing to work with the City to identify local	No action
,	enterprises eligible for Federal business support programs	
Department of	Keen to encourage private investment into agribusiness projects	Suggested
State Development	and to streamline supply chains for food exports to targeted	amendments
	markets. Suggests processing industries may benefit from	captured in final
	economies of scale and multiuser facilities through being located in clusters on land dedicated for that purpose. With the planned	draft at Attachment A
	expansion of the City's urban residential zoning, it may be prudent	Attaciment A
	to set aside land specifically for agribusiness, or alternatively, plan	
	for agribusiness within existing and future industrial zoning. DSD	
	suggests more mention of heritage assets is required along with	
	recognition of the SW Native Title Settlement as an important	
	milestone for economic development opportunities for the Noongar people.	
Small Business	Supportive. Suggests the Strategy will undoubtedly bring about	Suggested
Development	significant change in the region. Suggests additional strategies for	amendments
Corporation	Investment Attraction and Marketing and Business Retention and	captured in final
	Expansion:	draft at
	Focus on ways to make it easier for business start-ups — information applications focus consument approvals start	Attachment A
	information, applications, fees, concurrent approvals etc	

Organisation	Comment	Officer Action
	 Adopting a culture within the City that is about supporting and assisting rather than fining and strict enforcement. The SBDC could potentially assist/support initiatives: (1.3, 2.6, 2.8 and 3.5) 	
South West Development Commission	Supportive and recommends strengthening alignment with the new WA Regional Development Strategy (2016-2025) prepared by DRD. The immediate focus is on Agriculture and Food, Tourism, Aboriginal Development, Economic Infrastructure and support for the Regional Centres Development Plan, which is acknowledged and supported in the ED Strategy. Some economic and demographic data could also be updated in the profile section.	Suggested amendments captured in final draft at Attachment A Most recently available economic and demographic data to be included at time of publication
South Region TAFE	Supportive and keen to be involved in implementation initiatives	No Action
Dunsborough Yallingup Chamber of Commerce and Industry Inc	Supportive of the key focus areas, strategies and initiatives and involvement in the establishment of the Economic Development Taskforce to encourage collaboration and local leadership.	No Action
Busselton Chamber of Commerce and Industry Inc	Supports the objectives and direction of the EDS. Recognises the importance of the strategy in providing a framework on which to build a sustainable future. Seeks to contribute further through the proposed taskforce.	No Action

The final draft EDS in Attachment A makes limited material change to the stakeholder draft that was distributed in early October 2016 and has been amended to capture the majority of comments and suggestions outlined above.

OFFICER COMMENT

The City of Busselton EDS has been prepared by consulting national and international research documenting key determinants for regional economic development; referencing broader regional and statewide strategic planning; ensuring integration with other City of Busselton planning strategies and consultation with key stakeholder groups and individuals, including preliminary community feedback received from the recent review of the City's Strategic Community Plan.

The EDS provides a brief overview of economic and demographic conditions within the Busselton district, with links to more detailed online resources (updated annually by the City) and located at http://www.busselton.wa.gov.au/Developing-Busselton/Economic-Development). The EDS also considers future opportunities to drive socio-economic prosperity, taking into account global megatrends in the external environment.

The draft Strategy highlights six key focus areas to help better position the Busselton district as a relatively attractive place to live and invest. The focus areas are:

- Investment Attraction and Marketing: Business attraction (or recruitment) is a means of
 contributing to the economic vitality of a local area. It is a process of understanding the local
 economy and identifying gaps for local provision of goods and services by businesses and
 institutions. It results in a marketing plan aimed at attracting companies and/or institutions
 that will diversify and build the local economy to match the community's assets and
 development goals.
- Business Retention and Expansion: Business retention and expansion (BR&E) aims to support businesses that are already operating in the Busselton district, with the aim of growing the

local economy from within. Its premise is that local entrepreneurs create the companies that bring new wealth and economic growth to a region in the form of jobs, increased revenues, and a vibrant local business sector.

- Regional Workforce Development: The ability of a community to supply an appropriately skilled labour force can determine the success of existing businesses and influences the attractiveness of the Busselton district for new business and industry investment.
- Industry Development: The Busselton district has a relatively diverse industrial base of small-medium enterprises and this has buffered its regional economy somewhat from a national trend of downturns in some regional economies. Growth in small-medium enterprises is a priority for the local economy. Resilience of the regional economy also needs to be maintained through support for new industries, and derivative enterprises from established industries.
- Strategic Infrastructure: High quality economic infrastructure is a key enabler for industry growth, productivity and the attraction of investment. Access to appropriate infrastructure is also fundamental to ensuring the whole community can contribute to, and share in, the Region's wealth and quality of life.
- Place Making and Activation: Vibrant activity centres are vital for sustainable urban living
 and are crucial in providing a memorable experience to visitors. Exciting, activated places
 foster a sense of community and develop a unique, individual character, image and style;
 evolve and grow with their community and reflect its character, heritage, and future
 aspirations; nurture small business and local employment; and, facilitate and encourage
 walking, cycling and public transport usage.

The strategies and associated initiatives are proposed to be delivered in two ways. Firstly, through the City's Integrated Planning Framework (including long term financial, asset and workforce plans), which flow through to the Corporate Business Plan, which guides the annual budgeting cycle. Secondly, the Strategy aims to influence and guide other levels of Government and non-Government organisations that have a regional economic and business development responsibility.

The EDS also aims to provide a platform for further socio-economic planning recognized in the WA Department of Planning's 'State Planning Strategy 2050', which includes Busselton as one of nine regional centres that are the most strategically important to the State's economy. The State Government has established a Regional Centres Development Program (RCDP), which provides a suite of growth planning programs for the nine regional centres. Greater Bunbury, Broome, Kalgoorlie and Geraldton have been funded to prepare grass roots 'growth plans' through a collaborative model and have undertaken detailed consultation and business/industry cluster analysis throughout 2016. Subject to confirmation of funding by the State Government, Busselton, Albany, Mandurah, Kununurra, and Carnarvon have been provisionally nominated as Tranche 2 regional cities to be the subject of Growth Planning. A funding decision to support the development of detailed growth plans is anticipated to be announced in late 2016.

The City has been allocated \$20k from the Department of Regional Development to undertake preliminary economic sector analysis and conduct a stakeholder capability skills program in local economic development. Officers are currently organizing two forums be held in late November or early December 2016, which will include Councillors and key stakeholder organisations and will afford a further opportunity to collaboratively discuss key business issues and opportunities arising from the draft EDS. The forums will also identify and mobilise 'motivated contributors' that can rally to help deliver local economic growth programs and potentially participate in the RCDP. Themes for the two forums being planned are a) CBD Business improvement Strategies; and, b) Understanding Local Economic Development.

This report also recommends the Council establishes a City of Busselton Economic Development Taskforce (EDT) to identify and advocate for resources to deliver specific initiatives that have been

identified in the draft Economic Development Strategy Implementation Plan (in Attachment B). The EDT will embody the principles of 'collaborative governance'. It will be responsible for providing advice to Council on the implementation and review of the EDS. A draft Charter for EDT is in Appendix 2 of the EDS and proposes membership from key industry sectors; Margaret River Busselton Tourism Association; Community leader, Mayor (or his/her delegate); City of Busselton staff members; South West Development Commission; Regional Development Australia (SW) and the two Chambers of Commerce.

CONCLUSION

This report has provided an overview of the City's draft Economic Development Strategy for the Busselton district, which identifies strategies and initiatives aimed at attracting inward investment; enhancing business retention and expansion; supporting regional workforce development; identifying and advocating for strategic economic infrastructure; and enhancing the quality of place, particularly precincts with high tourist visitation.

Officers are seeking Council endorsement of the draft EDS (in Attachment A) as a guide for future planning to help propel the positioning of the Busselton district as an attractive place to visit, live, invest and work. The report also recommends establishment of a new Reference Group (the Busselton Economic Development Taskforce) consisting of key business, government and community stakeholders to support Council to deliver the EDS and to identify and advocate for resources to deliver specific initiatives that may not necessarily be the responsibility of Local Government.

OPTIONS

Council may elect:

- Not to adopt the draft City of Busselton EDS as a guide for future planning and discontinue strategic economic development planning
- Make amendments to the draft City of Busselton EDS
- Not establish an Economic Development Taskforce and progress implementation through an alternative arrangement

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Should Council adopt the Officer recommendations, Officers will administer the establishment of the proposed Economic Development Taskforce (EDT) and invite membership of stakeholders in mid-November 2016.

A series of preparatory forums to increase capability in local economic development will be delivered in late November or early December 2016 and be used as a springboard to commence detailed economic planning and cluster analysis in 2017, should the State Government fund Busselton for a growth plan partnership under its Regional Development Centres Plan (RCDP). The EDT will then provide a relevant, skilled group for the 'Growth plan Partnership' required for the RCDP.

OFFICER RECOMMENDATION

That the Council:

- 1. Endorses the draft City of Busselton Economic Development Strategy (2016-2020) in Attachment A as a guide for future planning;
- 2. Receives the draft document Economic Development Strategy 'Initiatives to Guide Implementation' in Attachment B as a working draft to guide delivery of the Strategy;

Strai	egy and nominates the 10	nowing as representatives of Cot	incli to the raskior	ce:
a.	Councillor	as a delegate and Chair	rperson	
b.	Councillor	as a delegate		
C.	Councillorsdelegates.	and	as	deputy

3. Establishes a City of Busselton Economic Development Taskforce in accordance with the draft Charter in Attachment A - Appendix 2 of the draft City of Busselton Economic Development

Final Draft City of Busselton Economic Development Strategy (2016-2026)



274

Economic Development Strategy 2016-2026

Vision for the City of Busselton

"A vibrant and cohesive community that protects its natural environment, meets the needs of its population, and ensures that future development maintains the City's unique character, lifestyle and community values "









TABLE OF CONTENTS

275

FOREW	ORD4
1. INT	Integration with City of Busselton's 'Local' Strategic Planning
1.1	Integration with City of Busselton's 'Local' Strategic Planning
1.2	Integration with South West 'Regional' Strategic Planning
1.3	Integration with Western Australia's 'State' Strategic Planning9
1.4	Key Determinants of Long term Regional Economic Development10
1.5	Role of the City of Busselton in Local Economic Development
2. EC	DNOMIC AND DEMOGRAPHIC SNAPSHOT14
2.1	Overview
2.2	Population and Income
2.3	Employment
2.4	Business Activity
2.5	Housing and Building Investment
2.6	Property Market and Land
3. CA	PITALISING ON COMPETITIVE ADVANTAGE19
4. KE	/ FOCUS AREAS AND STRATEGIES26
4.1	Investment Attraction and Marketing
4.2	Business Retention and Expansion
4.3	Regional Workforce Development29
4.4	Industry Development
4.5	Strategic Infrastructure
4.6	Place Making and Activation34
5. STF	RATEGY GOVERNANCE AND IMPLEMENTATION
	FERENCES
APPEND	X 1: GUIDING PRINCIPLES FOR DEFINING LOCAL GOVERNMENT'S ROLE IN FACILITATING ECONOMIC DEVELOPMENT
APPEND	IX 2: CHARTER FOR THE BUSSELTON ECONOMIC DEVELOPMENT TASKFORCE

Final Draft City of Busselton Economic Development Strategy (2016-2026)



276



Prepared by:

City of Busselton

Economic and Business Development Team

Locked Bag 1 Busselton WA 6280

Telephone: (08) 9781 0444

Facsimile: (08) 9752 4958

E-mail: city@busselton.wa.gov.au

Website: www.busselton.wa.gov.au





Disclaimer: The information in the City of Busselton Economic Development Strategy is believed to be the most recent and accurate available at the time of preparation. No responsibility is accepted for any inadvertent errors. Independent professional advice should always be sought before acting on any of the information contained within this document.

FOREWORD



The Busselton City Council has an important role in shaping the district's future and is committed to creating a strategic agenda that promotes, sustainable socio-economic growth.

The City of Busselton's recent strong population growth of nearly 4% per annum is forecast to continue and reach approximately 50,000 people by 2026. The rapid growth has bought economic benefits for the district and created challenges as the community adjusts to a new level of demand for services and infrastructure. Unlike some other regional communities where

growth surges and abates, the Busselton district has successfully sustained growth even during economic downturns and has linked growth closely to derived community benefit. Our diverse economy has provided some shelter to the vagaries of international markets and demand for commodities and resources. The Busselton district has several industries which add-value to raw materials and, in the process, employ local people.

To accommodate the growing population, the local economy must continue to evolve and diversify with new services and businesses to maintain a high quality of life and low unemployment. To support forecast population growth, this document identifies strategies and initiatives which aim to attract inward investment; enhance business retention and expansion; support regional workforce development; identify and advocate for strategic economic infrastructure; and enhance the quality of place, particularly precincts with high tourist visitation.

The Strategy has been prepared by conducting a literature review of national and international research into the determinants and success factors for local economic development, desktop analysis of economic and demographic trends within the Busselton local government area and stakeholder engagement workshops with business, government and community groups. It also provides a platform for further socio-economic planning recognized as being required in the Department of Planning's 'State Planning Strategy 2050, which includes Busselton as one of nine regional centres that are the most strategically important to the State's economy.

Strategies identified in this document will be delivered in two ways. Firstly, through the City's Integrated Planning Framework, which is a 'citizen led' process resulting in a Strategic Community Plan, which is being reviewed from mid to late 2016. The framework includes long term financial, asset and workforce plans, which flow through to a Corporate Business Plan, which guides the annual budgeting cycle. Secondly, the strategy aims to influence and guide other levels of Government and non-Government organisations that have a regional economic and business development responsibility.

We look forward to working collaboratively in realizing the City's vision for socio-economic growth.

Mayor Grant Henley

1. INTRODUCTION

The International Economic Development Council (IEDC, 2016), defines local economic development as 'a program, group of policies, or activity that seeks to improve the **economic well-being** and a provide development as 'a program, group of policies, or activity that seeks to improve the **economic well-being** and a provide development as 'a program, group of policies, or activity that seeks to improve the **economic well-being** and stable to the provide development as 'a program, group of policies, or activity that seeks to improve the **economic well-being** and stable to the provide development as 'a program, group of policies, or activity that seeks to improve the **economic well-being** and 'conomic well-being and 'con

278

This definition describes the interrelationship between the relative attractiveness of the local area as a <u>place to invest</u> as well as a <u>place to live</u>, and is the foundation upon which the City of Busselton Economic Development Strategy ('the Strategy') is built. The dynamics of this definition are illustrated in Figure 1 below.

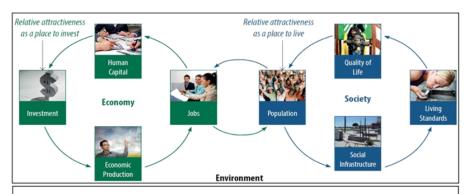


Figure 1: The dynamics of a growing regional economy and community.

Source Regional Development Council (2015)

The Strategy introduces a brief overview of economic and demographic conditions within the Busselton district and considers future opportunities to drive socio-economic prosperity, taking into account global mega-trends in our external environment. It is a reference guide for both the City of Busselton and key stakeholders seeking to facilitate socio-economic growth and for people considering public or private investment within the district.

This Strategy has been prepared with reference to broader strategic planning at the Local (City of Busselton), Regional (South West) and State (Western Australia) levels of Government. It aims to integrate with existing strategic plans with a focus on mobilizing local stakeholders to take action supporting the delivery of objectives stated within each plan.

1.1 Integration with City of Busselton's 'Local' Strategic Planning

The City of Busselton engages with its citizens to prepare a Strategic Community Plan (SCP) that is reviewed every four years. This Strategy captures input and ideas from community workshops and public submissions provided as part of a review of the SCP that commenced in mid-2016. A key goal identified in the SCP, is a desire by the community for Council to foster a strong local economy that

tains existing and attracts new business, industry and employment of the City to pursue:

• A strong, innovative and diversified economy that attracts people to live, work, howest and approprion of the city to pursue of sustains existing and attracts new business, industry and employment opportunities. The SCP states the objectives for the City to pursue:

279

- A community where local business is supported

The City's overall vision is:

VISION FOR THE CITY OF BUSSELTON

"A vibrant and cohesive community that protects its natural environment, meets the needs of its population, and ensures that future development maintains the City's unique character, lifestyle and community values"

City of Busselton Strategic Community Plan (2015)

The City's mission for local economic development is:

OUR LOCAL ECONOMIC DEVELOPMENT MISSION

"To help position the Busselton region as Western Australia's most desirable non-metropolitan area to live, work, visit and invest"

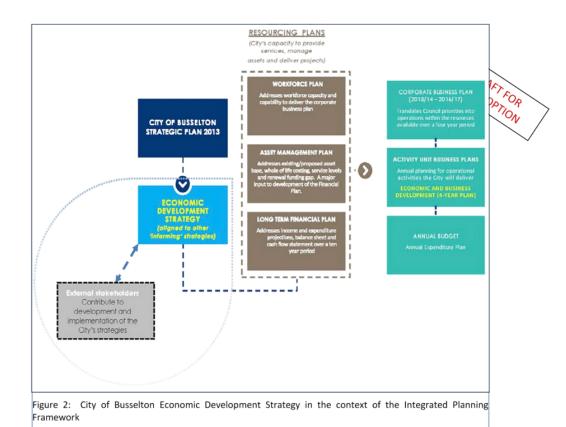
City of Busselton Corporate Business Plan (2015)

The City has prepared a Corporate Business Plan (CBP) to activate the community objectives outlined in its SCP. Further, it prepares 4-year business unit plans across each activity unit of the organisation, including an Economic and Business Development Business Plan which is reviewed annually and forms a work plan for City staff. This overall planning framework is illustrated in Figure

Importantly, other City of Busselton strategy documents influence economic development outcomes for the City and these include:

- Future Busselton 2050 'Strategic Growth Scenarios (2013): This document was prepared to guide the new City of Busselton Local Planning Scheme 21 and involved considerable community and stakeholder consultation
- City of Busselton Social Plan (2015): This document recognises the importance of a robust economy as a foundation in local sustainability and providing the means for a vibrant living place with a diverse range of recreational, educational and cultural activities.
- Directorate Plans and Policies: Internal plans and policies (e.g. asset management and landuse planning policies) can shape the sense of 'place' and impact on the City's ability to attract and retain residents, visitors and a skilled workforce.

Final Draft City of Busselton Economic Development Strategy (2016-2026)



1.2 Integration with South West 'Regional' Strategic Planning

This Strategy integrates with regional plans developed by State and Australian Government agencies. Importantly, it acknowledges the South West Regional Investment Blueprint (2015) prepared by the South West Development Commission (SWDC) and Regional Development Australia South West (RDASW). It also acknowledges the South West Regional Planning and Infrastructure Framework (SWPIF) prepared by the Department of Planning in 2014. The SWPIF identifies the need for an integrated approach between regional planning and infrastructure delivery and sets out a regional planning vision for key infrastructure projects required to support industry, residents and visitors (Planning Western Australia, 2014)

The SW Blueprint is the State Government's principal regional development planning document for the South West. It identifies objectives and strategies aimed at helping to grow jobs, services and facilities across the Region. Four key imperatives (i.e things that need to be done to make the greatest difference') are summarized below.

Infrastructure: A shift from a primary industry-driven economy, to a modern and diverse
export-oriented business environment. Infrastructure needs are paramount to tackling the
barrier of distance and supporting growth in a sustainable way. Infrastructure must address

potential constraints in transport, broadband and water. The Busselton district is a sought after area to live and work, so it is imperative the City seizes opportunities to grow its transport and telecommunications networks and has sufficient water to accommodate growth.

281

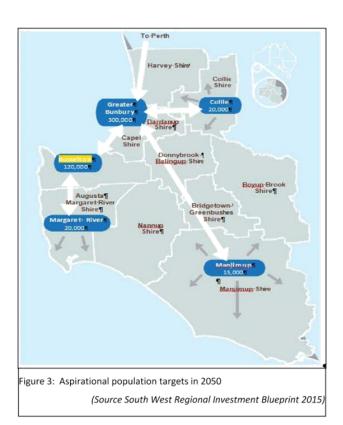
- Industry and business: The Blueprint promotes the concept of industry and business that
 can adapt to changing market conditions, respond effectively to the growth and opportunity
 of the Asian Century and support the development of new emerging industries. Population
 growth across the South West region will require an estimated 200,000 new jobs by 2050
 and many of these jobs will require new skills.
- People and place: Looking to the future includes people and the places they live; growing
 the services provided; improving accessibility through public transport; ensuring affordable
 living; and, generating new opportunities for education and wellbeing. Places need to be
 vibrant, interesting and stimulating.
- **Community:** Culturally diverse communities that support and enhance leadership, inclusion, engagement, collaboration and the values the community places on the environment. These values help to build a sense of belonging, self-worth and local decision making ability.

The SW Blueprint also identifies the following strategic challenges for the South West region:

- The region's infrastructure must keep pace with the growth of the South West economy with special reference to transport gateways;
- High capacity broadband is changing the nature of industry opportunities in the region with upload capacity critical to businesses intending to locate in the region;
- Water is likely to be a constraint to growth without measures to increase water sources and better manage water use;
- Industry is subject to strong competition and competes most effectively in the premium and high value product sectors;
- Targeting the growth of Asian markets for export and capital investment in the region;
- Population growth and changing demographics are driving demand for affordable housing and housing diversity;
- The growth of fly-in and fly-out and drive-in drive-out employment is changing the nature of work and recreation in the region;
- Balancing population and industry growth with significant social and environmental values; and,
- Addressing key social indicator deficits including low per capita incomes, primary health and welfare dependency in some parts of the Region.

The Blueprint specifically acknowledges the Busselton district and tourism, wine and food, creative and professional industries and events (SWDC, 2015).

It sets aspirational population targets for the year 2050 (as shown in Figure 3), with the City of Food and Professional City of around 120,000 people.



1.3 Integration with Western Australia's 'State' Strategic Planning

The need for enhanced socio-economic planning at the local level is recognized in:

- Department of Planning's 'State Planning Strategy 2050': Sets out the settlement network across Western Australia. It identifies Perth as the State capital, and a hierarchy of regional centres and sub-centres. It recognises Busselton as one of nine key regional centres as being the most strategically important to the State's economy.
- Regional Development Council's 'Regional Centre's Development Plan (RCDP) Framework (2015)': Supports implementation of the State Planning Strategy 2050 and Regional Blueprints and establishes a suite of growth planning programs for regional centres' such as Busselton.

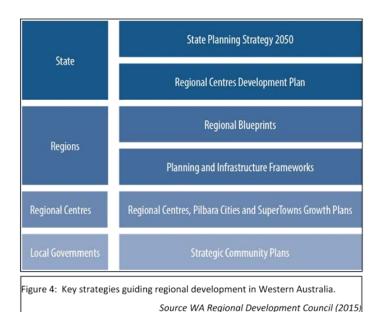
Council

13.1

Department of Regional Development 's 'Regional Development Strategy (2016-2025)': In conjunction with the South West Investment Blueprint this strategy divects the State Government's regional development effort and investment towards building vibrant regions with strong economies. The Strategy provides a framework to prioritise and progress the opportunities with the most potential, emerging from regional Blueprints and other sources. It is the vehicle to develop a 'whole-of-state' approach to matters of importance across the regions.

283

The Regional Development Strategy (2016-2025) indicates a key focus area of the State Government will be to help establish the socio-economic foundations for development by enhancing key regional centres to capture investment. The RCDP Framework is shown in Figure 4 and supports action to strengthen the capability of strategic regional centres (including Busselton) to attract investment and grow business and jobs. It provides a platform for these centres to work collaboratively with the private sector and to address network-wide challenges and opportunities through the development of 'growth plans'.



1.4 Key Determinants of Long term Regional Economic Development

The Department of Regional Australia (2013) cite five key 'determinants' of long-term regional economic development required to provide a strong foundation on which regional analysis, planning and initiatives should be built. These determinants are shown in Table 1. While there are other factors that influence economic development, these determinants are considered the most common across Australian regions. Targeting the key determinants in regional plans and with collective actions can help to maximise economic potential. The key determinants form the basis of priority projects identified in the SW Blueprint outlined above and likewise form the foundation for the City's

economic development strategies.

No.	TABLE 1: KEY DETERMINANTS OF LONG-TERM REGIONAL ECONOMIC DEVELOPMENT
KD 1	Human capital, particularly education and skills Human capital is the stock of knowledge, expertise and abilities of a population.
KD 2	Sustainable communities (economically, environmentally and socially) and population growth Sustainable communities refers to the ability of a region to endure in the long-term. It has economic, environmental and social dimensions. Population growth refers to change in the size of a population over time, caused by migration and natural change through births and deaths.
KD 3	Access to international, national and regional markets Access to international, national and regional markets is the ability to trade goods and services in a given market.
KD 4	Comparative advantage and business competitiveness A region has a comparative advantage when it can produce a product, good or service at a lower opportunity cost than other regions. Business competitiveness is the ability of a business to sell and supply goods and services compared to a competitor. A business has a competitive advantage when its products or services cannot be easily duplicated by competitors.
KD 5	Effective cross-sectoral and intergovernmental partnerships (including through place-based approaches) and integrated regional planning Effective cross-sectoral and intergovernmental partnerships are areas of formal and informal cooperation between stakeholders, which can help deliver on shared priorities. Integrated regional planning aligns the objectives of government, businesses and the community to coordinate development efforts at different levels.
	Source: Department of Regional Australia (2013)

284

This Strategy and future Growth Planning acknowledges these determinants and aims to deliver 'purposeful intervention' to overcome weaknesses and capitailse on strengths in a collaborative effort to improve socio-economic conditions.

1.5 Role of the City of Busselton in Local Economic Development

Local Government directly influences the way in which a local and regional economy develops and consequently plays an important leadership role. For example, the City of Busselton supports local economic development in several ways:

• It leads and funds development infrastructure and major projects that facilitate business and

Final Draft City of Busselton Economic Development Strategy (2016-2026)

community activity and sustain environmental quality (e.g. roads, paths, enains, waste management and creation and maintenance of parks, gardens and associated facilities enjoyed by both tourists and residents);

285

It plans, resources and manages important community services to support economic activity and promote the health and well-being of the local population. These services grow social cohesion, motivation and the development of local identity (e.g. Geographic Leisure Centre, Artgeo, libraries, playing fields, community resource centres, cultural services, youth services and rural-based facilities such as halls and emergency service support etc.);









The provision of sporting, cultural, recreational and community services is an important function of local government, which impacts on the district's relative attractiveness as a place to live and a place to invest

- The City facilitates business and tourism growth by:
 - leading rejuvenation of public land (including the creation of commercial investment opportunities);
 - supporting tourism development (e.g. directional signage, financial support to visitor centres at Busselton and Dunsborough, growing a regional events calendar, developing a cruise ship program);
 - strategic land use planning to ensure supply of appropriately zoned land to attract business and other economic opportunities;
 - investment in key infrastructure to enable businesses to operate effectively;
 - advocating public investment in areas beyond its control (e.g. higher and vocational education; transport and communications; and, health and aged care infrastructure);
 - providing information on economic and demographic conditions to support business

and investment decisions;

- managing commercial services including the regional airport and the Konkaburra Caravan Park; and,

286

- Caravan Рагк; and,

 Driving a significant annual events program and supporting destination marketing for through a Marketing and Events Reference Group (MERG) that promotes collaboration amongst regional tourism and business groups
- It is an effective partner in the early stages of project development through its role in assessing development approvals (e.g. planning, building and health) and preparing long range planning documents such as Future Busselton 2050 (Land Insights 2013);
- It is a large employer in its own right, with approximately 300 FTE's and also has a significant
 annual budget, with a large proportion spent on local goods and services having an
 economic multiplier effect on employment within the district supported by a 'Buy Local
 Policy';
- It is often the first point of contact for local businesses and the community in relation to dayto-day concerns that affect the immediate environment for business production and quality
 of life (e.g. local land use conflicts and their resolution, lobbying other spheres of
 government for attention to problems outside the Council's responsibility, providing
 information on changes to regulations etc);
- It establishes and fosters networks that facilitate a collaborative approach to programs and project development, and;
- Its adoption of new and best practices, decisions and resource allocations are exemplars to
 influence the behavior of individuals and firms in making their own decisions about local
 investment and expansion.





The Council's role in local economic development includes a diverse portfolio of projects ranging from supporting higher education facilities to a significant event calendar of cultural, sporting and community events

The City's approach to economic development is based on a set of nationally accepted guiding principles prepared by the South Australian Centre for Economic Studies (2013) and shown in Appendix 1. These principles seek to provide an improved understanding of the meaning of local

economic development and demonstrate how Councils can effectively act to influence local FINAL ORAFT FOR prosperity. COUNCIL ADOPTION

287

2. **ECONOMIC AND DEMOGRAPHIC SNAPSHOT**

Overview 2.1

The City of Busselton is the second largest city in the South West region. Its two main urban settlements are Busselton/Vasse (21,500 people) and Dunsborough (4,500 people), with smaller resident populations in the remaining rural hinterland and smaller urban settlements (4,392). In effect, it operates as a city of networked towns and villages each with interconnected microeconomies.

Originally established as an agricultural and forestry settlement, the competitive advantage of the climate and natural environment has led to the development of an extensive tourism industry. The Busselton district is a popular 'sea change' location as well as a favorite holiday destination for many Western Australians, which has generated significant demand for new housing development. The Busselton district has become one of the fastest growing populations in the southern half of Western Australia.

The establishment of direct commuter flights from the Busselton-Margaret River Regional Airport to resource development projects in the North West of WA has driven some of the population growth, bringing new economic benefits for the district. This rate of change has created some challenges for the community as it has adjusted to a new level of demand for community services and infrastructure.

Historically, timber production and agriculture have been the predominant land uses within the district, which has some of the most productive agricultural land in the State. The agriculture sector is diverse and includes a variety of cropping, viticulture and wine, fruit, flower and vegetable production, olives and olive oil, pasture production and livestock (beef and dairy cattle, sheep and deer), timber and artisan cheese production. The rural areas support the tourism sector through spectacular natural attractions, supported by holiday accommodation (e.g. chalets; bed and breakfast suites; and, caravan parks/camping grounds), wineries and cellar door sales; microbreweries; restaurants; galleries; and, artisan produce outlets.

The district also has mineral and basic raw material resources. The supply of basic raw materials (principally sand and gravel) is a key contributor to the economic development of the district along with mineral sands deposits and conventional gas in the Whicher range. Unconventional gas is evident in the Dunsborough basin as well as coal and thorium deposits in the western part of the district.

2.2 Population and Income

Growth in population drives the economy due to increase demand for goods and services. The estimated resident population of the City of Busselton at June 2014 was 35,562 persons, an increase of 1,276 persons, or 3.7% from the level recorded in 2013. The annual growth in population in the City of Busselton was higher than the averages for the South West region (2.6%) and Western Australia (2.2%).

288

Over the past five years, the City of Busselton experienced an increase in population of 5,966 persons, representing average annual growth of 3.7%. This growth rate was again well above the averages for the Capes subregion (3.5%), South West (2.7%) and Western Australia (2.8%) over the same period.

Over the period to 2026, the population of the City of Busselton is expected to increase by 8,388 persons – or an average annual rate of 1.8% – to a level of approximately 43,950

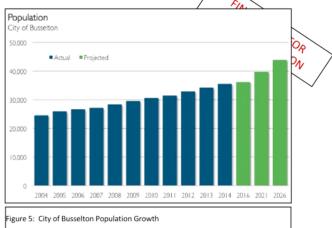


Figure 5: City of Busselton Population Growth

Source: ABS 3218.0, Planning Western Australia

persons. The forecast annual growth in population for the City of Busselton is higher than the averages for the South West region (1.4%) and slightly lower than Western Australia (2.0%).

In 2014, the City of Busselton comprised 20.4% of the population of the South West region, an increase of 1.0 percentage point from the share of 19.4% in 2009. By 2026, the City of Busselton is forecast to comprise 21.3% of the total population of the South West region.

The City of Busselton has a slightly lower per capita income (\$28,071) in 2010/11 than the averages for the South West (\$29,244) and Western Australia (\$32,872). This could be due to a number of reasons such as a high proportion of fixed income households (retired and pensioners) characteristic of a centre with a high proportion of retirees.

2.3 Employment

The number of employed persons in the City of Busselton was estimated at 18,323 in the September Quarter 2015, which represented a significant annual increase of 706 persons, or 4.0% from the level recorded in the September Quarter 2014. The unemployment rate in the City of Busselton increased annually by 1.0 percentage point to 4.5% in the September Quarter 2015. The City of Busselton's unemployment rate in the September Quarter 2014 was lower than the averages for the South West (4.8%), Western Australia (5.7%) and Australia (6.2%).

The total working population of the City of Busselton (i.e. the number of persons whose place of work is within the City of Busselton), as at the 2011 Census, was approximately 10,859 persons. This represented an increase of 1,270 persons, or an average annual growth rate of 2.5%, from the level recorded at the 2006 Census. In 2011, the largest industry employer based on the working population in the City of Busselton was the Retail Trade with 1,665 persons, or 15.3% of the total workforce. The Accommodation & Food Services (12.3%), Health Care & Social Assistance (10.3%), Construction (10.0%) and Education & Training (8.3%) sectors were also significant employers.

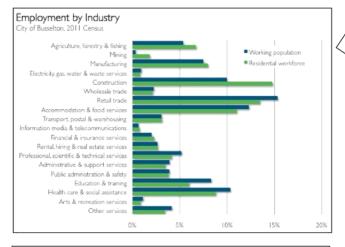




Figure 6: Employment by Industry Sectors within the City of Busselton

Source: ABS





Construction and Retail Trade are two of the largest industry sector employers in the Busselton local government area

2.4 Business Activity

The estimated Gross Regional Product (GRP) for the City of Busselton was \$2.1 billion in 2014/15. The City of Busselton experienced real annual economic growth of 1.7% in 2014/15, which was lower than the averages for both the South West (3.2%) and Western Australia (3.5%). Over the past five years, the City of Busselton recorded average annual economic growth of 4.0%. The City of Busselton contributed 15.2% and 0.9%, respectively, to the gross regional / state products of the South West (\$13.9 billion) and Western Australia (\$248.6 billion) in 2014/15.

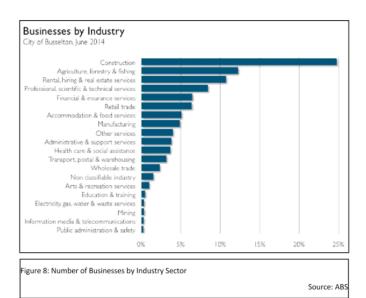
With regard to industry, the largest contribution was made by the Construction industry, with approximately 16.6% of the total GRP for the City of followed Busselton. by Agriculture, Forestry & Fishing (10.2%), Administrative Support Services (7.0%),Education & Training (6.3%) and Manufacturing (5.7%).



The most recent ABS Australian Business Register indicated there were an estimated 3,581 local businesses in the City of Busselton in June 2014 (defined as actively trading whose registered place of business is within the City), which represented an annual increase of 1.1% from the level recorded in June 2013 (3,543).

290

Construction is the largest industry in terms of business numbers in the City of Busselton, accounting for 24.7% of the total number of businesses, followed by the Agriculture, Forestry & Fishing (12.3%), Rental, Hiring & Real Estate Services (10.7%) and Professional, Scientific & Technical Services (8.4%) sectors.



2.5 Housing and Building Investment

The total value of residential building approvals in the City of Busselton was \$235.7 million aver the year to the September Quarter 2015, which represented an annual increase of 1.5% from the level recorded in the year to the September Quarter 2014 (\$232.2 million). The value of non-residential building approvals in the City of Busselton was \$38.3 million over the year to the September Quarter 2015, representing a significant annual increase of 45.0% from the value of approvals for the year to the September Quarter 2014 (\$26.4 million).





New housing estates are supporting population growth and providing high levels of employment in the construction industry sector

2.6 Property Market and Land

The median house price for the Busselton Urban Area was \$465,000 in 2014, which was lower than the average for the Perth Metropolitan area (\$550,000). Median house prices increased strongly by 9.4% in the Busselton Urban Area over the year to 2014. This was higher than the growth in prices recorded in the Perth Metropolitan area (up 4.8%) over the same period. Within the City of Busselton, the suburb of Dunsborough recorded the highest median house prices in 2014 (\$625,000), followed by Broadwater (\$482,500) and Busselton (\$472,000).

A full report on economic and demographic conditions within the City of Busselton is updated and published annually and is available at:

http://www.busselton.wa.gov.au/Developing-Busselton/Economic-Development

3. CAPITALISING ON COMPETITIVE ADVANTAGE

The Busselton district has been experiencing rapid population growth over the past decade, which is forecast to continue into the foreseeable future, based on the lifestyle advantages the Region has to offer and its relatively close proximity to Perth. Housing has been generally more affordable than the metropolitan area, although property prices have recovered and increased since the Global Financial Crisis in 2008/9. However, affordability remains an issue in an area that has lower median incomes compared to WA as a whole. The growth in population has translated to a significant construction industry which represents 19% of the total GRP for the City of Busselton. The GRP and employment data also demonstrates the relative importance of industries such as Tourism (which manifests in industry sectors including Accommodation and Food Services, Retail Trade, Rental, Hiring etc); and Agriculture (based on employment and income in dairy, beef, viticulture and horticulture). Other large employment sectors indicate the importance of Busselton as an administrative and service hub for the Region, with relatively higher numbers of employment in Health Care & Social Assistance and Education & Training.

292



Busselton and Dunsborough provide safe, protected swimming areas



Port Geographe marina provides a safe mooring for boating enthusiasts

The City of Busselton's main competitive advantage is access to a beautiful natural environment, with high biodiversity, an enviable climate, its relative close proximity to Perth and its tourism appeal being part of the internationally renowned Margaret River Region. The region has a range of established tourism infrastructure, such as accommodation, attractions and amenities which is attractive for visitors from Perth (86% of visitors to the district are intrastate visitors). The Busselton Jetty and Cape Naturaliste Lighthouse are two of many heritage experiences of interest to visitors. Additionally, there are a significant number of European and Aboriginal heritage sites and experiences. Recent redevelopment of the foreshores at Busselton, Dunsborough and Yallingup also offer new recreational experiences for families and older people, which are the core tourism demographics for the City of Busselton. High quality land and water are also available in the rural areas which enable the development of a wide variety of agricultural and horticultural ventures, particularly the viticulture and food industries. There is also sufficient land available for commercial and light industrial development surrounding the existing urban areas of Busselton and Dunsborough. A summary of the City of Busselton's strengths, weaknesses, opportunities and threats relating to economic growth potential is provided below:

STRENGTHS	WEAKNESSES
Good working relationships with local business and industry associations (MRBTA, DYCCI, BCCI)	Smaller population/demographic (relative to the regional capital) creates funding challenges for the full range of government services to be located within the district
Strong collaborative relationships with surrounding councils especially Augusta Margaret River and State and Federal Government agencies with a regional development objective	Lack of higher education facilities and large public schools requiring further public investment
Relatively safe environment to live, work and visit	Poor mobile telephone coverage in some areas of the district
Generally good road networks connecting Busselton to Perth and Bunbury and other South West towns	Poor customer service in some areas of business
Well established and cohesive wine industry with reputable international branding	Lack of discount department retail stores precipitating retail expenditure outside of Busselton
Strong regional tourism brand known internationally 'Margaret River Region'	Seasonality of tourist visitation in the winter months outside school and public holidays
Well established events calendar supporting tourism development especially in off-peak seasons	Accessibility by air for interstate and international visitors (although this will change from 2018/19)
Good amenity with quality sport, recreation and public places	Limited facilities for large conferences and performing arts
New public hospital and ancillary health services	Limited short-stay tourist accommodation close to the Busselton CBD
Beautiful natural environment and a global biodiversity hotspot	Ageing vocational education facilities
Quality soil and agricultural lands	High house prices and rents relative to incomes
Economic base is not reliant on a single industry, rather it includes sectors such as tourism, construction, diverse agricultural activities, retail trade, mining and professional services	Limited career advancement opportunities within the region (actual or perceived)
Strong human capacity including volunteering and community cohesion	Relatively high number of businesses and employment in construction and tourism industries which are vulnerable to economic downturns
A growing population bringing new skills and greater diversity in the labour force	Relatively low educational attainment
Mediterranean style climate attractive to 'sea changers', immigrants and recruitment of skilled workers	Lack of vibrancy and entertainment for young people
Adoption of extended trading hours within the district to service the growing population and international and interstate tourists	Lack of 5 star short-stay tourism accommodation close to the CBD
Relatively low unemployment	Limited employment opportunities for youth

OPPORTUNITIES	THREATS
Industry development resulting from regional airport expansion (e.g. freight and logistics, aviation support enterprises)	Economic downturns/fluctuations resulting from resources industry downturn
Attractive place to work and live within relatively close proximity to Perth, compared to other regional centres	Strong reliance on the tourism industry which affects multiple sectors in an economic downturn
State and Federal funding sources available for regional development (e.g. State 'Royalties for Regions' Fund; and National 'Building Better Regions' Fund)	Ageing population resulting in an increased dependency ratio for the district
Well placed transport links and infrastructure for tourism and industry growth	Lack of reinvestment in ageing tourism accommodation, to meet the expectations of potential new interstate and international markets
Natural environment and resources within the City (beaches, reserves, parks) that will attract people to live and visit	Regional public investment becomes more greatly focused on Bunbury as the 'SW regional capital'
Support to the resources sector as a lifestyle location for developments within the region and on a DIDO, FIFO basis	Urban sprawl reducing the quality of life anticipated by newcomers and impacting the natural environment
Recognition of Busselton as a key regional centre the State Planning Strategy and Regional Development Council's 'Regional Centres Development Program'	Lack of continued public investment in education at all levels, particularly schools in high growth communities
Expanded retail services to reduce consumer expenditure in cities outside the Busselton district	Increasing international integration of industries leads to higher local economic volatility and more exposure to global risks
Premium quality food growing and beverage manufacturing in the region that has potential to further export outside the district (including overseas as a result of the airport upgrade)	Relatively high proportion of population are within ten years of retirement may lead to skills shortages in the future
Value adding to the Region's primary industries including agribusiness, dairy, viticulture, aquaculture and horticulture	Housing affordability
Development of the Busselton Margaret River Regional Airport for tourism growth, export industries, aviation industry support services and freight/logistics	Climate change and decreased water availability may constrain agricultural industries and associated export opportunities
Renewable energy cognizant with a highly valued natural environment	A high Australian dollar value can lead to a reduction in domestic and international visitors impacting the tourism industry
Proximity to Port of Bunbury for commodity exports, particularly through future expansion into sea container facilities	
Potential for exploitation of conventional gas fields in close proximity to Busselton	
NBN and new technologies to support jobs in small business and niche opportunities such as creative industries	

OPPORTUNITIES	THREATS
Business tourism (meetings, conferences, events etc) to reduce seasonality of visitation	
Leverage visitation off the Margaret River Region brand while maintaining unique sub-branding for individual towns and villages (Busselton, Dunsborough, Yallingup)	
Direct foreign investment in emerging industries including tourism facilities and clean/green produce for export to Asian growth economies	
Health and Retirement services (such as aged-care, retirement villages, allied health and high care medical services)	
Grow the creative industries including segments such as music and performing arts; film and TV production; advertising/marketing; software; web and multimedia development; writing/publishing; architecture; design and visual arts	
Provision of international education services (and associated student housing) based on the growing middle classes in China and Asia	
Centres of excellence for research (e.g. health, natural resource management, tourism)	
An enviable lifestyle conducive to attracting highly skilled workers as the digital economy evolves	
Business opportunities for Noongar people resulting from the SW Native Title Settlement	
Expansion of the cruise ship industry	

295

Employment and income generated from the resources sector in Western Australia has been slowing since 2015. Although mining and resource development continues to play an important role in the State's economic prosperity, it is changing in ways that will reshape Western Australia's industrial landscape. Western Australia experienced a surge in mining-related construction over the past decade, which has driven much of the State's recent growth and impacted the Busselton district, which has developed and maintained a relatively large regional fly-in fly-out (FIFO) workforce, principally providing a labour source for mining operations based in the Northwest. Many economists predict mining will no longer be the main driver of growth and that Australia needs to sharpen its focus on developing and expanding other non-mining sectors.

The expected global growth of a range of industry sectors to the year 2033, suggests the fastest-growing areas (or 'next waves') are gas, tourism and agribusiness — each of which is expected to grow more than 10% faster than Global GDP. According to Deloitte Access Economics (2014), these sectors collectively have the potential to be as big as mining, driven by demand from Asia. It is anticipated that Asian growth will benefit these sectors as follows:

- Agribusiness: as people buy Australia's fresh produce, including proteins
- Gas: as countries seek to improve air quality and reduce greenhouse emissions
- Tourism: as people seek space, nature, holidays and luxury experiences
- International education: as students seek to study in an English-speaking country
- FINAL DRAFT FOR COUNCIL ADOPTION Wealth management: as organisations and individuals tap into Australia's expertise.

The report also identifies future waves of stronger growth in health services which will be required to support Australia's ageing population.

296

Figure 9 illustrates the potential next waves of opportunity, where there is a competitive advantage for Australia in a global context. There are opportunities for the Busselton district and the wider South West region to exploit these global growth sectors, due to the nature of our existing economy, future prospects related to the availability of natural resources and the attractive lifestyle benefits associated with clean and pristine environment. For example, the nearby Whicher Range is a conventional gas field providing an opportunity for production to service the south of Western Australia, providing income and employment benefits to the district and adding diversification to the Region's economic base. Similarly, the agricultural industry based on fresh, premium horticulture, dairy, beef and viticulture may provide future expanded export opportunities to Asia which may be accelerated through the availability of competitive transport infrastructure such as the expanded Busselton-Margaret River Regional Airport, scheduled for completion in 2018. Direct access to international freight markets, particularly Asia may be viable if international air services are achieved.

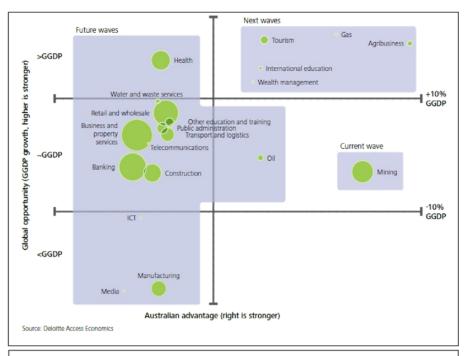


Figure 9: Australia's current, next and future waves of growth (2013-2033)

Source: Deloitte Access Economics (2014)

The Margaret River Region is also well endowed with space, nature, holidays and luxury experiences to accelerate tourism growth, which will also likely benefit from the regional airport upgrade improving accessibility with direct flights from interstate. This opportunity may also reduce seasonal tourism visitation patterns, which provides challenges in the labour market (seasonality is a Garrier to attracting and retaining skilled workers such as chefs and hotel managers). Developing a strong year-round calendar of events aims to draw tourists from Perth, interstate, and international locations and is a deliberate strategy to reduce seasonal visitation. Increased liberalization of retail trading hours in 2015 has also been used as a policy tool by the City to embrace the needs of tourists.

297

Other projects that will support tourism growth and the concept of 'quality of place', include a planned performing arts and convention centre in the Busselton CBD and four/five star short-stay tourist accommodation as part of the Busselton foreshore redevelopment





Cruise ship visits are a new leisure tourism opportunity that have provided an economic injection and expose interstate and international visitors to the Region's vast natural attractions. A new 450 seat performing arts and convention centre is also been planned to grow business tourism in the shoulder and low seasons and to support the cultural and creative arts industry sector.

With a new influx of visitors from interstate and overseas expected in the coming years, improvements in customer service across a range of businesses will likely support repeat visitation and positive word of mouth. Likewise, leadership training and business skills development will help support small business retention and expansion to effectively service emerging tourism markets.

The expansion of the Busselton-Margaret River Regional Airport is a core goal for development of the City and wider Region. Future regional growth will be significantly enhanced by the expansion of both passenger and air freight services within the South West. It is likely that increasing population density in the southern half of Western Australia will generate commercially viable levels of demand for direct interstate and international passenger flights. This will reduce need to further expand the Perth domestic airport, and provide a closer alternative than Learmonth, Kalgoorlie or Adelaide in case of emergency need. It also opens up opportunities for air-freight of regional produce including high quality premium produce such as seafood, cut flowers, dairy products, avocados, citrus fruits, vegetables, wine, truffles, livestock, and packaged products.

Air freight has the potential to be a catalytic investment which lowers the cost of doing business in the Region, opens new markets and attracts new firms to capitalise on the air cargo services available. It provides access to new and growing markets and enables small businesses to compete in larger markets. It also creates employment diversity (e.g. integrated carriers, air freight forwarders, air freight truckers, ground handlers and their customers etc) and creates the market forwarders, air freight truckers, ground handlers and their customers etc) and creates the market forwarders, air freight truckers, ground handlers and their customers etc) and creates the market forwarders, air freight truckers, ground handlers and their customers etc) and creates the market forwarders, air freight truckers, ground handlers and their customers etc) and creates the market forwarders, air freight truckers, ground handlers and their customers etc) and creates the market forwarders are freight truckers, air freight truckers, ground handlers and their customers etc) and creates the market forwarders are freight truckers, ground handlers and their customers etc) and creates the market forwarders are freight truckers, ground handlers and their customers etc) and creates the market forwarders are freight truckers, ground handlers and their customers etc) and creates the market forwarders are freight freight freight forwarders. It is a freight freig

298





Busselton-Margaret River Regional Airport is strategic regional infrastructure that will be capable of accommodating interstate and international flights, following a \$70m expansion program scheduled for completion in 2018.

The services sector including education, health and professional services (including wealth management) may also present opportunities as the local population grows and the number of retirees to the district grows.

Mining is still expected to be a major contributor to Western Australia's prosperity over the next two decades and beyond, thus maintaining employment opportunities in Busselton predominantly on a fly-in fly-out basis for operations in the North West. Mineral sands projects located in the southwest (including at Wonnerup in Busselton) are anticipated to continue for at least the next two decades continuing to provide locally based employment and income opportunities.

Australia has Free Trade Agreements (FTA's) with China (effective December 2016), Japan, Korea, New Zealand, Singapore, USA, Thailand, Chile and Malaysia. It is also engaged in negotiations for a further six FTA's, which will substantially reduce tariffs and improve access to new markets. In addition to these current and emerging FTA's, there are a number of global trends which are supporting agricultural production and export. These include a near tripling of the middle class by 2050, a need to raise food production by 60% by 2050 and climate change which is impacting on yields and water availability around the globe.

The lifestyle attraction of the Busselton district is also conducive to attracting a skilled workforce for new and emerging industries that may develop in the future, including expansion of professional services, health, aged care and government administration to support the forecast growth in population.

4. KEY FOCUS AREAS AND STRATEGIES

Six Key Focus Areas have been identified that reflect the values of the community and programs of Government and are founded upon the following:

- Recognition of the determinants of regional economic development as endorsed by the Council of Australian Governments (COAG, 2013): Refer Table 1 above;
- Alignment with the City's Strategic Community Plan (2013), which reflects the community's priorities and acknowledges a 'Robust Local Economy' as a priority;
- Projects and initiatives identified in the 2015 South West Regional Investment Blueprint (SWDC) and the 2014 South West Planning and Infrastructure Framework (Department of Planning);
- Consultation with business, industry and government organisations gained from a series of workshops held in Busselton and Dunsborough; and,
- The Regional Development Council's Regional Centres Development Plan (RCDP)
 Framework, which identifies Busselton as one of nine regional centres of strategic
 importance to Western Australia's economic growth and worthy of detailed socio-economic
 planning and assistance to direct future public and private investment.

4.1 Investment Attraction and Marketing

Business attraction (or recruitment) is a means of contributing to the economic vitality of a local area. It is a process of understanding the local economy and identifying gaps for local provision of goods and services by businesses and institutions. It results in a marketing plan aimed at attracting companies and/or institutions that will diversify and build the local economy to match the community's assets and development goals.

The Busselton district has been successful in attracting public and private investment due to its population growth related to its proximity to Perth and its scenic location and amenity of lifestyle, which supports growth in industry sectors such as tourism, construction, professional services and retail trade. It also has a large agricultural industry based on dairy, beef, viticulture and horticulture. A narrow economic base can leave a community prone to market downturns in different sectors, and is prominent with mineral resources, primary production and to some extent tourism.

In the current economic climate, the Busselton district must be marketed as a place offering a broader range of growth opportunities so that the towns and rural areas can become places for reliable long-term return, attracting investment in local enterprises across a spectrum of new and emerging industries.

For the Busselton district to diversify its economy beyond its existing base, a continual stream of new investment opportunities is required. A systematic and well-resourced economic development marketing program based on a strong unified brand along with site selection tools can assist investment attraction. The availability and promotion of appropriately zoned land, information on labour availability, transportation and supporting infrastructure are necessary requirements to successfully attract new business and investment.





Investment attraction and marketing is a key economic development strategy to brand the Busselton district as a place open for business and to showcase specific value-adding development opportunities in both our urban and rural agricultural areas

300

Outcomes

- Increased public and private investment contributing to a dynamic and diverse local economy;
- National and international recognition of Busselton as the business and tourism hub of the Margaret River Region; and,
- Harnessing local capital as a platform to leverage new business enterprises

Strategies

- Promote the Busselton district as a 'place of choice' to invest and do business;
- Develop an Investment Attraction and Marketing strategy including a suite of supporting materials and online tools for branding and promoting specific opportunities;
- Facilitate new commercial and industrial developments on appropriately zoned land consistent with the Busselton Local Planning Strategy;
- Investigate new ways to mobilise capital to foster and grow local enterprise;
- Broker discussions across private and public sector about forging effective partnerships to grow the Busselton economy; and,
- Identify specific opportunities that will strengthen existing industry sectors and broaden the economic base

4.2 Business Retention and Expansion

Business retention and expansion (BR&E) aims to support businesses that are already operating in the Busselton district, with the aim of growing the local economy from within. Its premise is that local entrepreneurs create the companies that bring new wealth and economic growth to a region in the form of jobs, increased revenues, and a vibrant local business sector.

The City will actively pursue ways of supporting local businesses by ensuring its own physical and social infrastructure is maintained to deliver a high quality of service. The City will also advocate to

State and Federal Governments to ensure support services are suitable and relevant to the local business environment. Initiatives that promote local supply of goods and services will also be pursued.

Generally, industries grow more rapidly where there are linked clusters in the region. Clusters are

301

Generally, industries grow more rapidly where there are linked clusters in the region. Clusters are concentrations of firms that are related through various business activities. The more common reasons for cluster development include an abundance of natural resources, specialized physical infrastructure, access to financial support, a skilled labour force, specialized local demand, or a prior existence of suppliers. Clusters can be linked in two different ways:

- · Vertically: in the case of buyers and suppliers; and,
- Horizontally: in the case of businesses that compete in similar markets or share resources such as common technology, raw materials, or a workforce.

Strategies to promote business retention and expansion (including clustering) will require further sectorial economic analysis, profiling and importantly, engagement with business leaders within each sector. More broadly, seeking a better understanding of the challenges and opportunities facing existing businesses will require an enriched and collaborative engagement approach at both the industry and enterprise levels.





Businesses with a workforce less than 20 represent over 97% of the total number of businesses in the City of Busselton and are responsible for most of the employment. Retention and expansion programs are an imperative to succcessful local economic development

Outcomes:

- A broader range of goods and services produced and retailed locally;
- Greater employment opportunities within the City of Busselton district;
- 'Business friendly' local government policies and programs and a reduction in red tape;
- Strong key economic sectors through enhanced clustering;
- Strong and more profitable enterprises that are innovative, collaborative and engaged in the digital economy;
- Increased public and private investment within the district resulting in stable, year round jobs;
 and,
- Enriched engagement with industry sectors that have strong growth potential

Strategies

- Advocate for digital infrastructure hubs, updated physical infrastructure and appropriately council branch to attract and retain business;
- zoned land to attract and retain business;

 Facilitate improved access to business development skills and knowledge;

 Work with economic and business development stakeholder organisation to identify local flow products and services to foster industry clusters;
- Reduce economic leakages from the Busselton district by encouraging local purchasing;
- Facilitate local enterprise networks that support a culture of innovation and ideas exchange;
- Partner with relevant stakeholder organisations to encourage business start-ups;
- Facilitate regular communication between organisations that have an economic/enterprise development function and local industry; and,
- Foster a business culture that supports weekend trading to support tourism growth and 'open for business' branding

4.3 Regional Workforce Development

The ability of a community to supply an appropriately skilled labour force can determine the success of existing businesses and influence the attractiveness of the Busselton district for new business and industry investment.

Demand for labour fluctuates dependent on local and state economic conditions and on major projects that may stimulate demand for short periods. Since 2014, unemployment in the Busselton district has been maintained between 3 and 4% and at the March guarter 2016 was 4.3%, relatively lower than the averages for the South West (4.6%), and Western Australia (5.9%).

An important consideration for attracting and retaining a skilled labour force in the Busselton district is the concept of 'compensating differentials' in labour economics. This concept refers to the notion that individuals often act to maximize their utility in making employment decisions, by taking into account not only wages and employment prospects, but also the many other amenities associated with a region that affect well-being (Department of Training and Workforce Development; 2013). The City of Busselton has a key role in creating and maintaining an attractive physical and cultural amenity to help attract and retain the district's labour force. Lifestyle appeal presents an opportunity for the Busselton district to leverage its popularity as a tourism destination and build its profile as a place to live and work. Employment based branding strategies aligned with strong tourism brands can help attract a skilled labour force and are a component of investment attraction and marketing programs introduced earlier.

An important component of the local workforce is the advent of fly-in, fly-out (FIFO), providing a supply of labour for north-west resource development projects. This has seen increased opportunities for FIFO employment using the Busselton-Margaret River Regional Airport for direct flights to mine-sites and coach services for road transport to Perth airport.

Another important workforce development issue is career development in the hospitality industry. As a popular tourism destination the Busselton district has a high demand for labour particularly in

Attachment A

Final Draft City of Busselton Economic Development Strategy (2016-2026)

peak visitation periods. A further challenge is the perception of the sector as predominantly a short term, stop-gap form of employment before moving onto long term careers. This is an important challenge to overcome given the economic contribution of the hospitality and tourism sector to the region.

Human capacity (particularly education and training) is a key determinant of regional economic rook.

Human capacity (particularly education and training) is a key determinant of regional economic development. Accordingly, the City will continue to advocate for improved vocational and higher education facilities and foster capacity building initiatives. Based on its comparative advantages as a coastal lifestyle city, there may be opportunities to establish Busselton as a centre for research and training and to explore new platforms for learning. Enhancing the capability of the local workforce will help grow existing businesses and provide a labour force attractive to new businesses.





Seasonal tourist visitation creates challenges for recruitment of full time staff those seeking a career ir hospitality and tourism enterprises

Outcomes

- A skilled, mobile and diverse workforce living in the City of Busselton district;
- Training and retraining opportunities to take advantage of new technology and new markets;
- Dual sector (vocational and higher education) facilities and services focused on a hybrid of digital and tutorial delivery;
- · Life-long learning opportunities for a variety of ages and lifestyles;
- Strong leadership at both the industry and enterprise level of business; and,
- Improve perceptions of the hospitality sector as a career path

- Facilitate the provision of a full range of education and training opportunities adopting models of innovation;
- Develop detailed industry sector profiles (including detailed labour force and occupation data) to assist targeted attraction of new industry;
- Promote the development of major strategic infrastructure such as air/transport and road-links between urban centres;
- Encourage investment in the future of the Busselton district by linking local businesses with local training providers;

Support retention of a skilled workforce by ensuring a full range of training/professional

304

- development and mentoring services, including a regular customer service program;

 Develop marketing and human resources strategies to counter the perception of the postetality sector as a short term/stop gap employment option;

 Advocate for capital investment into a new Busselton campus of South Regional TAFE, in line without the projections. industry growth and population projections;
- Develop specific employment based branding materials focused on the Busselton district as a place to live and work (including seasonal opportunities in tourism and agriculture and associated labour programs); and,
- Formulate a strategy to attract international students to the Busselton district to study and train using existing and new facilities and services





The Council of Australian Governments (COAG) recognises human capital (particularly education and skills of the regional workforce) as one of five key determinants of long term regional economic development

4.4 **Industry Development**

The Busselton district possesses a relatively broad economic base for its primary production, agriculture, horticulture, and leisure- tourism industries. The economy is therefore more resilient to downturns than narrow-base economies. Its relaxed lifestyle and beautiful natural setting continues to attract a varied workforce, of people, which can support industry growth with its mix of skills and experiences. Although intangible, these natural attractions logically provide a regional advantage upon which to attract future investors and other economic contributors to be based in the Busselton district. The City of Busselton is not able to influence outcomes in isolation, however it can partner and support desirable growth through the cultivation of information, land use planning and modern infrastructure, which improves the connectivity of the Region to world markets.





305



Value adding to existing industries, particularly local food and wine for export is an economic development opportunity. Light industrial land is zoned and available at Vasse, Busselton and Dunsborough to facilitate these opportunities

<u>Outcomes</u>

- · A strong, sustainable and diverse industry base across multiple sectors;
- · Training, research and product development partnerships;
- Greater demand for local products, services and employees;
- · Niche-areas of industrial expertise; and,
- · Business and community engagement in the digital economy

- Develop and maintain relationships with key local industry groups to better understand issues and opportunities to support industry growth and support advocacy efforts;
- Explore potential for further strategic partnerships and formalisation of collaboration/networks, particularly in the tourism, aquaculture, mineral/petroleum resources, agriculture, construction, creative and retail industries;
- Facilitate engagement with Federal and State government representatives to advocate key industry sector opportunities and challenges;
- Review land use and the timing for land release and servicing strategies to support potential and emerging industries;
- Promote opportunities arising from the digital economy, particularly from delivery of the National Broadband Network (NBN); and,
- Develop key industry sector profiles and associated development strategies in partnership with relevant industry associations (see also KFA 1: Investment Attraction and Marketing)

Council

13.1

4.5 Strategic Infrastructure

High quality economic infrastructure is a key enabler for industry growth, productivity and the attraction of investment. Access to appropriate infrastructure is also fundamental to ensuring objective. whole community can contribute to, and share in, the Region's wealth and quality of life.

306

The City has identified several key economic infrastructure projects with the potential to catalyze and attract further private investment and grow regional employment within the Busselton district. They are:

- Busselton Margaret River Regional Airport;
- Performing Arts and Convention Centre; and,
- Busselton Foreshore redevelopment







Three major strategic infrastructure projects lead by the City of Busselton are the Busselton Margaret River Regional Airport, Performing Arts &Convention Centre and the Busselton foreshore redevelopment, each of which require public funding which in turn will stimulate private investment creating new jobs in the Region

Other examples of strategic infrastructure projects that will support local and regional economic development (but are not the direct responsibility of the local government) include long range planning of a rail corridor and network through the region and to Perth; main road improvements, and enhancement of tourism assets such as Cape Naturaliste Lighthouse and regional caves.

Combined, these strategic infrastructure projects require significant public investment; however result in the creation of regional economic and employment benefits and improved quality of life, which further assists with the attraction and retention of residents.

Outcomes

- Enhanced strategic infrastructure that supports business and industry development and quality of COUNCIL DRAFT FOR
- Mobility and good connection of urban communities with each other and places of employment of the communities with each other and places of employment of the communities with each other and places of employment of the communities with each other and places of employment of the communities with each other and places of employment of the communities with each other and places of employment of the communities with each other and places of employment of the communities with each other and places of employment of the communities with each other and places of employment of the communities with each other and places of employment of the communities with each other and places of employment of the communities with each other and places of employment of the communities with each other and places of employment of the communities with each other empl and industry;
- Community networks facilitated by digital technology and social networking

Strategies

- Work with stakeholders to identify future strategic economic infrastructure needs of industry, business and the community;
- Advocate public and private investment in infrastructure (including public/private partnerships) to seize opportunities for development of Busselton's key industry sectors;
- Capitalise on regional advantages by advocating funding for establishment of health, education and entertainment infrastructure that encourages retention and attraction of residents;
- Review land use and building controls and timing for land release and servicing strategies;





Strategic infrastructure for the Busselton district includes a new \$120m Health Campus opened in 2015 and the roll -out of the National Broadband Network (NBN) which can support innovation in existing business and industry and attract new enterprises to City of Busselton communities

4.6 **Place Making and Activation**

Vibrant activity centres are vital for sustainable urban living and are crucial in providing a memorable experience to visitors. Exciting, activated places have the following characteristics, they:

- foster a sense of community and develop a unique, individual character, image and style;
- evolve and grow with their community and reflect its character, heritage, and future aspirations;
- nurture small business and local employment;
- facilitate and encourage walking, cycling and public transport usage; and,

Attachment A

Final Draft City of Busselton Economic Development Strategy (2016-2026)

Creating positive places and communities is often the result of effective partnerships with
the public and private sectors and involves multiple stakeholders. The City will foster
discussion to find productive ways to work with business, community and government
stakeholders, to improve the quality of urban spaces and natural areas with an objective of
making towns, villages and places (e.g. laneways, tourist precincts) livable with a motivated and enabled community. This builds the social capital and conditions necessary to attract
investment, which in turn generates development and employment.





The City has made streetscape upgrades to townsites in Busselton and Dunsborough and has lifted the aesthetic appeal of the foreshore precincts which appeal to holiday-makers (attractive place to visit) and residents (attractive place to live)

Outcomes

- Interconnected townsites including Yallingup, Vasse, Dunsborough, Busselton and Geographe; each with a positive identity and vitality;
- · Greater sense of community, where people invest time and resources for common benefit;
- Towns with active public spaces (parks, laneways, streets, tourist precincts) which inspire
 creativity and uniqueness; and,
- 'Memorable places' which promote return tourist visitation and inspire residents

- Engage with stakeholders to inspire activities and events which recognise the qualities and uniqueness of towns and specific places;
- Partner with business owners and managers to focus positive activity onto streets and public spaces;
- · Investigate alternative governance models for town centres and other retail shopping precincts;
- Encourage events and cultural activities that help activate/enliven local towns and tourist precincts:
- Encourage property owners to improve their facades and partner the City to activate laneways adjoining their properties;

Review existing governance of public space and abutting business to identify creative

309

- opportunities;

 Prepare and implement physical and cultural improvements to key tourist and publications precincts; and,

 Develop town centre place strategies for each of the current towns which address business and prop

The six key focus areas outlined above provide the framework for Council's future economic development activities. They articulate the core areas of focus for Council and stakeholder organisations to facilitate local economic development, by providing direction to promote investment and employment growth, while ensuring the district remains an appealing 'place' in which to work, live and invest.





There are opportunities for improved activation of Busselton and Dunsborough town centres, along with mproved 'place management' arrangements through programs and partnerships with property and business owners

5. STRATEGY GOVERNANCE AND IMPLEMENTATION

The City of Busselton will approach the implementation of this Strategy by adopting a collaborative governance philosophy. A City of Busselton Economic Development Taskforce (EDT), will be established to encourage collaborative effort and to monitor and report progress to Council and stakeholder organisations. The EDT will also provide advice to Council on any other economic development matters as may be requested by Council from time to time. Although not a formal Committee of Council (as defined in s5.8 of the Local Government Act 1995), the EDT will be guided by a Charter outlined in Appendix 2.

Encouraging collaboration will require mobilization of key stakeholder organisations and individual leaders that are able to provide advice and/or influence decision making within Government, industry and the wider business community. An implementation plan outlining practical initiatives has been prepared and will be used to guide the EDT and key stakeholder organisations, which include, but are not limited to the following:

Key Stakeholders		
Australian Trade Commission (Federal)	Dunsborough and Districts Progress Association Inc Dunsborough Yallingup Chamber of Confidence And Industry Inc Landcorp	
Australia's South West Regional Tourism Organisation	Dunsborough Yallingup Chamber of Commerce and Industry Inc	
AusIndustry (Federal)	Landcorp	
Business South West	Main Roads WA	
Busselton Chamber of Commerce and Industry Inc	Margaret River Busselton Tourism Association Inc	
Busselton Jetty Environment and Conservation Association Inc	Margaret River Chamber of Commerce and Industry Inc	
Capes Region Higher Education Taskforce	Margaret River Wine Industry Association Inc	
Community/Business Leaders	Master Builders Association South West	
Central Queensland University	Member for Forrest: Federal Parliament	
Dairy Australia (Western Dairy)	Members for the South West: State Parliament	
Department of Agriculture and Food WA	Member for Vasse: State Parliament	
Department of Commerce	Perth Convention Bureau	
Department of Culture and the Arts	Private land developers	
Department of Education	Regional Development Australia South West	
Department of Infrastructure and Regional Development (Federal)	Shire of Augusta Margaret River	
Department of Lands	Small Business Development Corporation	
Department of Parks and Wildlife	South West Aboriginal Land and Sea Council	
Department of Planning	South West Development Commission	
Department of Regional Development	Real Estate Institute of WA (South West Branch)	
Department of Sport and Recreation	South Regional TAFE	
Department of State Development	Southern Ports Authority	
Department of Training and Workforce Development	Tourism Western Australia	
Department of Transport	Utilities (Electricity, Water, Gas, Telco's)	

310

Strategies and actions identified by the EDT will either be led by the City of Busselton or by other organisations where the Council does not have direct control or responsibility for service provision, but can 'influence' and advocate for change. Initiatives which are identified as 'City-led', will feed into the City's Corporate Business Plan (reviewed annually) and resourced through the City's Integrated Planning Framework (i.e. Asset Management Plan, Long Term Financial Plan and Workforce Plan).

The City of Busselton collaborates with the Shire of Augusta Margaret River through the Capes Region Organisation of Councils (Caperoc), and where appropriate, will undertake joint economic development strategy initiatives that produce economies of scope and scale in project cost and delivery.

Attachment A

Final Draft City of Busselton Economic Development Strategy (2016-2026)





Figure 10: The Capes Region Organisation of Councils will facilitate regional economic development projects

Economic performance of the Busselton region will be measured using ten Economic Performance Indicators (EPIs), which will be benchmarked against a base year/period and updated annually with reporting using 'star-rating' graphics and showing upward or downward movements. The ten EPI's are shown in Figure 11.

Economic Performance Indicators	Base line Period
EPI 1: Population growth	2015
EPI 2: Economic growth	2013/14
EPI 3: GRP per capita	2013/14
EPI 4: Employment growth	Yr to Jun Qtr 2015
EPI 5: Unemployment rate	Jun Qtr 2015
EPI 6: Productivity level	2013/14
EPI 7: Index of Economic Diversity	2011
EPI 8: Growth in dwelling approvals	Yr to Jun Qtr 2015
EPI 9: Average business turnover	2013/14
EPI 10: Per capita income	2010/11

Figure 11: Economic Performance Indicators for the City of Busselton Local Government Area will be measured annually

Attachment A

Final Draft City of Busselton Economic Development Strategy (2016-2026)

6. REFERENCES

A SMYE OF ORAFT FOR AEC Group (2009), Capes Region Economic Development Strategy. Prepared for the Shire of Busselton and the Shire of Augusta Margaret River.

Bankwest Curtin Economics Centre (2015), 'Tiger, Tiger Burning Bright Western Australia's Trade and Tron Economic Development with Asia'

Busselton Chamber of Commerce and Industry Inc (2013), Submission to Busselton 2050 "Creating a City of Busselton That We Want in 2050")

Chamber of Commerce and Industry of Western Australia (2015), State of the Future: A Vision for

City of Busselton (2012), Social and Ageing Plan (Reviewed 2015)

City of Busselton (2013), Strategic Community Plan (Reviewed 2015)

City of Busselton (2013), Corporate Business Plan (2013/14 - 2017/18)

City of Busselton (2014), Local Planning Scheme No. 21

City of Busselton (2014), 'Economic and Business Development Business Plan 2015-2018', Activity Unit Operational Plan for the City of Busselton Corporate Business Plan

City of Busselton (2016), 'Economic and Demographic Profile'. Prepared by Lawrence Consulting for the City of Busselton

Committee for Economic Development of Australia WA (2014), State of the Regions Series: Part 1 Future of the South West (Summary of Proceedings 7 August 2014 held at Bunbury Regional **Entertainment Centre)**

Committee for Economic Development of Australia WA (2016), State of the Regions series: Regional Development in Western Australia. http://www.ceda.com.au

Commonwealth of Australia (2015), 'Intergenerational Report (Australia in 2055)'

Deloitte Access Economics (2014) Building the Lucky Country #3 Business 'Imperatives for a Prosperous Australia: Positioning for prosperity? Catching the next wave'

Deloitte Access Economics (2015), 'Action Plan for Transforming Agriculture in South West' Western Australia (Report prepared for Regional Development Australia South West, South West Development Commission and Department of Agriculture and Food

Deloitte Access Economics (2015), "Building the Lucky Country #5 Business 'Imperatives for a Prosperous Australia: The Purpose of Place Reconsidered"

Department of Planning (2014), South West Regional Planning and Infrastructure Framework (2014)

Department of Planning (2015), WA Tomorrow 2015. Downloaded from http://www.planning.wa.gov.au/publications/6194.asp

Department of Planning (2014) 'State Planning Strategy 2050, Planning for Sustaineg' Growth and CONAL Mahagement FOR Prosperity'.

Department of Planning and Community Development (Victoria) (2008), Place Information Booklet

Department of Regional Australia (2013), 'Regional Economic Development Guide'

Department of Regional Development (2016); Regional Development Strategy (2016-2025); Building vibrant regions with strong economies

Department of Regional Development (2016), 'Regional Centres Development Plan Growth Plan Toolkit (v12). Unpublished

Department of Training and Workforce Development/ South West Workforce Development Alliance (2013) South West Workforce Development Plan (2013-2016).

Dollery, Grant and OKeefe (2008), Local Councils as Place Shapers. 'The Implications of the Lyons Report for Australian Local Government'

Ernst and Young (2012), Strong Foundations for Sustainable Local Infrastructure (Connecting Communities, Projects, Finance and Funds)

International Economic Development Council (2016). Definition of Economic Development downloaded from www.iedconline.org.

Jones S. et al (2009), "A Generic Approach to Conceptualising Economic Development in Australian Local Government", Journal of Economic and Social Policy; Vol. 13: Issue 1, Article 8

Land Insights (2013), City of Busselton Discussion Paper "Future Busselton 2050: Strategic Growth Scenarios" Workshop Outcomes Summary Report prepared for the City of Busselton

Localise, LGMA, EDA (2014), 'Economic Development Short-course Workbook' (unpublished)

Margaret River Busselton Tourism Association/South West Development Commission (2015) Wine & Food Promotional Plan

NBN Co, "Super Connected Lifestyle Locations: The Rise of the 'e-change' Movement". Report prepared by Bernard Salt (KPMG) for the National Broadband Network.

Parliament of Victoria (2013), Economic Development and Infrastructure Committee 'Inquiry into Local Economic Development Initiatives in Victoria'

Regional Australia Institute (2015), 'Cities Beyond Perth: Best bets for growth in a new economic environment' (Profiles of the largest regional centres in Western Australia). Prepared for the Department of Regional Development.

Regional Australia Institute (2016), Deal or No Deal? 'Bringing Small Cities into the National Cities Aaenda'.

Regional Development Council (2015), 'Regional Centres Development Plan Framework'.

Western FOR

Attachment A

Final Draft City of Busselton Economic Development Strategy (2016-2026)

RPS Pty Ltd (2015) 'Busselton Regional Airport Expansion Study: Air Freight and Socio-Economic Assessment'. Prepared for the City of Busselton. Unpublished.

SGS Economics and Planning (2013), 'Economic Opportunities for Creative Industries in Australia's South West Region'. Prepared for the South West Development Commission

Shire of Augusta Margaret River (2016), Draft Economic Development Strategy 2026

South West Development Commission/Regional Development Australia South West (2015), South West Regional Investment Blueprint.

Sustainable Development Commission (2009), 'Prosperity Without Growth? The Transition to a Sustainable Economy'

South Australian Centre for Economic Studies (2013), 'Promoting Local Economic Development: A Role for Metropolitan Local Councils'; Report commissioned by the Local Government Association of SA

The Makers Community Development Inc (2016). Busselton Innovation Strategy: Enhancing a Culture of Innovation in Busselton. Prepared for Busselton Branch of the Bendigo Bank. Unpublished.

Union of British Columbian Municipalities (2010), 'Evaluating the Economic Development Role of BC Local Governments (A Snapshot of Community Effort and Opportunity)

World Bank (2011), "Strategic Planning for Local Economic Development A Five Stage Process"

(2016-2026)

Appendix 1



GUIDING PRINCIPLES FOR DEFINING LOCAL GOVERNMENT'S ROLE IN FACILITATING ECONOMIC DEVELOPMENT

Source: South Australian Centre for Economic Studies (2013)

	GUIDING PRINCIPLES (GP) FOR DEFINING LOCAL GOVERNMENT'S ROLE IN FACILITATING ECONOMIC DEVELOPMENT
1	Economic development refers to the process by which economies evolve and change over time. In favorable circumstances, it occurs naturally through businesses exploring and exploiting profitable opportunities to expand their production and sale of goods and services
2	Promoting and strengthening economic development has become an objective of all spheres of governments pursued through strategies aimed at increasing the future economic performance of an economy in order to provide greater employment opportunities, incomes and well-being
3	Governments themselves do not drive economic development - business investment, innovation and entrepreneurship drive it – but governments can be effective enablers and facilitators
4	Place-based approaches to economic development is now internationally regarded as best-practice: It involves promoting the economic development of regions and localities through a bottom-up approach in which partnerships between community leaders, business leaders and governments collaboratively develop visions, strategies, plans and initiatives
5	The place-based approach particularly emphasizes that enhanced economic development and growth is possible in all localities if they take the lead in mobilizing and strengthening their local assets (physical, human, financial, social, economic and natural): Human capital has been identified as the single most important factor in enhancing economic development and growth
6	Contrary to the views of some, local governments can effectively promote local economic development, and it is important that they do so because economic development is integral to the achievement of their core objective: the promotion and enhancement of community development
7	Local Governments invariably do play a role in local economic development simply by undertaking their core functions, which include the provision of local land and infrastructure which enable business establishment and operation, and through the strategic use of their role in land use planning they can influence the business investment attractiveness of a local area
8	Local Governments can make their localities more attractive to invest in, as well to live and work in, by doing better and more effectively all the things that are among their core functions; they can facilitate investment in "enabling" hard and soft infrastructure; and they can use a variety of incentives to encourage additional business investment in their localities by existing or new businesses
9	There are some limitations on the capacity of local governments to promote economic development that they have to work around including by advocacy with other spheres of government: these include the fact that they do not have direct control over some public sector services that are important to local economic development and that they have inadequate resources to be able to themselves invest in the provision of enabling infrastructure
10	Critical to the effective promotion of local economic development by councils are the lessons to be learned from evaluations of strategies undertaken elsewhere. These especially include that achieving the potential benefits of implementing economic development strategies takes substantial periods of time; strategies and initiatives have to be applied in a consistent, coordinated, sustained way, adjusted from time-to-time to ensure that they continue having a significant influence
11	Achieving as much integration of local initiatives as possible with regional-scale strategies adds to effectiveness of local strategies and to the economic strength and resilience of the regions
12	Ultimately, local economies collectively are the backbone of strong regional economies which, in turn, are the foundations on which state economic development and growth is built

Attachment A

Final Draft City of Busselton Economic Development Strategy (2016-2026)

Appendix 2

COUNCIL DRAFT FOR ADOPTION **CHARTER FOR THE BUSSELTON ECONOMIC DEVELOPMENT TASKFORCE**

CHARTER ECONOMIC DEVELOPMENT TASKFORCE



1. INTRODUCTION

INTRODUCTION

Although not a formal Committee of Council (as defined in s5.8 of the Local Government Advance)

Several on Several Council (as defined in s5.8 of the Local Government Advance)

Several on Several Council (as defined in s5.8 of the Local Government Advance) WAL DRAFT FOR recommendations and updates to Council on implementation of the City's Economic Development Strategy (2016-2026).

2. AUTHORITY

The EDT is a reference group with no formal decision-making powers or authority vested to it by Council. It will be chaired by the Mayor (or his/her delegate), who will work with members to implement and advocate projects, policies and programs identified within the City's Economic Development Strategy (2016-2026).

The EDT may only act within the Charter and procedural arrangements endorsed by the City of Busselton. It has no authority to:

- Expend moneys on behalf of the City;
- Commit the City to any arrangement;
- Consider any matter outside its specific reference; and
- Direct City Officers in the performance of their duties.

The City of Busselton will ultimately determine actions, having regard to the advice and recommendations of the EDT. The EDT is not intended as a definitive tool of consultation for economic development initiatives and the City of Busselton may consult with other stakeholders outside of the Taskforce.

3. RESPONSIBILITIES AND FUNCTIONS

It provides advice, recommendations and updates to Council on the implementation and review of the Economic Development Strategy (2016-2026), with a strong focus on Investment Attraction and Marketing; Business Retention and Expansion; Regional Workforce Development; Industry Development; Strategic Infrastructure and Place Making and Activation.

4. MEMBERSHIP

The EDT will consist of the following:

- · City of Busselton Mayor, or his/her delegate (Chair);
- · One (1) City of Busselton Councillor;
- Three (3) key industry sector members (incl. agriculture, property development);
- One (1) representative of the Margaret River Busselton Tourism Association;
- One (1) Community leader appointed by Council;
- Two (2) City of Busselton staff members;
- One (1) representative of the South West Development Commission (State Government);
- One (1) representative of Regional Development Australia South West (Federal Government):
- One (1) representative of the Busselton Chamber of Commerce and Industry Inc (BCCI); and,
- One (1) representative of the Dunsborough-Yallingup Chamber of Commerce and Industry Inc (DYCCI).

13.1 Attachment A Final Draft City of Busselton Economic Development Strategy (2016-2026)

The EDT may request the attendance of any other person or representative for advisory purposes only. It may also establish informal sub-committees or working groups comprising its members or other persons to assist in fulfilling its responsibilities and functions.

5. OBLIGATIONS OF MEMBERS

Members of the EDT, in performing their duties, shall:

- Act in accordance with Council's Values and Code of Conduct;
- Act honestly and in good faith;
- Actively participate in meetings;
- Perform their duties in a manner that public trust in the integrity, objectivity, and impartiality of Council is conserved and enhanced;
- Exercise the care, diligence and skill that would be expected of a reasonable person in comparable circumstances;
- Seek to understand and refer to the guiding principles defining local government's role in economic development as referenced in Appendix 1 of the City of Busselton Economic Development Strategy (2016-2026) and participate in capacity/knowledge building professional development opportunities as and when they are offered by the City and/or regional development organisations.

6. MEETINGS AND MINUTES

It is anticipated that the EDT will meet quarterly or as required.

Meetings of the EDT shall be called by the Chair, with notice of the meeting being forwarded to members with Agenda papers distribute with at least seven (7) days' notice.

The quorum for meetings shall be 50% of the members. The Chairperson will have a casting vote, as well as an original vote.

EDT meeting minutes are to be approved for distribution by the Chair and confirmed at the next Ordinary Meeting of the EDT. The Minutes will be distributed to EDT members and available on Council's website for general access as part of the Council minutes Information Bulletin.

The City of Busselton will provide the following administrative support to the EDT:

- Agendas, minutes and associated reports will be forwarded to members prior to the meeting;
- Attending meetings and taking minutes of proceedings;
- Any item from a meeting requiring action by Council officers will, in the first instance, be communicated to the relevant officer/s for consideration and/or action. Actions will be communicated at the next meeting.

7. EVALUATION AND REVIEW

A review of the EDT and its membership will be undertaken every two years to ensure the purpose, membership and operation is current and to make appropriate changes if required.



320

COUNCIL REVIEW

ECONOMIC DEVELOPMENT STRATEGY (2016-2026)

INITIATIVES TO GUIDE IMPLEMENTATION

OUR LOCAL ECONOMIC DEVELOPMENT MISSION

"To help position the Busselton region as Western Australia's most desirable non-

metropolitan area to live, work, visit and invest"

City of Busselton Corporate Business Plan (2015)









Attachment B

Final Draft City of Busselton Economic Development Strategy (Initiatives to Guide Implementation)



Economic Development Strategy (2016-2026)

Introduction

The City of Busselton Economic Development Strategy (2016-2026) ("the Strategy") is a component of the City's Integrated Planning Framework (IPF), which is a 'citizen led' process resulting in a long range Strategic Community Plan (SCP) for the district. The Framework includes long-term financial, asset and workforce plans, which flow through to a Corporate Business Plan, which guides the annual budgeting cycle of the City of Busselton.

The SCP was adopted in 2013, with a review launched on 1 July 2016 under the banner "Vision 2030", which has provided people the opportunity to share ideas on a range of issues for the long-term development of the Busselton district.

Community and stakeholder consultation has revealed a desire for Council to foster a strong local economy that sustains existing and attracts new business, industry and employment opportunities. The SCP states the objectives for the City to pursue:

- A strong, innovative and diversified economy that attracts people to live, work, invest and visit;
- A City recognised for its high quality events and year round tourist offerings, and;
- A community where local business is supported

The Strategy introduces a brief overview of economic and demographic conditions within the Busselton district and considers future opportunities to drive socio-economic prosperity, taking into account global mega-trends in our external environment.

This document provides a summary of proposed initiatives for implementation of the Strategy. It identifies a recommended 'Lead' organisation and 'Supporting' organisations that collaboratively, have the ability to deliver practical economic development outcomes across the six key focus areas identified in the Strategy. Initiatives that have been identified in the South West Regional Investment Blueprint (2015) prepared by the South West Development Commission and Regional Development Australia (South West) are highlighted as priority projects for delivery.

Initiatives notated as being led by the City of Busselton will be considered within the City's Integrated Planning Framework as outlined above and captured in the City's 4-year Corporate Business Plan and annual budget cycle.

Mike Archer
Chief Executive Officer

City of Busselton Vision

A vibrant and cohesive community that protects its natural environment, meets the needs of its population, and ensures that future development maintains the City's unique character, lifestyle and community values.

Mission for Local Economic Development

To help position the City of Busselton district as Western Australia's most desirable non-metropolitan area to live, work, visit and invest.

Key Focus Areas Identified in the Economic Development Strategy (2016-2026)

- 1. Investment Attraction and Marketing
- 2. Business Retention and Expansion
- 3. Regional Workforce Development
- 4. Industry Development
- 5. Strategic Infrastructure
- 6. Place Making and Activation

Proposed Strategies

1. Investment Attraction and Marketing

Business attraction (or recruitment) is a means of contributing to the economic vitality of a local area. It is a process of understanding the local economy and identifying gaps for local provision of goods and services by businesses and institutions. It results in a marketing plan aimed at attracting companies and/or institutions that will diversify and build the local economy to match the community's assets and development goals.

- Promote the Busselton district as a 'place of choice' to invest and do business;
- Develop an Investment Attraction and Marketing strategy including a suite of supporting materials and online tools for branding and promoting specific opportunities;
- Facilitate new commercial and industrial developments on appropriately zoned land consistent with the Busselton Local Planning Strategy;
- · Investigate new ways to mobilise capital to foster and grow local enterprise;
- Broker discussions across private and public sector to forge effective partnerships to grow the Busselton economy; and,
- Identify specific opportunities that will strengthen existing industry sectors and broaden the economic base.

2. Business Retention and Expansion

Business retention and expansion (BR&E) aims to support businesses that are already operating in the Busselton district, with the aim of growing the local economy from within. Its premise is that local entrepreneurs create the companies that bring new wealth and economic growth to a region in the form of jobs, increased revenues, and a vibrant local business sector.

323

Strategies

- Advocate for digital infrastructure hubs, updated physical infrastructure and appropriately zoned land to attract and retain business;
- Facilitate improved access to business development skills and knowledge;
- Work with economic and business development stakeholder organisations to identify local products and services to foster industry clusters;
- Reduce economic leakages from the Busselton district by encouraging local purchasing;
- Facilitate local enterprise networks that support a culture of innovation and ideas exchange;
- Partner with relevant stakeholder organisations to encourage business start-ups;
- Facilitate regular communication between organisations that have an economic/enterprise development function and local industry; and,
- Foster a business culture that supports weekend trading to support tourism growth and 'open for business' branding

3. Regional Workforce Development

The ability of a community to supply an appropriately skilled labour force can determine the success of existing businesses and influences the attractiveness of the Busselton district for new business and industry investment.

- Facilitate the provision of a full range of education and training opportunities adopting models of innovation;
- Develop detailed industry sector profiles (including detailed labour force and occupation data) to assist targeted attraction of new industry;
- Promote the development of major infrastructure such as air/transport-hubs and roadlinks between urban centres;
- Encourage investment in the future of the Busselton district by linking local businesses with local training providers;
- Support retention of a skilled workforce by ensuring a full range of training, professional development and mentoring services are provided, including a regular customer service program;
- Develop marketing and human resources strategies to counter the perception of the hospitality sector as a short term/stop gap employment option;
- Advocate for capital investment into a new Busselton campus of South Regional TAFE, in line with industry growth and population projections;

 Develop specific employment based branding materials focused on the Busselton district as a place to live and work (including seasonal opportunities in tourism and agriculture and associated labour programs); and,

324

 Formulate a strategy to attract international students to the Busselton district to study and train using existing and new facilities and services

4. Industry Development

The Busselton district has a relatively diverse industrial base of small-medium enterprises and this has buffered its regional economy somewhat from a national trend of downturns in regional economies. Growth in small-medium enterprises is a priority for the local economy. Resilience of the regional economy also needs to be maintained through support for new industries, and derivative enterprises from established industries.

Strategies

- Develop and maintain relationships with key local industry groups to better understand issues and opportunities to support industry growth and support advocacy efforts;
- Explore potential for further strategic partnerships and formalisation of collaboration/networks, particularly in the tourism, mineral/petroleum resources, aquaculture, agriculture, construction, creative and retail industries;
- Facilitate engagement with Federal and State government representatives to advocate key industry sector opportunities and challenges;
- Review land use and the timing for land release and servicing strategies to support
 potential and emerging industries;
- Promote opportunities arising from the digital economy, particularly from delivery of the National Broadband Network; and,
- Develop key industry sector profiles and associated development strategies in partnership with relevant industry associations (see also KFA 1: Investment Attraction and Marketing)

5. Strategic Infrastructure

High quality economic infrastructure is a key enabler for industry growth, productivity and the attraction of investment. Access to appropriate infrastructure is also fundamental to ensuring the whole community can contribute to, and share in, the Region's wealth and quality of life.

- Work with stakeholders to identify future strategic economic infrastructure needs of industry, business and the community;
- Advocate public and private investment in infrastructure (including public/private partnerships) to seize opportunities for development of our key industry sectors;
- Capitalise on regional advantages by advocating funding for establishment of health, education and entertainment infrastructure that encourages retention and attraction of residents; and,
- Review land use and building controls and timing for land release and servicing strategies

13.1 Attachment B

Final Draft City of Busselton Economic Development Strategy (Initiatives to Guide Implementation)

6. Place Making and Activation

Vibrant activity centres are vital for sustainable urban living and are crucial in providing a memorable experience to visitors. Exciting, activated places have the following characteristics, they foster a sense of community and develop a unique, individual character, image and style; evolve and grow with their community and reflect its character, heritage, and future aspirations; nurture small business and local employment; and, facilitate and encourage walking, cycling and public transport usage.

Strategies

- Engage with stakeholders to inspire activities and events which recognise the qualities and uniqueness of towns and specific places;
- Partner with business owners and managers to focus positive activity onto streets and public spaces;
- Investigate alternative governance models for town centres and other retail shopping precincts;
- Encourage events and cultural activities that help activate/enliven local towns and tourist precincts;
- Encourage property owners to improve their facades and partner the City to activate laneways adjoining their properties;
- Review existing governance of public space and abutting business to identify creative opportunities;
- Prepare and implement physical and cultural improvements to key tourist and business precincts; and,
- Develop town centre place strategies for each of the current towns which address business and resident needs

Governance

A City of Busselton Economic Development Taskforce (EDT) will be established and provide a forum for stakeholder engagement, local leadership and advice to Council on implementation of the City of Busselton Economic Development Strategy (2016-2026). Its Charter is in Appendix 2 of the Strategy.

Performance measurement

Economic performance of the Busselton district will be measured using ten Economic Performance Indicators (EPIs), which will be benchmarked against base year/period (2015) and updated annually with reporting using star-ratings.

- Population growth
- Economic growth
- GRP per capita
- Employment growth
- Unemployment rate

- Productivity level
- Index of Economic Diversity
- Growth in dwelling approvals
- Average business turnover
- · Per capita income

Stakeholder Engagement

Implementation of the City of Busselton Economic Development Strategy (2016-2026) will occur in a collaborative approach with key stakeholder organisations and individuals that have the skills, knowledge and leadership abilities to influence decision-making within government, industry and the community. Key stakeholders include, but are not limited to:

Stakeholder	Abbreviation
Australian Trade Commission	Austrade
Australia's South West Regional Tourism Organisation	ASW
AusIndustry (Federal)	Al
Business South West	BSW
Busselton Chamber of Commerce and Industry Inc	BCCI
Busselton Jetty Environment and Conservation Association Inc	BJECA
Capes Region Higher Education Taskforce	CHET
Central Queensland University	CQU
Community/Business Leaders	CBL
Dairy Australia (Western Dairy)	WD
Department of Agriculture and Food WA	DAFWA
Department of Commerce	DoC
Department of Culture and the Arts	DCA
Department of Education	DoE
Department of Infrastructure and Regional Development (Federal)	DIRD
Department of Lands	DoL
Department of Mines and Petroleum	DoMP
Department of Parks and Wildlife	DPaW
Department of Planning	DoP
Department of Regional Development	DRD
Department of Sport and Recreation	DSR
Department of State Development	DSD
Department of Training and Workforce Development	DTWD
Department of Transport	DoT
Dunsborough and Districts Progress Association Inc	DDPA
Dunsborough Yallingup Chamber of Commerce and Industry Inc	DYCCI
Landcorp	Landcorp
Main Roads WA	MRoads
Margaret River Busselton Tourism Association Inc	MRBTA

Attachment B

Final Draft City of Busselton Economic Development Strategy
(Initiatives to Guide Implementation)

Stakeholder	Abbreviation
Margaret River Chamber of Commerce and Industry Inc	MRCCI
Margaret River Wine Industry Association Inc	MRWIA
Master Builders Association South West	MBA
Member for Forrest: Federal Parliament	MfF
Members for the South West: State Parliament	MfSW
Member for Vasse	MfV
Perth Convention Bureau	PCB
Private land developers	PLD
Regional Development Australia South West	RDASW
Shire of Augusta Margaret River	SAMR
Small Business Development Corporation	SBDC
South West Aboriginal Land and Sea Council	SWALSC
South West Development Commission	SWDC
Real Estate Institute of WA (South West Branch)	REIWA
South Regional TAFE	SRT
Southern Ports Authority	SPA
Tourism Western Australia	TWA
Utilities (Electricity, Water, Gas, telco's)	Utilities



"Alone we can do so little; together we can do so much"

— Helen Keller

Key Focus Area 1: Investment Attraction and Marketing

Proposed Strategies

- Promote the Busselton district as a 'place of choice' to invest and do business;
- Develop an Investment Attraction and Marketing strategy including a suite of supporting materials and online tools for branding and promoting specific opportunities;

- Facilitate new commercial and industrial developments on appropriately zoned land consistent with the Busselton Local Planning Strategy;
- Investigate new ways to mobilise capital to foster and grow local enterprise;
- · Broker discussions across private and public sector to forge effective partnerships to grow the Busselton economy; and,
- · Identify specific opportunities that will strengthen existing industry sectors and broaden the economic base

			City of orpora			Proposed	Proposed Supporting	SW Investment Blueprint
No		2016-17	2017-18	2018-19	2019-20	Lead		
	Promote economic opportunities information in a dynamic and contemporary online /						BCCI/DYCCI	
	mobile friendly website to help inform investment decisions and promote business						SWDC/DRD	
	opportunities.	СоВ	DAFWA					
1.1						Сов	RDASW	
							BSW	
							SWALSC	
	Actively promote Busselton to resource development companies as a lifestyle /						BCCI/DYCCI	
	resident base for fly-in fly-out (FIFO) mining operations and advocate support programs					СоВ	SWDC/DRD	
1.2	for FIFO families					COB	RDASW	
							BSW	

			City of orpora			Proposed	Proposed	SW Investment Blueprint
No	Proposed Initiatives	2016-17	2017-18	2018-19	2019-20	Lead	Supporting	
	Research business migration programs as an opportunity to promote inward investment						BCCI/DYCCI SWDC	
1.3	investment.					СоВ	RDASW	
	Promote the availability of City owned and/or managed property to facilitate private						SBDC BCCI/DYCCI	
1.4	sector investment on public land					СоВ	SWDC/DRD RDASW	
							DoL SWALSC	
	Attract private investment for a proposed industry/logistics hub including aviation development opportunities at the expanded Busselton-Margaret River Regional Airport						BCCI/DYCCI SWDC/DRD	
1.5						СоВ	RDASW DoT	х
							TWA DSD	
1.6	Collaborate with Satterley Property Group to activate the Airport North Industrial development					PLD	CoB DSD SWDC/DRD	
1.7	Investigate the merits of a biennial Busselton Economic Forum to bring government and industry attention to opportunities and challenges					BCCI/DYCCI	COB SWDC/DRD BSW RDASW	
1.8	Prepare Industry Sector profiles and strategies with a focus on value adding to the area					СоВ	BCCI/DYCCI	

			City of orpora			Proposed	Proposed Supporting	SW Investment Blueprint
No	Proposed Initiatives	2016-17	2017-18	2018-19	2019-20	Lead		
	(manufacturing, tourism, fishing and aquaculture, viticulture, food processing, pharmaceuticals, milk processing etc)						SWDC/DRD RDASW BSW	
1.9	Promote the availability of the Federally funded Trade Training Centre at Busselton					High Schools	BCCI/DYCCI CoB SRT	х
1.10	Further develop visual identity systems for the City of Busselton and review the brand 'Events Capital WA' to include rich web content showcasing current events and the City's facilities, services, incentives etc. Develop a separate URL linked to City of Busselton, ASW and MRBTA websites					СоВ	MRBTA SWDC/DRD ASW	
1.11	Attract and host international delegations visiting Western Australia and explore/ participate in opportunities for sister cities that may lead to economic development outcomes for the district, particularly in China and high growth Asian economies					СоВ	SWDC DSD BCCI/DYCCI	

Key Focus Area 2: Business Retention and Expansion Proposed Strategies

- · Advocate for digital infrastructure hubs, updated physical infrastructure and appropriately zoned land to attract and retain business;
- · Facilitate improved access to business development skills and knowledge;
- Work with economic and business development stakeholder organisations to identify local products and services to foster cluster development through vertical supply chains;

- Reduce economic leakages from the Busselton district by encouraging local purchasing;
- · Facilitate local enterprise networks that support a culture of innovation and ideas exchange;
- · Partner with relevant stakeholder organisations to encourage business start-ups;
- · Facilitate regular communication between organisations that have an economic/enterprise development function and local industry; and,
- · Foster a business culture that supports weekend trading to support tourism growth and 'open for business' branding

	Proposed Initiatives		City of orpora			Proposed	Proposed Supporting	SW Investment Blueprint
No		2016-17	2017-18	2018-19	2019-20	Lead		
	Assess interest in a collaborative Business Retention and Expansion (BR&E) Program to					BCCI/DYCCI	СоВ	
2.1	regularly engage with trading merchants and property owners on opportunities for					BCCI/DYCCI	BSW	
	collaboration, with a focus on CBD improvements						CBL	
	Investigate interest in the business incubator / shared workspace / enterprise						SWDC	
	accelerators concept, to support new start-ups and home based businesses to foster						RDASW/AI	
2.2	innovation and/or a creative industries and explore the merits of an associated					СоВ	BCCI/DYCCI	
	entrepreneurial/mentoring program						BSW	

	Proposed Initiatives		City of Corpora			Proposed	Proposed	SW Investment Blueprint
No	Proposed Initiatives	2016-17	2017-18	2018-19	2019–20	Lead	Supporting	
2.3	Prepare a digital economy strategy to support business engagement in the digital economy as the NBN is delivered across the district and review the role of the City's libraries in supporting online learning and business support					СоВ	SWDC/DRD RDASW BCCI/DYCCI BSW CQU	
2.4	Investigate interest and funding to deliver leadership training forums to build local capacity within the community and business					BCCI/DYCCI	BSW CoB SRT CQU	
2.5	Explore business development and trade opportunities from current (and prospective) sister cities					SWDC	Sister Cities CoB DSD	
2.6	Prepare a 'Welcome to Busselton/Dunsborough' New Business Kit to assist business in the first years of establishment and promote availability of local services					BCCI/DYCCI	CoB BSW SBDC	
2.7	Undertake an annual "Business Confidence" survey					BCCI/DYCCI	CoB BSW	
2.8	Investigate the merits of a Business awards program across the four Chambers of Commerce in Capes region (Busselton, Dunsborough/Yallingup, Margaret River and Augusta), and/or strategies for greater participation in the existing South West Business Awards and the MRCCI Margaret River Region Business Awards					BCCI/DYCCI	CoB MRBTA BSW MRCCI SBDC	

	Proposed Initiatives		City of corpora			Proposed	Proposed	SW Investment Blueprint
No	Proposed Initiatives	2016-17	2017-18	2018-19	2019-20	Lead	Supporting	
2.9	Develop 'Buy Local' campaigns encouraging local purchasing by residents and business to business supply transactions					BCCI/DYCCI	СоВ	
2.10	Review the effectiveness and impact of the City of Busselton's Regional Price Preference Policy					СоВ	BCCI/DYCC	
2.11	Facilitate expanded Retail Services in the Busselton and Dunsborough to meet the needs of a growing population and to reduce expenditure outside of the district					СоВ	BCCI/DYCC DoC	
2.12	Investigate the merits of a regional goods and services database to grow local business to business supply chains					BCCI/DYCCI /MRCCI	SWDC/DRD CoB SAMR	
2.13	Foster a business culture that encourages weekend trading consistent with the City's extended retail trading hours review					СоВ	BCCI/DYCCI MRBTA BSW	
2.14	Investigate participation in the new "Small Business Friendly Local Government's" initiative of the Small Business Development Corporation, which provides a focus on encouraging local governments to work more closely with business owners to support economic development (e.g cut red tape. focus on ways to make it easier for business start-ups such as easily accessible information on applications, fees, concurrent approvals and adopting a culture that is about supporting and assisting business rather than fining and strict enforcement) https://www.smallbusiness.wa.gov.au/business-in-wa/about-sbdc/small-business-friendly-local-governments-initiative					СоВ	BCCI/DYCCI SBDC SAMR BSW	

		1 1	orpora I	Bussel te Busi Plan		Proposed	Proposed Supporting	SW Investment Blueprint
No	Proposed Initiatives	2016-17	2017-18	2018-19	2019-20	Lead		
2.15	Develop a City of Busselton e-newsletter targeted at the local business community					СоВ	BSW BCCI/DYCCI	
2.16	Continue to facilitate the industrial/commercial differential rate through the Marketing and Events Reference Group (MERG) as a source of funds to promote the district and grow the events calendar					СоВ	MRBTA BCCI/DYCCI	

Key Focus Area 3: Regional Workforce Development Proposed Strategies

- Facilitate the provision of a full range of education and training opportunities adopting models of innovation;
- Develop detailed industry sector profiles (including detailed labour force and occupation data) to assist targeted attraction of new industry;

- · Promote the development of major infrastructure such as air/transport-hubs and road-links between urban centres;
- · Encourage investment in the future of Busselton by linking local businesses with local training providers;
- Support retention of a skilled workforce by ensuring a full range of training, professional development and mentoring services are provided, including a regular customer service program;
- Develop marketing and human resources strategies to counter the perception of the hospitality sector as a short term/stop gap employment option;
- Advocate for capital investment into a new Busselton campus of South Regional TAFE, in line with industry growth and population projections;
- Develop specific employment based branding materials focused on the Busselton district as a place to live and work (including seasonal opportunities
 in tourism and agriculture and associated labour programs); and,
- · Formulate a strategy to attract international students to the Busselton district to study and train using existing and new facilities and services

No	Proposed Initiatives	100000	City of orpora			Proposed Lead	Proposed Supporting	SW Investment Blueprint
		2016-17	2017-18	2018-19	2019-20			
3.1	Support Central Queensland University to establish a Digital Study Hub to serve the Busselton district					CQU	CoB SRT High Schools MfF	
3.2	Advocate for a Multi Institutional Higher Education Delivery facility to allow collocation of vocational and higher education institutions to operate and provide course/facilities with potential for overseas students					CoB CHET	SWDC SRT CQU	х

			orpora	Bussel te Busi Plan		Proposed	Proposed	SW Investment
No	Proposed Initiatives	2016-17	2017-18	2018-19	2019-20	Lead	Supporting	Blueprint
							RDASW High Schools	
	Prepare a pre-feasibility study into the merits of establishing a Centre of Excellence						SWDC/DRD SRT	
3.3						СоВ	DoT CQU RDASW	
3.4	Attract interest from private schools to establish expanded presence (with boarding facilities) and advocate further public investment in primary and secondary schooling in Dunsborough					СоВ	SWDC/DRD DoE	
3.5	Support an expanded and relevant program for small business training and mentoring including customer service and leadership					BSW	RDASW SWDC/DRD CoB BCCI/DYCCI SBDC	
3.6	Advocate for a review of the 2013-2016 South West Workforce Development Plan and partner with the Department of Training and Workforce Development and South Regional TAFE for implementation					DTWD	COB SWDC/DRD SRT RDASW	х

			orpora	Bussel te Busi Plan		Proposed	Proposed	SW Investment
No	Proposed Initiatives	2016-17	2017-18	2018-19	2019-20	Lead	Supporting	Blueprint
3.7	Work with the South West Development Commission on implementation of the Creative Industries Economic Opportunities Study (2013) identifying specific opportunities for Busselton and Dunsborough (for example digital media, design, filmfriendly policy, television, animation/gaming technologies and shared workspaces).					SWDC	DRD RDA CoB BCCI/DYCC SAMR	х
3.8	Ongoing participation in the South West Chambers business forum to develop skills in the region and attract new investment					BCCI/DYCCI	CoB SWDC RDASW	
3.9	Investigate options to take advantage of opportunities and address workforce skills issues and the challenge of fly in/fly out					BCCI	CoB SWDC/DRD	
3.10	Support the South West Careers Expo to promote local career opportunities to students and their parents					High Schools	CoB BCCI/DYCCI BSW SRT CQU	
3.11	Advocate retention and expansion of vocational educational opportunities in high schools					DTWD High schools	SWDC	

Key Focus Area 4: Industry Development

Proposed Strategies

 Develop and maintain relationships with key local industry groups to better understand issues and opportunities to support industry growth and support advocacy efforts;

- Explore potential for further strategic partnerships and formalisation of collaboration/networks, particularly in the tourism, aquaculture, mineral/petroleum resources, agriculture, construction, creative and retail industries;
- · Facilitate engagement with Federal and State government representatives to advocate key industry sector opportunities and challenges;
- · Review land use and the timing for land release and servicing strategies to support potential and emerging industries;
- · Promote opportunities arising from the digital economy, particularly from delivery of the National Broadband Network; and,
- Develop key industry sector profiles and associated development strategies in partnership with relevant industry associations (see also KFA 1: Investment Attraction and Marketing)

		16.6	City of corpora					
No	Proposed Initiatives	2016-17	2017-18	2018-19	2019-20	Proposed Lead	Proposed Supporting	SW Investment Blueprint
4.1	Advocate for a co-ordinated Tourism Destination Development Strategy for the Margaret River Region identifying roles, responsibilities and priority projects of organisations with a tourism development function and opportunities emerging from the expansion of the Busselton-Margaret River Regional Airport					MRBTA	ASW CoB TWA SWDC/DRD BCCI/DYCCI DPaW	
4.2	Facilitate a major dedicated Farmers Market in Busselton and/or Dunsborough for local supply of fresh agricultural produce by local and regional growers					СоВ	BCCI/DYCC SWDC/DRD DAFWA	

			City of Corpora					2.28m Mar 460 Salas (202
No	Proposed Initiatives	2016-17	2017-18	2018-19	2019-20	Proposed Lead	Proposed Supporting	SW Investment Blueprint
4.3	Facilitate industry development at the Busselton-Margaret River Regional Airport including tourism, FIFO, air freight (such as specialist agricultural exports) and services to the aviation industry (see also KFA1: Investment Attraction and Marketing)					СоВ	SWDC/DRD BCCI/DYCCI RDASW DSD	х
4.4	Advocate for Royalties for Regions Growth Planning under the second tranche of the Regional Centres Development Program (RCDP)					СоВ	CBL SWDC/DRD BCCI/DYCCI	
4.5	Work with Tourism WA and MRBTA to expand the cruise ship visitation program to Busselton and ensure appropriate shore-based visitor support services are available to create memorable experiences for passengers					CoB TWA MRBTA	DPAW BCCI/DYCCI BJECA SWDC	х
4.6	Advocate relocation of a State Government department and collocation of existing agencies into a shared, contemporary building to enhance employment in the public administration sector					СоВ	SWDC/DRD BCCI/DYCCI	
4.7	Implement viable routes between Busselton and the Eastern States of Australia and between Busselton and key South East Asian air hubs.					TWA	COB SWDC MRBTA DoT ASW RDASW	х
4.8	Facilitate development of freight and logistics warehousing facilities at the Busselton- Margaret River Regional Airport					СоВ	SWDC BCCI	×

			City of orpora					on Miller CAA unlight A Add COST
No	Proposed Initiatives	2016–17	2017-18	2018-19	2019–20	Proposed Lead	Proposed Supporting	SW Investment Blueprint
4.9	Work with local, regional and state tourism authorities on promoting the City of Busselton as a national convention and conference venue					СоВ	TWA BCI/DYCCI PCB ASW	х
4.10	Facilitate the development and future promotion of four and five star hotels at the Busselton foreshore					СоВ	SWDC TWA ASW MRBTA	х
4.11	Investigate the viability of an industry warehouse space for use by film and digital media in close proximity to the Busselton-Margaret River Regional Airport for use by film production and animation crews					СоВ	SWDC RDASW	
4.12	Implementation of the Council's Tourism Accommodation Planning Strategy					СоВ	DoP TWA	
4.13	Review tourism directional signage information bays and entry signage across the City of Busselton and Shire of Augusta Margaret River using consistent regional tourism branding					СоВ	SWDC MRBTA SAMR MRoads MRWA	
4.14	Support delivery of the Margaret River Region Food and Wine Promotional Plan (2016), the Taste 2020 strategy for food and wine tourism in WA and the export focused 'WA Worth Sharing' branding initiative for agribusiness export					MRBTA SWDC/DRD /DSD/TWA	CoB SAMR ASW DAFWA	

			orpora	Busselt te Busi Plan		les .		SW Investment
No	Proposed Initiatives	2016-17	2017-18	2018-19	2019-20	Proposed Lead	Proposed Supporting	SW Investment Blueprint
4.15	Ensure there is sufficient industrial land available across the district in accordance with the City's Local Planning Strategy					СоВ	SWDC/DRD Landcorp	
4.16	Support the Margaret River Wine Industry Association celebrate its 50 th Anniversary of wine production in 2017					MRWA	CoB MRBTA SAMR SWDC	
4.17	Engage with resource development companies and government agencies to explore issues and opportunities for gas extraction in the Busselton district					СоВ	BCCI SWDC DoMP	
4.18	Advocate support programs for volunteers to facilitate the City's events calendar including the growing cruise ship visitation program to grow the tourism industry					СОВ	SWDC BJECA	

Key Focus Area 5: Strategic Infrastructure Proposed Strategies

• Work with stakeholders to identify future strategic economic infrastructure that meets the needs of industry, business and the community;

- Advocate public and private investment in infrastructure (including public/private partnerships) to seize opportunities for development of our key industry sectors;
- Capitalise on regional advantages by advocating funding for establishment of health, education and entertainment infrastructure that encourages retention and attraction of residents; and,
- Review land use and building controls and timing for land release and servicing strategies

			City of corpora			Proposed	Proposed	SW Investment
No	Proposed Initiatives	2016–17	2017-18	2018-19	2019-20	Lead	Supporting	Blueprint
5.1	Advocate for funding for a Performing Arts Centre in Busselton with capability to host conferences and meetings and enhance the connection between the CBD and redeveloped foreshore					СоВ	SWDC RDASW ASW	х
	redeveloped forestione						PCB DCA	
5.2	Advocate for the extension of reticulated gas supplies from Busselton to Dunsborough					SWDC RDA	CoB Utilities	
5.3	Complete the Busselton-Margaret River Regional Airport to enable interstate and international flights and develop an airside/landside commercial/industrial precinct and associated supporting infrastructure such as car hire, taxi services and shuttle buses					СоВ	SWDC/DRD TWA BCCI/DYCC DoT Utilities	х

			City of orpora			Proposed	Proposed	SW Investment
No	Proposed Initiatives	2016-17	2017-18	2018-19	2019-20	Lead	Supporting	Blueprint
							СоВ	
	Long range planning of a rail corridor linking Busselton-Margaret River Regional Airport						SPA	
5.4	to Bunbury Port, Busselton CBD and the state freight rail network					SWDC/DRD	DoT	
							DoP	
							RDASW/DIRD	
							СоВ	
5.5	Advocate for the State Government to commence detailed studies into a future fast					SWDC/DRD	BCCI/DYCCI	x
5.5	train service between Bunbury/Busselton and Perth					3.700,010	DoT	
							RDASW	
	Investigate future opportunities for potential new aged and health care services for the						SWDC/DRD	
5.6	forecast ageing of the region's population and ensure land is zoned sufficiently					СоВ	RDASW	
							DoP	
	Advocate further planning for main road improvements including:							
							SWDC/DRD	
	Busselton Outer Bypass to improve traffic flows to Margaret River					MRoads	СоВ	x
5.7	improve passing lanes on the Vasse Highway to Nannup					IVIKOdus	SAMR	
	upgrade Busselton-Bunbury highway to four lanes						RDASW	
	 construct Vasse –Dunsborough link 							
	Advocate for existing septic sewer systems in urban areas to be replaced with						SWDC/DRD	
5.8	reticulated sewer systems					Utilities	RDA	Х
	rendulated server systems						СоВ	
	All and a second					Litilities	SWDC/DRD	X
5.9	Advocate a second transmission line from Busselton to Margaret River sub-station					Utilities	RDASW	

			City of orpora					
No	Proposed Initiatives	2016-17	2017-18	2018-19	2019-20	Proposed Lead	Proposed Supporting	SW Investment Blueprint
	from 66kV to 132kV and network upgrade to 132kV line from Picton to Busselton							
5.10	Facilitate Busselton and Dunsborough as central nodes for high capacity high speed broadband with Wi-Fi access in the major tourism nodes					BCCI/DYCCI	CoB SWDC RDASW	х
5.11	Develop Rendezvous Road Sporting Complex as a strategic regional sport and recreation precinct					СоВ	SWDC DSR	х
5.12	Investigate opportunities for renewable energy supplies, particularly wind, wave and geo-thermal					SWDC	СоВ	
5.13	Advocate continued expansion of the Bunbury Port to support export of commodities produced in the Busselton region					SPA	MfV MfF SWDC RDASW DoT	×
5.14	Develop an annual advocacy/lobbying program visiting State and Federal politicians to influence positive infrastructure outcomes for Busselton					СоВ	BCCI/DYCCI SWDC RDA MfV MfF MfSW MRBTA	

			orpora	Busselt te Busi Plan		Proposed	Proposed	SW Investment
No	Proposed Initiatives	2016-17	2017-18	2018-19	2019-20	Lead	Supporting	Blueprint
5.15	Investigate the feasibility of attracting a motorsport complex and other associated sports adjacent to the Busselton Margaret River Regional Airport					СоВ	SWDC DSR	
5.16	Partner Local Governments in the development of a new Regional Waste Facility					CoB SAMR	SWDC	
5.17	Ensure the Busselton district has long-term water security for agriculture, industry and domestic purposes					Utilities	SWDC	X
5.18	Complete the City of Busselton Strategic Land Review to identify City-controlled and/or owned land assets to facilitate economic development opportunities					СоВ	SWDC/DRD DoL DoP SWALSC	
5.19	Investigate new common user infrastructure requirements such as cattle saleyards and potential for location within the City of Busselton					SWDC	CoB DAFWA WD	х

Key Focus Area 6: Place Making and Activation

Proposed Strategies

· Engage with stakeholders to inspire activities and events which recognise the qualities and uniqueness of towns and specific places;

- · Partner with business owners and managers to focus positive activity onto streets and public spaces;
- Investigate alternative governance models for town centres and other retail shopping precincts;
- Encourage events and cultural activities that help activate/enliven local towns and tourist precincts;
- Encourage property owners to improve their facades and partner the City to activate laneways adjoining their properties;
- · Review existing governance of public space and abutting business to identify creative opportunities;
- · Prepare and implement physical and cultural improvements to key tourist and business precincts; and,
- · Develop town centre place strategies for each of the current towns which address business and resident needs

			City of orpora			Proposed	Proposed	SW Investment
No	Proposed Initiatives	2016-17	2017-18	2018-19	2019-20	Lead	Supporting	Blueprint
6.1	Actively promote the City's Business Façade Incentive Program					СоВ	BCCI/DYCCI	
6.2	Investigate interest from property owners and merchants in supporting a Business Improvement District (BID) or 'Place Management' concept for the Busselton and Dunsborough CBD's to enhance amenity improvements, incentive programs, marketing, events, leadership and store-front merchandise presentation					BCCI/DYCCI	CoB SWDC/DRD	
6.3	Develop a public art strategy for the Busselton and Dunsborough CBD's including wall murals and laneway activation					СоВ	BCCI/DYCCI SWALSC	

			City of orpora			Proposed	Proposed	
No	Proposed Initiatives	2016-17	2017-18	2018-19	2019-20	Lead	Supporting	SW Investment Blueprint
6.4	Complete the Busselton Foreshore redevelopment project in accordance with the 2016 master plan, including commercial development opportunities on a seasonal and long term leasehold basis					СоВ	SWDC RDASW BCCI/DYCCI DoL	х
6.5	Complete the Dunsborough CBD enhancement program in accordance with the master plan and assess opportunities for activation of public areas					СоВ	DYCCI	
6.6	Facilitate the development of a privately built and operated commercial café/kiosk development on the Dunsborough foreshore					СоВ	DoL DYCCI	
6.7	Work with the Busselton and Dunsborough Chambers of Commerce to facilitate more public art, upgraded street banners, street and business Xmas decorations, business facades and shop window treatments to enhance the CBD					СоВ	BCCI/DYCCI BSW	
6.8	Review opportunities for CBD and tourist precinct enhancements across the district using the principles of 'place-making' by engaging with business and community focus groups					СоВ	BCCI/DYCCI	
6.9	Work with Residential Estate developers to create high amenity public areas for residents to recreate					СоВ	PD	
6.10	Continually renew and revitalize the Busselton Jetty experience as a sought-after and contemporary visitor destination					BJECA CoB	MRBTA TWA SWDC	

No		1	orpora	Busselt te Busi Ilan		Proposed	Proposed	SW Investment Blueprint
	Proposed Initiatives	2016-17	2017-18	2018-19	2019-20	Lead	Supporting	
6.11	Partner with Chambers of Commerce to investigate the merits of establishing free wifi in highly visited tourist areas					BCCI/DYCCI	CoB SWDC	×
6.12	Prepare an activation strategy for the Busselton Cultural Precinct linking the CBD with Busselton foreshore redevelopment					СоВ	BCCI	

14. FINANCE AND CORPORATE SERVICES REPORT

Nil

15. CHIEF EXECUTIVE OFFICER'S REPORT

15.1 COUNCIL ENDORSEMENT OF THE 2015- 2016 CITY OF BUSSELTON ANNUAL REPORT

SUBJECT INDEX: Corporate Reporting

STRATEGIC OBJECTIVE: An organisation that is managed effectively and achieves positive

outcomes for the community.

BUSINESS UNIT: Governance Services

ACTIVITY UNIT: Governance

REPORTING OFFICER: Public Relations Coordinator - Meredith Dixon

AUTHORISING OFFICER: Chief Executive Officer - Mike Archer

VOTING REQUIREMENT: Absolute Majority

ATTACHMENTS: Attachment A Published Under Separate Cover City of Busselton

Annual Report 2015-2016⇒

PRÉCIS

The Local Government Act 1995 requires Council to accept the Annual Report for the financial year. This report seeks Council's acceptance of the printed City of Busselton Annual Report 2015-2016 and the proposed dates for the Annual General Electors' Meeting.

BACKGROUND

The City produces an Annual Report at the end of each financial year. This report is presented to Council for endorsement. The Draft Annual Report (exclusive of full financials) was provided to Council members on Wednesday 5 October 2016. Councillors were asked to provide feedback to the Public Relations Officer by Thursday 13 October 2016. Council feedback / corrections were incorporated into the final draft of the report prior to the final print run.

Fifty full colour copies of the City's Annual report have been printed. Once endorsed by Council, the report will be posted to key stakeholders and made available in electronic format on the City of Busselton website. In line with State Government direction, an electronic copy of the report (inclusive of full financials) will be forwarded to the Department of Local Government.

The report will be made available at the Annual General Electors' Meeting. The report will also be made available to Councillors and Officers of the City of Busselton for presentation and information purposes.

STATUTORY ENVIRONMENT

Section 5.54 and 5.27(2) of the *Local Government Act 1995*. It is a statutory requirement that the Annual Report be accepted by Council prior to December 31. The Annual General Electors' Meeting must be held within 56 days of that acceptance.

RELEVANT PLANS AND POLICIES

The Annual Report details Council's progress against the six key goal areas outlined in the Strategic Community Plan 2013. The Annual Report provides summary updates on the actions undertaken to meet the objectives of the Corporate Business Plan 2013/2014 – 2017/2018. The Annual Report demonstrates the City's adherence to regulatory requirements outlined in Section 5.53 of the *Local Government Act 1995*. The Annual Report provides full financial statements for the City of Busselton.

FINANCIAL IMPLICATIONS

Associated production and printing costs are included within Council's 2016-2017 budget.

Long-term Financial Plan Implications

Nil.

STRATEGIC COMMUNITY OBJECTIVES

The Annual Report is the formal report against all of the Council's Strategic Community Objectives, and specifically contributes to governance systems that deliver responsible, ethical and accountable decision-making.

RISK ASSESSMENT

If the Annual Report is not accepted at this meeting, it must be done prior to 31 December 2016 to ensure compliance with the Local Government Act.

CONSULTATION

In preparing the Annual Report 2015-2016, consultation has been undertaken with: City of Busselton Council; the Chief Executive Officer; the Senior Management Group; and officers from the City's Corporate Planning and Governance teams.

OFFICER COMMENT

Production of the Annual Report 2015-2016 has been undertaken according to a timeline developed to enable the Annual General Electors' Meeting to be held before the end of the 2016 calendar year.

CONCLUSION

The City of Busselton Annual Report 2015-2016 requires Council endorsement prior to public distribution.

OPTIONS

Another date for the Annual General Electors' Meetings may be preferred.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

- Council Meeting for formal acceptance of the Annual Report and setting of the date for the Annual General Electors' Meeting: 9 November 2016.
- Two week statutory advertising period for the Annual General Electors' Meeting: 11 November 25 November, 2016.
- Annual General Electors' Meeting (Busselton) Monday 28 November, 2016.

OFFICER RECOMMENDATION

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That the Council:

- 1. Accepts the 2015-2016 Annual Report as at Attachment A;
- 2. Endorses public notification regarding availability of the Annual Report 2015-2016; and
- 3. Sets Monday 28 November 2016 for the Special Meeting of Electors to be held at the Community Resource Centre (existing Council Chambers) in Busselton.

15.2 COUNCIL MEETING SCHEDULE FOR 2017

SUBJECT INDEX: Governance Services

STRATEGIC OBJECTIVE: Governance systems that deliver responsible, ethical and accountable

decision-making.

BUSINESS UNIT: Governance Services

ACTIVITY UNIT: Governance Support and Inter-Council Relations **REPORTING OFFICER:** Administration Officer - Governance - Hayley Barge

AUTHORISING OFFICER: Chief Executive Officer - Mike Archer

VOTING REQUIREMENT: Simple Majority

ATTACHMENTS: Attachment A Proposed Dates 2017

PRÉCIS

This report is presented to enable the Council to determine its Ordinary Meeting dates for 2017. In accordance with the *Local Government (Administration) Regulations 1996*, a meeting schedule for the next 12 months must be advertised at least once each year.

BACKGROUND

The proposed meeting schedule generally continues with the Council's adopted approach to Council meetings ie: two Council meetings per month with briefing sessions and Community Access Sessions on two other occasions (with the exception of January to have no meeting and July and December when one meeting per month is proposed).

STATUTORY ENVIRONMENT

It is up to each Council to set its own meeting cycle, dates and procedures, provided that the Council meets at least once every three months in accordance with Section 5.3 of the *Local Government Act* 1995.

Local Government (Administration) Regulation 12 requires a Council to give local public notice of the dates on which and the time and place at which the Ordinary Council meetings are to be held in the next 12 months.

RELEVANT PLANS AND POLICIES

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC COMMUNITY OBJECTIVES

This report seeks to establish a meeting cycle that provides good governance in accordance with Key Goal Area 6 of the City of Busselton's endorsed Strategic Community Plan:

Open and Collaborative Leadership

6.2 Governance systems that deliver responsible ethical and accountable decision making.

RISK ASSESSMENT

Risk	Controls	Consequence	Likelihood	Risk Level
Over-regular meeting cycle	Review of meeting cycle	Insignificant	Possible	Low
resulting in minimal matters	at regular intervals with			
for consideration and	potential for re-setting			
inefficient use of time.	and cancellations.			
Under-regular meeting cycle	Review of meeting cycle	Minor	Possible	Medium
resulting in unnecessary	at regular intervals and			
delays to matters requiring	potential for special			
Council decision.	meetings.			

CONSULTATION

Following Council's decision to adopt a meeting cycle, its meeting dates for the next 12 months must be advertised for public information. This will occur prior to the end of 2016.

OFFICER COMMENT

There is one Council meeting in the proposed schedule for July and December; there would normally be two for every other month of the year. The official meeting days are generally recommended to remain as the second and fourth Wednesday of the month between February and November, excluding July, with the first and third Wednesdays for Community Access Sessions, Councillor briefings and other Councillor planning sessions, where required. In exceptional circumstances these dates may not be appropriate, the second proposed Community Access date in February already being identified as such with Councillors having a prior commitment on Wednesday, 15 February.

A similar meeting schedule was utilised throughout 2016, with the mid-year break being in line with school holidays as is proposed again for 2017 with the exception of January being requested as a briefing only month, with the first briefing of Council and Community Access Session to be held on Wednesday, 25 January.

The dates of the 10 Western Australian public holidays for 2017 have been checked and none of the holidays coincide with a proposed meeting date. It has been the usual practice for the Councillors to have a week without meetings on any month that includes five Wednesdays. For 2017, March, May, August and November are the five Wednesday months.

Attachment A shows the proposed 2017 for Council Meetings, Community Access Sessions and also displays the WA School Holidays and Public Holidays.

CONCLUSION

The dates of the meetings for the next 12 months need to be advertised in advance. It is considered appropriate to conduct 20 Council meetings per annum, to allow for a mid-year break in July to coincide with the school holidays.

OPTIONS

In accordance with the *Local Government Act 1995*, there are a wide range of options available to the Council with regard to its meeting schedule, subject to a meeting occurring once every three months at the least.

The Council could also of course reduce its meeting cycle to three-weekly, monthly, every second month or quarterly with the requirement simply to meet every three months as a minimum.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The advertising would necessarily occur prior to the end of the year.

OFFICER RECOMMENDATION

That the following dates and venues for the Council's ordinary meetings for the next 12 months (2017) be adopted and advertised in accordance with *Local Government (Administration) Regulation* 12:

DATE 2016	VENUE	TIME
Wednesday, 8 February	Community Resource Centre, 21 Cammilleri Street, Busselton	5.30pm
Wednesday, 22 February	Community Resource Centre, 21 Cammilleri Street, Busselton	5.30pm
Wednesday, 8 March	Community Resource Centre, 21 Cammilleri Street, Busselton	5.30pm
Wednesday, 22 March	Community Resource Centre, 21 Cammilleri Street, Busselton	5.30pm
Wednesday, 12 April	To be confirmed.	5.30pm
Wednesday, 26 April	To be confirmed.	5.30pm
Wednesday, 10 May	To be confirmed.	5.30pm
Wednesday, 24 May	To be confirmed.	5.30pm
Wednesday, 7 June	To be confirmed.	5.30pm
Wednesday, 21 June	To be confirmed.	5.30pm
Wednesday, 26 July	To be confirmed.	5.30pm
Wednesday, 9 August	To be confirmed.	5.30pm
Wednesday, 23 August	To be confirmed.	5.30pm
Wednesday, 13 September	To be confirmed.	5.30pm
Wednesday, 27 September	To be confirmed.	5.30pm
Wednesday, 11 October	To be confirmed.	5.30pm
Wednesday, 25 October	To be confirmed.	5.30pm
Wednesday, 8 November	To be confirmed.	5.30pm
Wednesday, 22 November	To be confirmed.	5.30pm
Wednesday, 13 December	To be confirmed.	5.30pm

2017

		J	ANUAF	RY		
M	Т	W	Т	F	S	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31	Partiti				

MARCH								
M	Т	W	Т	F	S	S		
		1	2	3	4	5		
6	7	8	9	10	11	12		
13	14	15	16	17	18	19		
20	21	22	23	24	25	26		
27	28	29	30	31				

	MAY								
M	Т	W	Т	F	S	S			
1	2	3	4	5	6	7			
8	9	10	11	12	13	14			
15	16	17	18	19	20	21			
22	23	24	25	26	27	28			
29	30	31							

	JULY								
M	Т	T W T F S		S	S				
					1	2			
3	4	5	6	7	8	9			
10	11	12	13	14	15	16			
17	18	19	20	21	22	23			
24	25	26	27	28	29	30			
31		-							

		SE	PTEME	BER		
М	Т	W	Т	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

		NC	VEME	BER		
M	Т	W	Т	F	S	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Proposed Council Meeting Dates
Proposed Community Access Dates
Public Holidays
School Holidays

		FE	BRUA	RY		
М	Т	W	Т	F	S	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

			APRIL			
М	Т	W	Т	F	S	S
			1	2		
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

			JUNE			
M	Т	W	Т	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

		F	NUGUS	Т		
М	Т	W	Т	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

		0	СТОВЕ	R						
M	Т	W	Т	S	S					
2	3	4	5	6	7	8				
9	10	11	12	13	14	15				
16	17	18	19	20	21	22				
23	24	25	26	27	28	29				
30	31									

	-	141	-	-		
М	- 1	W	- 1	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

15.3 <u>COUNCILLORS' INFORMATION BULLETIN</u>

SUBJECT INDEX: Councillors' Information

STRATEGIC OBJECTIVE: Governance systems that deliver responsible, ethical and accountable

decision-making.

BUSINESS UNIT: Executive Services
ACTIVITY UNIT: Governance Services
REPORTING OFFICER: Reporting Officers - Various

AUTHORISING OFFICER: Chief Executive Officer - Mike Archer

VOTING REQUIREMENT: Simple Majority

ATTACHMENTS: Attachment A Planning Applications Received 1 October - 15

October !

Attachment B Planning Applications Determined 1 October - 15

October !

Attachment C State Administrative Appeals as at 20 October Attachment D Meelup Regional Park Management Committee

Informal Meeting Minutes - 27 September 2016 User 1997

Attachment E Dunsborough Probus Club Inc - Letter of

Appreciation !

PRÉCIS

This report provides an overview of a range of information that is considered appropriate to be formally presented to the Council for its receipt and noting. The information is provided in order to ensure that each Councillor, and the Council, is being kept fully informed, while also acknowledging that these are matters that will also be of interest to the community. Any matter that is raised in this report as a result of incoming correspondence is to be dealt with as normal business correspondence, but is presented in this bulletin for the information of the Council and the community.

INFORMATION BULLETIN

15.3.1 Planning and Development Statistics

Attachment A is a report detailing all Planning Applications received by the City between 1 October, 2016 and 15 October 2016. 40 formal applications were received during this period.

Attachment B is a report detailing all Planning Applications determined by the City between 1 October, 2016 and 15 October, 2016. A total of 50 applications (including subdivision referrals) were determined by the City during this period with 48 approved / supported and 2 refused / not supported.

15.3.2 State Administrative Tribunal (SAT) Appeals

Attachment C is a list showing the current status of State Administrative Tribunal Appeals involving the City of Busselton as at 20 October, 2016.

15.3.3 Meelup Regional Park Management Committee

The minutes from the Meelup Regional Park Management Committee informal meeting for the 27 September 2016 are available to view in Attachment D.

15.3.4 Dunsborough Probus Club Inc – Letter of Appreciation

Correspondence has been received from the Dunsborough Probus Club and is available to view in Attachment E.

OFFICER RECOMMENDATION

That the items from the Councillors' Information Bulletin be noted:

- 15.3.1 Planning and Development Statistics
- 15.3.2 State Administrative Tribunal (SAT) Appeals
- 15.3.3 Meelup Regional Park Management Committee
- 15.3.4 Dunsborough Probus Club Inc Letter of Appreciation

Planning Applications Received 1 October - 15 October

P	B daylar			Date Application				
pplication Number	Description	Primary Property Address	Primary Property Legal Desc	Deemed Complete	Estimated Cost	Primary Property Owners	Applicant Name	Clock Days
velopment Applications								
15/0456	Extractive Industry (Gravel)	Worgan Road METRICUP WA 6280	Lot No:4375 & 4112	5/10/2016	1	Rosemary Alice Worgan & David Victor Worgan	Busselton Civil and Plant Hire	
413/0430	Single House (Solid fence within primary	Worgan Road WETRICOF WA 6250	LUC NO:4373 & 4112	3/10/2016	1	Rosemary Alice Worgan & David Victor Worgan	bussetton civil and Plant File	
A16/0653	street setback area)	596 Caves Road^MARYBROOK WA 6280	Lot 38 DIAGRAM 28033	6/10/2016	3000	Gregory Michael Walsh	Gregory Michael Walsh	
A16/0691	Relocated Building Envelope	70 Drummond Glen~NATURALISTE WA 6281	Lot 12 PLAN 22558	6/10/2016	30000	Graham Rochford Dowland	GN Construction (WA) Pty Ltd	
A16/U691	Relocated Building Envelope	70 Drummond Glen-NATURALISTE WA 6281	LOT 12 PLAN 22558	6/10/2016	30000	Geoffrey Graham Matthews & Anne Elizabeth	GN Construction (WA) Pty Ltd	
A16/0693	Outbuilding (R-Codes Variation - Parapet Wall)	18 Davies Way~BROADWATER WA 6280	Lot 41 PLAN 9091	3/10/2016	20000	Matthews	Mick Bray Building	
A16/0706	Extractive Industry (Sand)	300 Tutunup Road~TUTUNUP WA 6280	Lot 77 PLAN 67879	5/10/2016	147.8	Broadwest Investments Pty Ltd	Busselton Civil and Plant Hire	
A16/0709	Retirement Village (9 Aged Persons Dwellings Stage 1A)	Commonage Road~QUINDALUP WA 6281	Lot 21 PLAN 51474	4/10/2016	2500000	Toby's Inlet Estate Pty Ltd	RPS	
A16/0712	Use not listed (Telecommunications Facility)	381 Bussell Highway~BROADWATER WA 6280	Lot 500 PLAN 70923	10/10/2016	320000	Busselton Water	Daly International Pty Ltd	
A16/0716	Outbuilding (Landscaping Value Area) Takeaway Food Outlet (Additions to	39 Annie Lysle Place~YALLINGUP WA 6282	Lot 46 PLAN 21027	10/10/2016	11000	Juliet Elizabeth Johnson	Busselton Sheds Plus	
A16/0721	McDonalds)	Bussell Highway*VASSE WA 6280	Lot 104 PLAN 408157	3/10/2016	10000	McDonald's Australia Limited	Hindley & Associates Pty Ltd	
	Holiday Home (Single House) 6 People -							
A16/0748	Residential Zone Area 2	8 Hakea Way^DUNSBOROUGH WA 6281	Lot 70 PLAN 17566	5/10/2016	0	Adam William Plummer	Adam William Plummer	
A16/0764	Single House (Eagle Bay Special Character Area)	13 Gypsy Street~EAGLE BAY WA 6281	Lot 55 DIAGRAM 59454	13/10/2016	1350000	Leslie Raymond Gifford	Woodcross Holdings Number 2 Pty Ltd	
	Signage (Locke Estate Camp Sites	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,						
A16/0765	1,2,3,4,7,8,10,12,13,14,16)	Caves Road~SIESTA PARK WA 6280	Lot 5303 PLAN 220583	4/10/2016	0	City of Busselton	City of Busselton	
	Single House (Swimming pool and associated							
A16/0766	fencing within landscape value area)	169 Butterly Road~YALLINGUP WA 6282	Lot 1 PLAN 33476	5/10/2016	49990	Timothy Guy Williams & Tricia Michelle Williams	Amanda Lee Cutler	
A16/0767	Single House (Landscape Value Area)	Butterly Road~YALLINGUP WA 6282	Lot 2656 PLAN 153480	14/10/2016	300000	Kerygma Pty Ltd	Kerygma Pty Ltd	
							Leanne Julie Cannon, Perron Developments Pty Ltd,	
A16/0769	Single House (Landscape Value)	22 Amberjack Avenue~KEALY WA 6280	Lot 1343 PLAN 407112	3/10/2016	0	Leanne Julie Cannon	Stawell Pty Ltd	
1 C (0770	Single House (Patio Addition to Single House			********	10000			
A16/0770	with Reduced Setback)	70 Seymour Street~WEST BUSSELTON WA 6280 988 Geographe Bay Road~GEOGRAPHE WA	Lot 23 DIAGRAM 6327	11/10/2016	10000	Hoi Huu La & Kieu Kim Thi Pham	Andrew Martin Porter	
A16/0774	Holiday Home (Grouped Dwelling) 6 People	6280	Lot 1 SSPLN 61741	7/10/2016	0	Firgrove Pty Ltd	Judith Patricia Shearwood	
,	Single House and Outbuilding (Special			-,,				
A16/0775	Character Area)	13 Green Street~DUNSBOROUGH WA 6281	Lot 78 PLAN 8951	14/10/2016	650000	Lee Gregory York	Lee Gregory York	
A16/0776	Agriculture Dam	257 Metricup Road*METRICUP WA 6280	Lot 23 PLAN 23793	10/10/2016	100000	Kenneth Robert Jagger	Leeuwin Civil Pty Ltd	
	Single House (Preliminary Site Works Only in							
A16/0777	Special Character Area)	Carnaryon Castle Drive~EAGLE BAY WA 6281	Lot 312 PLAN 55023	6/10/2016	5000	Owen Robert Davis Kellie Marie Pickford & Michael David Barrington	Owen Robert Davis	
A16/0779	Holiday Home (Grouped Dwelling) 6 People	3/86 Fairbairn Road~BUSSELTON WA 6280	Lot 5 SSPLN 49304	7/10/2016	1	Pickford	Down South Getaways & Property Management	
K20,0773	inology nome (drouped owening) or copie	2/17 Inverness Avenue~DUNSBOROUGH WA	200 3 331 214 43304	7/20/2020		T ROOM	DOWN SOUTH GETSWAYS & FTOPETTY WARRINGTHEIR	
A16/0780	Medical Centre (Dental Practice)	6281	Lot 2 STPLN 71899	6/10/2016	150000	William Ashley Barrett-Lennard	Resolve Group Pty Ltd	
	Grouped Dwelling (Patio Addition to Grouped							
A16/0781	Dwelling)	1/77 Harris Road~BUSSELTON WA 6280	Lot 1 SSPLN 45232	6/10/2016	3870	Marie Georgina King & Terence George King	CPR Outdoor Centre	
	Single House (Suringuine Real and Real House							
A16/0782	Single House (Swimming Pool and Pool House / Gym Additions in Landscape Value Area)	268 Wyadup Road~YALLINGUP WA 6282	Lot 12 DIAGRAM 99831	7/10/2016	150000	Landmark Holdings WA Pty Ltd	Mark Webster Design	
A10/0702	Single House (Patio Addition with Reduced	200 WYSIDOD ROSID TALLINGOF WA 0202	LUC 12 DIAGRAMI 93031	7/10/2010	130000	Candinark Holdings WA Fty Ltd	wark webster besign	
A16/0783	Setback)	72 Santons Approach~YALYALUP WA 6280	Lot 13 PLAN 62124	7/10/2016	7420	Anthea Maree Brough	CPR Outdoor Centre	
A16/0784	Installation of a Satellite Dish	13 Queen Street~BUSSELTON WA 6280	Lot 310 PLAN 135060	10/10/2016	800	City of Busselton-Crown Grant In Trust	Acting Up! Drama School	
							Toque Nominees Pty Ltd ATF The Jodrell Family	
A16/0785	Holiday Home (Single House) 10 people	33 Estuary View Drive~WONNERUP WA 6280	Lot 27 PLAN 8863	10/10/2016	0	Joan Marie Low	Trust	
	Jetty (Floating Jetty in Port Geographe							
A16/0787	Development Area)	19 Headstay Cove~GEOGRAPHE WA 6280	Lot 27 PLAN 57392	10/10/2016	35000	David John Ebert & Julie May Ebert	West Coast Jetties	
A16/0788	Holiday Home (Single House) 6 people	275 Bussell Highway~WEST BUSSELTON WA 6280	Lot 89 DIAGRAM 49322	10/10/2016	0	Rodney Durtanovich & Jennifer Anne Durtanovich	Rodney Durtanovich, Jennifer Anne Durtanovich	
110/0700	nomasy nome (single nouse) o people	0200	DOL GO DIMORAINI 45322	10/10/2016	<u> </u>	DUI LEINONETI	mouncy partanovicii, Jenninei Anne partanovich	
A16/0789	Outbuilding (Overheight Outbuilding)	7 Woolgar Retreat~YALYALUP WA 6280	Lot 208 PLAN 47535	10/10/2016	38000	Keiran Ellis Saunders & Claire Diane Saunders	WA Country Builders Pty Ltd - Busselton	
A16/0791	Building Envelope Modification	Serene Place QUINDALUP WA 6281	Lot 5 PLAN 76913	14/10/2016	0	Craig Charles Brown & Amanda Jane Touhill	Craig Charles Brown, Amanda Jane Touhill	
A16/0794	Single House and Outbuilding	Carnarvon Castle Drive~EAGLE BAY WA 6281	Lot 316 PLAN 55023	14/10/2016	1100000	Kevin Ross Inkster & Kristine Joanne Inkster	Valmadre Homes	
4 4 C (070C	Patio Extension to Dwelling in Landscape Value Area	18 Junee Place~YALLINGUP SIDING WA 6282	Lot 63 PLAN 20532	12/10/20-5	30000	Kanan kandar Stantala	Kanan Laulan Clautala	
A16/0795	value Afea	To Junes Hace. LYTHINGOL ZIDING MY 9585	LOT 03 PLAN 20532	12/10/2016	30000	Karen Louise Sinclair	Karen Louise Sinclair	

Attachment A Planning Applications Received 1 October - 15 October

DA16/0800	Patio Addition (Landscape Value)	6 Plankton Street~KEALY WA 6280	Lot 1199 PLAN 403613	14/10/2016	0	Deborah Clare Westell	Deborah Clare Westell	
DA16/0801	Single House (Landscape Value)	35 Mackerel Avenue~KEALY WA 6280	Lot 1105 PLAN 401651	14/10/2016	0	James Ross Corlett	James Ross Corlett	
	Grouped Dwelling (Grouped Dwelling and	948B Geographe Bay Road~GEOGRAPHE WA						
DA16/0802	Retaining Wall with Reduced Street Setback)	6280	Lot 5 SSPLN 55940	14/10/2016	608339	Ian Charles Malseed & Heather Fay Malseed	M and MJ Constructions Pty Ltd	
WAPC16/0053	Subdivision - 3 x Lots (Boundary Re-alignment)	Bussell Highway YALYALUP WA 6280	Lot No:203 & 204	5/10/2016	0	Provence 2 Pty Ltd	Harley Dykstra	
WAPC16/0054	Survey Strata - 2 x lots (412m2 - 600m2)	41 Thomas Street~WEST BUSSELTON WA 6280	Lot 46 DIAGRAM 45186	4/10/2016	0	Michael Stephen Lee Archer	Cottage and Engineering Surveys	
WAPC16/0055	Survey Strata - 2 x lots (450m2 - 463m2)	7 Roberts Road~ABBEY WA 6280	Lot 73 PLAN 7121	10/10/2016	0	Divvy Developments Pty Itd	BSO Development Consultants Pty Ltd	

Applications Determined Report

Attachment B

Applications Dete	erminea Report		1							1
				Applic	Application Determined					
Application Number	Description	Primary Property Address	Primary Property Legal Desc	Determined Date		Decision	Clock Days	Estimated Cost	Primary Property Owners	Applicant Name
					•					
Development Applications										
	Convert Existing Dwelling to Guesthouse;	434 Forrest Beach Road~WONNERUP								
DA15/0336	Construct Manager Residence & Outbuilding	WA 6280	Lot 101 PLAN 63417	11/10/2016	Approved	Approved	179	750000	James Noel Sullivan & Gail Sullivan	Tim Koroveshi (Town Planning Consultant)
1123/0330	Additions to Existing Building (Landscape Value	1471 0200	EUC 202 1 EUC 03-417	11/10/2010	гарготео	прриотеа	17.5	730000	James Hoel Sumfair & Gair Sumfair	This read of the state of the s
DA15/0714	& Special Character Areas)	2 Eagle Bay Road" EAGLE BAY WA 6281	Lot 43 DIAGRAM 40953	11/10/2016	Approved	Approved	129	330000	John Michael Phillips & Susan Kathleen Phillips	John Michael Phillips, Susan Kathleen Phillips
		85 Woodlands Road~WILYABRUP WA								
DA16/0419	Realignment of the access track onto Lot 2	6280	Lot 2 DIAGRAM 30212	12/10/2016	Approved	Approved	117	1	Rebecca Margaret Vidler	Ludlow Legal
	Single House (Landscape Value Area and Coastal						l			
DA16/0439	Management Area)	6280 Woodbridge Vale~YALLINGUP SIDING	Lot 20 DIAGRAM 20736	3/10/2016	Approved	Approved	20	1272727.27	Ivan Humich Mark Adam Olszewski & Jennie Susanne	Harley Dykstra
DA16/0504	SINGE HOUSE IN LANDSCAPE AREA	WA 6282	Lot 5 PLAN 38741	10/10/2016	Approved	Approved	50	800000	Olszewski	Troppo Architects
	SINGLE HOUSE AND WATER TANKS (LANDSCAPE			11,11,111	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	144.0.00				
DA16/0552	VALUE AREA)	6280	Lot 102 PLAN 23469	5/10/2016	Approved	Approved	76	280000	Alan Kian Ann Khoo & Monica Mui Gek Chia	Ausasia Design Consultants
	HOLIDAY HOME (GROUPED DWELLING) - 6	13 Davies Way~BROADWATER WA								
DA16/0564	PEOPLE	6280	Lot 1 STPLN 49419	6/10/2016	Approved	Approved	73	0	James Mclean Purves & Mary Plunkett Purves	James Mclean Purves, Mary Plunkett Purves
DA16/0580	PARKING A COMMERCIAL VEHICLE IN A RESIDENTIAL ZONE	4 Mill Road~WEST BUSSELTON WA 6280	Lot 13 DIAGRAM 34011	11/10/2016	Refused	Refused	105	1	John Pattison & Suzanne Marie Rose Pattison	John Pattison, Suzanne Marie Rose Pattison
A16/U38U	RESIDEN HAL ZONE	6280	LOC 13 DIAGRAM 34011	11/10/2016	Refused	Ketused	105	1	John Pattison & Suzanne Marie Rose Pattison	John Pattison, Suzanne Marie Rose Pattison
		72 Geographe Bay							Kevin Neil Rose, Elizabeth Ann Rose, Michelle	
DA16/0598	Grouped Dwelling (new two storey dwelling)	Road~DUNSBOROUGH WA 6281	Lot 6 DIAGRAM 94282	10/10/2016	Approved	Approved	55	380000	Gahan Rose Devereux, Lee Geoffrey Devereux	Darren Bradley Kirkham
	SINGLE HOUSE WITH RELOCATED BUILDING	50 Woodbridge Vale~YALLINGUP								
DA16/0603	ENVELOPE IN A LANDSCAPE VALUE AREA	SIDING WA 6282	Lot 39 PLAN 18684	11/10/2016	Approved	Approved	0	423253.36		Chantelle Marie Judge, Jonathan Julian Miller
	RELOCATED BUILDING ENVELOPE TO	30 Old Timber Court"REINSCOURT WA 6280					l		Mark Ross Thomson & Lizabeth Karyn	
DA16/0632	ACCOMMODATE AN OUTBUILDING Single House (3 x Water Tanks in Landscape	6280	Lot 127 PLAN 49334	6/10/2016	Approved	Approved	42	25772	Thomson	Sheds Down South
DA16/0637	Value Area)	211 Biddle Road~QUEDJINUP WA 6281	Lot 121 PLAN 21712	11/10/2016	Approved	Approved	7	6000	Susan Mary Warren	Susan Mary Warren
		3 Moonshine Place DUNSBOROUGH		110,110,1111	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				Domenico Tassone & Signorina Fortunata	
0A16/0640	Holiday Home (Grouped Dwelling) 6 people	WA 6281	Lot 8 SSPLN 48233	11/10/2016	Approved	Approved	26	0	Tassone	Domenico Tassone, Signorina Fortunata Tassone
		354 Nuttman Road~CHAPMAN HILL WA								
DA16/0642	Building Envelope Modification	6280	Lot 31 PLAN 68454	14/10/2016	Approved	Approved	37	0	Robert James Rae	Robert James Rae
*********	Halldon Harris (Constant Described) Constant	3/2 Lecaille Court~DUNSBOROUGH WA	1 2 CTD1 N 20CF0	10/10/2016				0	Oler Mirrollidie	Olean Milesellelelle
DA16/0647	Holiday Home (Grouped Dwelling) 6 people Single House (Building envelope modification	6281	Lot 3 STPLN 30658	10/10/2016	Approved	Approved	50	0	Olga Mirmikidis	Olga Mirmikidis
	and Single House and Outbuilding within								Kimberly Winifred Jean Archer & Matthew	
DA16/0650	Landscape Value Area)	Okapa Rise~DUNSBOROUGH WA 6281	Lot 425 PLAN 49084	10/10/2016	Approved	Approved	45	650000	John Archer	Built Right Approvals
	Single House (Solid fence within primary street	596 Caves Road~MARYBROOK WA								
DA16/0653	setback area)	6280	Lot 38 DIAGRAM 28033	10/10/2016	Approved	Approved	7	3000	Gregory Michael Walsh	Gregory Michael Walsh
DA16/0658	SINGLE HOUSE (R CODE VARIATIONS) SINGLE HOUSE (R-CODES VARIATION - CARPORT	4 Bandol Street~YALYALUP WA 6280	Lot 736 PLAN 409180	6/10/2016	Approved	Approved	13	181100.9	Julie Ann Ivey	Tangent Nominees Pty Ltd
	ADDITION WITH REDUCED PRIMARY STREET	68 Beachfields Drive~BROADWATER								
DA16/0662	SETBACK)	WA 6280	Lot 609 PLAN 42121	7/10/2016	Approved	Approved	37	5100	Bryce Conrad Clarke	CPR Outdoor Centre
	Single House (Patio Addition in Port Geographe									
DA16/0664	Development Area)	69 Keel Retreat~GEOGRAPHE WA 6280	Lot 534 PLAN 23874	14/10/2016	Approved	Approved	24	8000	Vonda Gwendoline Krepp & Colin John Krepp	Glenn Jones
	Single House (Landscape Value Area use of light				l	l	l			
DA16/0670	colours for external walls)	Panorama Rise~QUINDALUP WA 6281	Lot 44 PLAN 23807	5/10/2016	Approved	Approved	23	235559	Sally Elizabeth Rogers & Philip David Roger	WA Country Builders Pty Ltd - Busselton
DA16/0672	Single House (Landscape Value Area)	MacLaren Drive~YALLINGUP WA 6282	Lot 44 PLAN 404280	12/10/2016	Approved	Approved	43	500000	Jayson Kenneth Baille & Chloe Baillie	Richard David Norrish
1120/0072	single riouse (canoscope value ri ca)	42 Siesta Park Road*SIESTA PARK WA	000 1 000	10,10,2010	raproreo	гартотео	- 40	500000	Lawrence James Richards & Jennifer Margaret	
DA16/0678	Outbuilding (Landscape Value Area)	6280	Lot 2 DIAGRAM 88824	13/10/2016	Approved	Approved	1	7500	Richards	Richards
		242 Dunsborough Lakes								
DA16/0683	Outbuilding (reduced setbacks)	Drive~DUNSBOROUGH WA 6281	Lot 1240 PLAN 406062	10/10/2016	Approved	Approved	32	14000	Benjamin Jeffrey Alone	Busselton Sheds Plus
DA16/0684	Carport (reduced open space)	33 Sickle Drive~VASSE_WA_6280 1/43 Gibney Street~DUNSBOROUGH	Lot 317 PLAN 52481	11/10/2016	Approved	Approved	33	6760	Keith Michael Glanfield	CPR Outdoor Centre
		WA 6281	Lot 1 STPLN 46429	4/10/2016	Approved	Approved	29	1	Kimble Anne Miller	Kimble Anne Miller
1416/0686	Holiday Home (Grouped Dwelling) 6 secole			*/ TO! TO TO	Approved	мрргочей	4.7	-	Personal Printer	Promote Printer
DA16/0686	Holiday Home (Grouped Dwelling) 6 people Grouped Dwelling (patio addition with reduced				1					
DA16/0686 DA16/0689		2/66 Reynolds Street~WEST BUSSELTON WA 6280		13/10/2016	Approved	Approved	8	4000	Kimberly John Davis & Marnie Amelia Davis	Kimberly John Davis, Marnie Amelia Davis
DA16/0689	Grouped Dwelling (patio addition with reduced setback)	2/66 Reynolds Street~WEST BUSSELTON WA 6280 70 Drummond Glen~NATURALISTE WA	Lot 2 STPLN 58492			Approved	_			
	Grouped Dwelling (patio addition with reduced	2/66 Reynolds Street~WEST BUSSELTON WA 6280 70 Drummond Glen~NATURALISTE WA 6281	Lot 2 STPLN 58492 Lot 12 PLAN 22558	13/10/2016 11/10/2016	Approved Approved	Approved Approved	8	4000 30000	Kimberly John Davis & Marnie Amelia Davis Graham Rochford Dowland	Kimberly John Davis, Marnie Amelia Davis GN Construction (WA) Pty Ltd
DA16/0689 DA16/0691	Grouped Dwelling (patio addition with reduced setback) Relocated Building Envelope	2/66 Reynolds Street"-WEST BUSSELTON WA 6280 70 Drummond Glen"NATURALISTE WA 6281 88 Dorset Street"-WEST BUSSELTON WA	Lot 2 STPLN 58492 Lot 12 PLAN 22558	11/10/2016	Approved	Approved	0	30000	Graham Rochford Dowland	GN Construction (WA) Pty Ltd
DA16/0689	Grouped Dwelling (patio addition with reduced setback) Relocated Building Envelope Grouped Dwelling (proposed new dwelling)	2/66 Reynolds Street"WEST BUSSELTON WA 6280 70 Drummond Glen"NATURALISTE WA 6281 88 Dorset Street"WEST BUSSELTON WA 6280	Lot 2 STPLN 58492 Lot 12 PLAN 22558				_			
DA16/0689 DA16/0691 DA16/0697	Grouped Dwelling (patio addition with reduced setback) Relocated Building Envelope Grouped Dwelling (proposed new dwelling) Carport to include roller door (Port Geographe	2/66 Reynolds Street"WEST BUSSELTON WA 6280 70 Drummond Glen"NATURALISTE WA 6281 88 Dorset Street"WEST BUSSELTON WA 6280 431 Marine Terrace"GEOGRAPHE WA	Lot 2 STPLN 58492 Lot 12 PLAN 22558 Lot 44 DIAGRAM 19286	11/10/2016	Approved Approved	Approved Approved	0 4	30000 160000	Graham Rochford Dowland Allan William Casey & Cindy Joy Casey	GN Construction (WA) Pty Ltd Bob Bruce Design
DA16/0689 DA16/0691	Grouped Dwelling (patio addition with reduced setback) Relocated Building Envelope Grouped Dwelling (proposed new dwelling)	2/66 Reynolds Street"WEST BUSSELTON WA 6280 70 Drummond Glen"NATURALISTE WA 6281 88 Dorset Street"WEST BUSSELTON WA 6280	Lot 2 STPLN 58492 Lot 12 PLAN 22558	11/10/2016	Approved	Approved	0	30000	Graham Rochford Dowland	GN Construction (WA) Pty Ltd

360 Attachment B Planning Applications Determined 1 October - 15 October

		Commonage Road~QUINDALUP WA								
DA16/0709	Stage 1A)	6281	Lot 21 PLAN 51474	6/10/2016	Approved	Approved	33	2500000	Toby's Inlet Estate Pty Ltd	RPS
	Ancillary Accommodation (Balcony Addition to	2 Armstrong Road"BROADWATER WA								
DA16/0714	Ancillary Dwelling / Outbuilding)	6280	Lot 1 DIAGRAM 96137	10/10/2016	Approved	Approved	38	18000	Robert Douglas Cooper	Michael John O'Brien
		39 Annie Lysle Place~YALLINGUP WA								
DA16/0716	Outbuilding (Landscaping Value Area)	6282	Lot 46 PLAN 21027	11/10/2016	Approved	Processing	12	11000	Juliet Elizabeth Johnson	Busselton Sheds Plus
		2 Spyglass Cove~DUNSBOROUGH WA								
DA16/0720	Single House (Patio Addition)	6281	Lot 1141 PLAN 77709	13/10/2016	Approved	Approved	24	15310	Lisa McLaughlin & Simon John McLaughlin	CPR Outdoor Centre
DA16/0721	Takeaway Food Outlet (Additions to McDonalds)		Lot 104 PLAN 408157	3/10/2016	Approved	Approved	18	10000	McDonald's Australia Limited	Hindley & Associates Pty Ltd
		31 Butterworth Springs								
DA16/0725		Avenue~DUNSBOROUGH WA 6281	Lot 207 PLAN 404248	5/10/2016	Approved	Approved	17	224464.54	Mandy Suzanne Sinclair	SSB Pty Ltd
		15 Hammond Road~YALLINGUP WA								
DA16/0729		6282	Lot 94 PLAN 8037	13/10/2016	Approved	Approved	0	200000	Anita Ann Ness & Timothy Scott Ness	Dean Maxwell Hannell
	Single House (R-Code Variation - Vehicular									
DA16/0736	Access)	43 Gribble Circuit~KEALY WA 6280	Lot 1313 PLAN 407112	11/10/2016	Approved	Approved	23	244578.18	Lee Lawson	SSB Pty Ltd
									Aileen Stephanie Hubbard, Stephen Thomas	
	Single House (Relative Ancillary Accommodation								Hubbard, Matthew David Hemblen, Catherine	
DA16/0747	and Reduced Rear Setback)	6280	Lot 8 PLAN 69011	3/10/2016	Approved	Approved	4	480000	Sarah Hemblen	Arcadia Building Design
		57 Cornerstone Way~QUEDJINUP WA								Sean Alexander De Souza, Denise Linda May De
DA16/0756		6281	Lot 6 PLAN 74289	5/10/2016	Approved	Approved	0	0	De Souza	Souza
		23 Windward Green~GEOGRAPHE WA								
DA16/0757	Geographe Development Area)	6280	Lot 106 PLAN 59251	5/10/2016	Approved	Approved	0	9000	Elaine Joy Rummer & Geoffrey Dean Rummer	Elaine Joy Rummer, Geoffrey Dean Rummer
		169 Butterly Road~YALLINGUP WA							Timothy Guy Williams & Tricia Michelle	
DA16/0766	fencing within landscape value area)	6282	Lot 1 PLAN 33476	5/10/2016	Approved	Approved	7	49990	Williams	Amanda Lee Cutler
										Leanne Julie Cannon, Perron Developments Pty
DA16/0769		22 Amberjack Avenue~KEALY WA 6280		3/10/2016	Approved	Approved	1	0	Leanne Julie Cannon	Ltd, Stawell Pty Ltd
DA16/0800	Patio Addition (Landscape Value)	6 Plankton Street~KEALY WA 6280	Lot 1199 PLAN 403613	14/10/2016	Approved	Approved	1	0	Deborah Clare Westell	Deborah Clare Westell
DA16/0801		35 Mackerel Avenue~KEALY WA 6280	Lot 1105 PLAN 401651	14/10/2016	Approved	Approved	1	0	James Ross Corlett	James Ross Corlett
L		14 Alpha Road~WEST BUSSELTON WA	l						L	L
WAPC16/0041	FORM 24 - 6 x RESIDENTIAL LOTS	6280	Lot 21 DIAGRAM 23061	11/10/2016		Approved	55	0	Edward Albert Trew & Sandra Jane Trew	BSO Development Consultants Pty Ltd
	Subdivision - 126 Lots (636m2 - 3953m2) plus	113 Vasse Highway~YALYALUP WA					l	_		
WAPC16/0045	Reserve	6280	Lot 501 PLAN 23800	12/10/2016	NotSupport	WaitWAPC	44	0	Brian Arthur Blum & Dorothy Alice Blum	Able Planning & Project Management
		L						_		l
WAPC16/0047	SUBDIVISION - ROAD WIDENING	Blum Boulevard~YALYALUP WA 6280	Lot 503 PLAN 23798	11/10/2016	Support	WaitWAPC	40	0	Brian Arthur Blum & Dorothy Alice Blum	Able Planning & Project Management
	SUBDIVISION - 3 x LOTS (13,842m2, 12,762m2 &	L						_	Stephen Norman Dalziell & Wendy Louise	L
WAPC16/0048	10,092m2)	72 Kookaburra Way~VASSE WA 6280	Lot 248 PLAN 4918	11/10/2016	NotSupport	WaitWAPC	37	0	Dalziell	RPS Australia East Pty Ltd

361

(Note: All applications (excluding WAPC matters) are managed by the legal services section of Finance and Corporate Services in conjunction with the responsible officer below.)

As at 20 October 2016 DECISION APPEAL IS AGAINST RESPONSIBLE OFFICER STAGE COMPLETED NEXT ACTION AND DATE OF DATE APPEAL (Name, No. and PROPERTY DATE Shire File Reference) COMMENCED ACTION AS PER SAT ORDERS COMPLETED / CLOSED Eichenberg vs City of Lot 21 No 231 Injidup Spring December 2014 Appeal against Section 214(2) Jo Wilson / Paul Mediation on 20 November 2015 which resulted in following • Decision from final hearing Busselton Road, Yallingup and 214(3) Notices issued on 17 Needham / Moshe orders being made: expected to be handed down December 2014 for the removal Philips · Applicant to engage an accredited fire specialist to prepare a on 28 October 2016. of all illegal structures and cease Bushfire Fire Management Plan. the use of the land for raves and · All notices have been stayed pending consideration of the functions. Applicant did not engage a specialist to undertake a BFMP as a result the matter has been listed for a Directions Hearing to set dates for a Formal Hearing. Directions Hearing on 6 May 2016, the applicant was given 2 months to submit a planning application and FMP. A development application was received on 30 June 2016. • Mediation on 12 July 2016 where it was agreed that an amended Development Application will be submitted by the 21 July 2016 and the current development application will be withdrawn. An amended development application has not been received: as a result in accordance with the Orders the City have prepared a Statement of Issues. Facts and Contentions and submitted it on 7 October 2016; The matter is listed for final Hearing on 26 October 2016. DCSC vs Southern JDAP Lot 108 No 57 Dunn Bay January 2016 Appeal against refusal of State Solicitors Office / Parties circulated documents categorising the land use within Reconsideration to be Road, Dunsborough Development application for Anthony Rowe / Paul submitted on 3 November, Service Station Needham with JDAP meeting scheduled · Land use has been determined by SAT to be a convenience for 14 November 2016 store: Mediation took place on 5 October 2016, where JDAP requested amended plans to be submitted for a revised elevation to Dunn Bay Road and a revised traffic assessment. Reconsideration to be sent to JDAP on 3 November 2016. Caves Caravan Park vs City Lot 5037 No 23 Yallingup Appeal against Section 34(4) of Moshe Philips / Tanya Directions hearing to commence proceedings and discuss Mediation on 2 November Beach Road, Yallingup the Caravan Parks and Camping | Gillett / Anthony Rowe of Busselton way forward. Grounds Act 1995 and Section Mediation hearing on 29 April 2016. The City prepared a 214(2) notice for illegal structures report to Council in line with the Orders from SAT for the reconsideration of S.34 of the Caravan and Camping Grounds Directions hearing 10 August 2016 where the applicant under Section 34(4) was withdrawn; · 7 September the City filed a Statement of Issues, Facts and Contentions and Section 24 Bundle and on 3 October the City filed a response to the Issues, Facts and Contentions as submitted by the applicant; Mediation scheduled for 2 November 2016. Caves 1676 Pty Ltd v Lot 200 No 1676 Caves April 2016 Appeal against the refusal of a State Solicitors Office / Mediation Hearing on 27 April 2016 the issue of whether the • The Tribunal will decide Western Australian Road, Dunsborough survey-strata subdivision Joanna Wilson / Moshe development approval which has expired had substantially whether a determination on Planning Commission and Philips commenced was discussed. The applicant submitted the documents or oral City of Busselton evidence that the works have substantially commenced and submissions will take place. the City and SSO is to form a view if they agree. Mediation on 7 June 2016, an agreement on substantial commencement could not be reached: the SSO and Tribunal

Attachment C

State Administrative Appeals as at 20 October

362

APPEAL (Name, No. and PROPERTY DATE DECISION APPEAL IS AGAINST RESPONSIBLE OFFICER STAGE COMPLETED NEXT ACTION AND DATE OF DATE Shire File Reference) COMMENCED **ACTION AS PER SAT ORDERS** COMPLETED / CLOSED have suggested that the City submit an intervention application to become a party to the proceedings. · Intervention application was submitted by the City. Directions hearing on 29 July 2016 it was decided that by 23 September 2016 parties must file agreed statement of facts: 7 October 2016 the parties exchange written submissions and 21 October 2016 exchange written submission in response to the other parties' submission. Lot 4082 No 3 Tilly Road, April 2016 Appeal against the refusal of a State Solicitors Office / Formas v Western Australian Planning Yallingup three lot subdivision Joanna Wilson existing dwellings on site have existing development Commission approvals and the applicant is arguing that as they have a purple title the subdivision could be approved. The parties could not agree in Mediation and the application has requested the matter goes to a Hearing. Directions Hearing on 2 June to set dates for a Hearing. • Directions hearing on 5 August 2016, the applicant requested an extension on the hearing dates in order to organise a Flora Survey and additional bushfire management plans. City's expert witness statement submitted. · Expert Witness conferral took place on 19 October 2016, . Hearing set for 31 October 2016 for a duration of three days. Credaro v City of Busselton Lot 4079 No 121 Chambers June 2016 Appeal against the refusal of an Anthony Rowe / Andrew • Directions hearing on 29 June 2016 to arrange date • Issue a revised Decision Letter. Road, Yelverton extension of time for an Watts Extractive Industry Mediation scheduled for 12 August 2016, Councillors/CEO and Mr Threadgold is invited to attend the mediation; Mediation on 5 September 2016 where the matter was adjourned for a further mediation on 30 September 2016; • On the 30 September 2016 the City has been invited to reconsider its decision. Realview Holdings v City of Lot 17 No 80 West Street, August 2016 Appeal against the refusal of a Jo Wilson / Moshe Directions Hearing on 30 September 2016 where it was Compulsory conference on 31 decided that a Compulsory conference will take place on 31 West Busselton development application for a Philips October 2016 medical centre and shop October 2016 Safe Haven Health Pty Ltd v 48 Roy Road, Metricup Appeal against the refusal of a Paul Needham / Moshe Directions Hearing on 20 October 2016 Directions Hearing 11 September City of Busselton 2016 development application for Philips · Preliminary issues related to land ownership to be resolved November 2016 private hospital. before matter proceeds further. That requires applicants to demonstrate authority to make the application to the

satisfaction of the SAT.

• Further Directions Hearing scheduled for 11 November 2016





Meelup Regional Park Management Committee

CO Locked Bag 1 · Busselton · Western Australia · 6280 Email: Kay.Lehman@busselton.wa.gov.au

Web: ww.meeluppark.com Facebook: Meelup Regional Park

Informal Meeting- Notes

363

DATE: Tuesday 27 September 2016, 5pm VENUE: Eagle Bay Community Hall

1. ATTENDANCE AND APOLOGIES

Attendance

Members: Dr Bob Jarvis (Presiding Member), Mr Peter Randerson (Deputy Presiding Member), Councilor John McCallum, Mrs Shirley Fisher and Tony Smurthwaite.

Officers: Mr Greg Simpson (Manager Environmental Services) and Ms Kay Lehman (Meelup Environment Officer- EO).

Apologies: Councilor Terry Best, Councilor Ross Paine, Mr Damien Jones, Mr Bob Ginbey, Mr Albert Haak and Mr John Lang.

2. FINANCIAL SUMMARY - Attachment A

Proposed Direction:

1. That the Committee notes the September 2016 Financial Summary (Attachment A).

3. MEELUP VOLUNTEER UPDATE

- 1. Upcoming Volunteer Activities-
 - Wildflower Walk and Volunteer Picnic/BBQ- Sunday 25 September at 10am at Meelup Beach. Facilitated by Shirley Fisher and Kay Lehman.
- 2. EO presented a summary of the weekly volunteer activities from Bob Ginbey.

The Tuesday morning session over the first 3 weeks in September included 60 hours of volunteer time undertaking the following activities:

Attachment D

Meelup Regional Park Management Committee Informal Meeting Minutes - 27 September 2016

- Monitoring of Black Cockatoo artificial nesting sites in the Wildlife corridor;
- Cleanup of the roadside loo out between Castle Bay and Meelup Beach;
- · Plastic flora guards removed near Curtis May and Point Piquet;
- Weed removal and cleanup-Burton Road; and
- Targeted rare flora survey over tow mornings for *Caladenia viridescens* near Burton Road and Bird Crescent to Curtis Bay.

Other volunteer activities include:

- Seven volunteers have expressed interest in actively monitoring the artificial nesting tubes along the Wildlife Corridor at Eagle Bay.
- Weed reporting in the Park and coordination with the volunteer group to undertake weed control.
- Reconnaissance of locations for the installation of dieback hygiene stations throughout the Park.
- There are now more than 90 volunteers on the contact list who receive a weekly bulletin
 of upcoming activities and other environmental activities in the area.

Proposed Direction:

 For the EO to inform the weed contractor to include the control of the *Tritonia* sp. weed recorded at Meelup Beach into the weed control program for the Park.

4. ACTION SUMMARY PROGRESS UPDATE

The action summary is appended as **Attachment B.** The Action Summary table was discussed with outstanding/ongoing actions to be summarized for the next meeting. Refer to the Action Summary table for details.

5. REPORTS

5.1 Opening of the Whale Viewing Platform, Point Picquet

The Whale Platform at Point Piquet will be officially opened by the Federal member for Forrest, Nola Marino and Mayor Grant Henley with representatives from Dunsborough Coast and Landcare, Meelup Regional Park Management Committee and the Western Whale Research Group speaking at the launch on Friday 30th September at 10am. Aboriginal custodian representatives have been invited and the traditional owners of the Wardandi land will be acknowledged at the opening.

Proposed Direction:

1. Information for the Committee to note.

5.2 Litter Control Officer

A proposed direction from the Meelup Regional Park Management Committee 23 May 2016 meeting was to:

To use the contractor funding from the Meelup budget to employ a litter collection contractor as detailed in a report from committee member, John Lang to commence in October 2016.

Attachment D

Meelup Regional Park Management Committee Informal Meeting Minutes - 27 September 2016

Funding has been allocated to a proposed Litter Control Officer position to address the ongoing litter issues in Meelup Regional Park. Find below a summary of the proposal.

Background

- Visitors encountering a pristine environment are more likely to treat the Park with respect and to leave the Park in the condition they found it.
- The Park usage grows exponentially each year and a dedicated litter officer will assist greatly in keeping the park clean.
- The City cannot rely solely on volunteers to be responsible for litter cleanup as it is a time-consuming and sometimes unpleasant activity.
- The timely removal of litter enhances the amenity values of the Park and provides a clean
 environmental for fauna.

Primary Purpose

The position would be to ensure that the most frequented areas of the Meelup Regional Park
are cleaned regularly and effectively during the Park's busiest months and that those areas more
infrequently visited be cleaned as often as possible.

Proposal

- The proposal would see the Park serviced 8 hours a week for the busiest 8 months of the year (October- May).
- The draft budget consists of the following: 8 hours @\$25.00 X 4 weeks a month X 8 months a
 year =\$6,400. Additional hours would be available for very high usage times (Christmas and New
 Year period, Australia Day, fishing season).
- · Areas to be covered will include:
 - Coastal node carpark areas and beach areas. Walking the high impact trail areas of the Park (the Coastal trail between Hurford Street and Eagle Bay including Castle Bay, Meelup Beach, Gannet Rock, Point Piquet and Baudin Memorial) - approximately 4 hours each week.
 - Walking the less frequented areas on a weekly but rotating basis of areas such as the Lookout and Meelup Brook trail, public roadsides within the Park, Rocky Point, Bunker Bay, car park fringe areas- approximately 4 hours each week on a rotating basis.

Proposed Direction:

- 1. Information for the Committee to note.
- 2. EO to email the Meelup volunteer list to gauge if there is any interest in the litter position.

5.3 Pyp Grass Control Project at Eagle Bay

The EO has continued to liaise with members of the Residents of Eagle Bay Association (REBA) to progress the project of Pyp grass (*Ehrharta villosa) control along the beach at Eagle Bay.

REBA members are contacting the local residents to let them know about the project and scheduled herbicide spraying. The EO has met the Meelup weed contractor on-site to discuss the project with weed control likely to start in the next couple of weeks. Manual hand removing of the Pyp grass will also be required in areas of native spinifex grass. The EO will coordinate the manual removal with the Green Army, Meelup volunteers and school groups.

Proposed Direction:

1. Information for the Committee to note.

5.4 Maintenance in the Park

The following Park Maintenance has been undertaken or has been scheduled with contractors to complete:

- · Bollard to be re-installing north of Point Piquet. Area to plant in this area in 2017.
- Removal of concrete rectangle at Pt Piquet BBQ area.
- · Removal of graffiti on bin at Point Piquet.
- Bollard and rail maintenance in south carpark of Eagle Bay.
- · Removal of graffiti on interpretation sign at Gannet Rock and on Castle Bay street sign.
- · Maintenance and cleaning of the Castle Bay toilets.
- · City staff to check and repair limestone sheeting on firebreak that is eroding.
- In consultation with DPaW- Road edge weed slashing (instead of chemical spraying) by a
 contractor along Meelup Eagle Bay Road (Meelup Beach to Eagle Bay) to minimize impact on the
 Threatened Ecological Community Calothamnus graniticus sub sp. graniticus.
- BBQs at the northern Meelup Beach area and Castle Bay have both been broken into and damaged. City maintenance staff will be replacing locks and gas cylinders.

5.5 Upcoming Event in the Meelup Regional Park

Upcoming events in the Meelup Regional Park include the following:

Cape to Cape Mountain Bike- 20-23 October 2016

 The Events team has not received the designated trail route for the event and at this stage, therefore cannot confirm whether the event will include any trail in the Meelup Regional Park.

Meelup Beach Leavers Party- 23 November 2016

- Applicant: Royal Life Saving Society of WA Inc.
- The Leavers Day provides a fun activity in a safe environment that is alcohol free.
- The events team is expecting about 4,500 leavers on the day. The leavers will be transported to Meelup Beach by South West Coach Lines bus every 30min (10am-4pm).
- There will be four food vendors and entertainment including amplified music, an aqua playground and beach volleyball.
- There will be 16 additional toilets and a water fountain station provided.
- The event will be set up at 8am and run from 10am-1pm. The clean-up of the area will be completed by 3pm.
- A Traffic Management Plan will be provided for the event. Meelup Beach Road will be closed
 to the public at both end, only designated buses carrying Leavers only will be allowed onto the
 road.

Gourmet Escape- Castle Bay- 18-20 November 2016

- Applicant: IMG Culinary Pty Ltd: Gourmet Escape 2016.
- Have provided the following Plans: Risk Management, Emergency Management, Evacuation and Traffic Management (including several dedicated car parking places for the public and City of Busselton staff).
- Have provided a detailed site plan of the function site including the carpark and beach layout.
 The layout is the same as last years with infrastructure (back of house which will be fenced with
 a site shed, kitchen, site vehicles and equipment) located in the carpark and the four tipi tents
 positioned on the beach to the right of the carpark.
- Additional toilets will be provided.
- The City is waiting on the Environmental Management Plan and Signage Plan.
- The applicant has requested to use of Charcoal BBQs on the beach.
- The EO will be on-site to supervise the set-out of infrastructure, particularly the positioning of the tipi tents on the beach.

The EO will continue to liaise with the City's Event staff and the event proponents on all of the above events. The EO will be providing advice on the Environmental Management Plan (EMP) requirements for each event, checking the final EMPs and will be undertaking daily site inspections at events and post event inspections.

Proposed Direction:

- 1. Information for the Committee to note.
- EO to arrange with the Gourmet Escape organiser to meet with Committee members on site at Castle Bay.

5.6 Sign Audit

A sign audit has been undertaken initially along the coastal trail. Information on the signage and locations will be provided for review at the Committee meeting.

Proposed Direction:

1. Information for the Committee to note.

5.7 Feral animal control and Weed control

The feral animal control contract has been awarded to Animal Pest Management Services and consists of two rounds of fox baiting (spring and autumn), one round of rabbit baiting (summer) and a monitoring program to help to determine the efficiency of the program.

The Weed control contract has been awarded to Littoria Ecoservices. A site meeting was held on 16th September with the EO, Shirley and Graham Fisher to review the weed control management areas for the contract. Arum Lilies will be the first weed targeted.

Proposed Direction:

1. Information for the Committee to note.

5.8 Review of the Meelup Regional Park Management Plan-Figures

A meeting was held with members of the MRP Management Committee to review and update the figures in the Meelup Regional Park Management Plan including a site inspection of management zone boundaries and access options for mountain bikers to Zone 6.

368

Proposed Direction:

1. Information for the Committee to note.

6.0 Late items

6.1 Proposed Projects

Project 1: Castle Rock improvements including an upgrade of the western BBQ area.

Proposed Direction:

 EO to obtain a costing from engineering staff on piping gas from the toilet area under the road to the western BBQ area.

Project 2: Meelup Beach landscape improvement including terracing of northern slope and extending the turf area.

Project 3: Point Piquet carpark upgrade

A preliminary design layout of the carpark was reviewed by the Committee members and comments noted.

Proposed Direction:

1. Design of Point Picquet carpark to take into account the Committee's initial comments for realignment of parking bays.

6.2 Eagle Bay-Rocky Point Trail

The Committee discussed upgrading the Eagle Bay to Rocky Point trail. The Meelup Park boundary and trail alignment needs to be identified to assist further discussions on this matter.

Proposed Direction:

1. EO to investigate Eagle Bay to Rocky Point trail and Meelup Regional Park boundary alignments to identify where the trail is currently traversing through private property.

6.3 Alternative Committee Meeting Dates

The Committee discussed meeting date and time that may better suited the Committee members.

369

Proposed Direction:

1. EO to check on available venues in Dunsborough.

7.0 Meeting Closure

The meeting was closed at 6:30pm.

8.0 NEXT MEETING- October 2016. The Committee is currently considering changing the day and time of the Committee meetings. Committee members will be notified of the new dates and time.

ATTACHMENT B - ACTION TABLE Post 27 September Meeting 2016

	ATTACHMENT D-ACTION TABLE 1 03(27 September			
Subject	Action	Date of Committee	Progress	Completed
Weed Control	For the EO to inform the weed contractor to include the control of the Tritonia sp. weed recorded at Meelup Beach in the weed control program for the Park.	27/09/2016	Done	Done
Litter Control Officer position	EO to email the Meelup volunteer list to gauge if there is any interest in the litter position.	27/09/2016		00110
Pyp Grass Control Project at Eagle Bay	For the EO to send a letter to Eagle Bay residents living adjacent to the area of Pyp grass to be controlled	27/09/2016		
Gourmet Escape Event	EO to arrange with the Gourmet Escape organiser to meet with Committee members on site at Castle Bay.		Meeting held 4/10/16	Done
Proposed Projects- Castle Rock Improvements	EO to obtain a costing from engineering staff on piping gas from the toilet area under the road to the western BBQ area	27/09/2016		
Proposed Projects- Point Piquet carpark upgrade	Design of Point Picquet carpark to take into account the Committee's initial comments for realignment of parking bays.	27/09/2016		
Eagle Bay-Rocky Point Trail Upgrade	EO to investigate Eagle Bay to Rocky Point trail and Meelup Regional Park boundary alignments to identify where the trail is currently traversing through private property.	27/09/2016		
Alternative Committee meeting date	EO to check on available venues in Dunsborough.	27/09/2016		
Governance and Management Arrangements	Governance Services to go over the Meelup governance and management arrangements for when the new committee member is appointed in a few months.	24/05/2016	Scheduled for October meeting.	
Limestone sheeting- Point Piquet trail	Limestone sheeting of the section of trail from the Point Piquet carpark and to just pass the point where the new trail marker has been installed has been included in trail maintenance in the 2016/17 Work Plan.	23/08/2016	To be discuss at October meeting. It may be better to leave the rocky trail as it is as it is preventing bikes from using it.	
Environmental Guidelines for Events	To develop Environmental Guidelines, to better outline the requirements for event organizers' to include in their Environmental Management Plan. Guidelines are to include details and standards on dieback hygiene stations, preferred trail routes and other relevant environmental measures.			
		24/05/2016	A scope of works for advice from a Dieback consultant has been developed to include in the environmental guidelines. Waiting on the report from the dieback consultant.	
Meelup Beach- Trees	EO to prepare a scope of works for a tree condition audit, landscape and vegetation plan for Meelup Beach and investigate the available of grant funding to undertake the project. 23 August 2016- EO to check the Meelup Master Plan for landscape design works. 27 Sept 2016-find the information on the Meelup files with the audit of trees previously undertaken. Shirley Fisher has a copy of the files and will give to EO. 27 Sept 2016-To form a subcommittee for the project consisting of Shirley Fisher, Bob Jarvis, Peter Randerson and Tony Smurthwaite. EO to arrange an aerial photo of the site for the meeting. For the subcommittee to meet at Meelup beach on 17th October at 3pm.	24/05/2016	This project has been included in the 2016/17 Work Plan. Meeting invite sent to subcommittee members for 17th October 2016.	
Sign audit			The coastal signage audit has been completed- see details in the September 2016 Agenda. Ongoign	
Website update	That a sign audit be undertaken to identify the types and location of signage throughout the Park.	19/01/2016	consultation with the Committee.	
Tressite update	EO to check with City IT staff if they can update the Meelup website and update information on the website on a regular basis. EO to arrange a meeting with City IT staff with Cr John McCallum, Manager Environmental Services and EO to discuss. 23/8/16 - For the Committee members to give feedback on the content and improvements for the Meelup website to the EO in the next two weeks. 27/9/16- It was decided that it would be best to include a session with the committee members to go through the requirements of the new webiste- if a consultant is used.	27/09/2016	Update of the Meelup website was discussed at the 2016/17 Meelup Regional Park Managment Committee Work Plan meeting with an indicative budget of \$15,000.	

Counci	
15.3	

Attachment D

3/1	9 November 2016
Meelup Regional Park Management Committee In	formal Meeting Minutes - 27 September 2016

Ongoing Items						
EO to send through any environmental training opportunities to committee members including training offered through local NRM groups.		Dieback GreenCard training for 15 community members-scheduled for	Ongoing			

The Probus Club of Dunsborough (Inc).

372

PO Box 103, DUNSBOROUGH WA 6281

Meets: 2nd Monday of the month at Dunsborough & Districts Country Club at 9.00am PRESIDENT: Frances Lismore Tel: 97568374

SECRETARY: Sue Giles Tel: 97553751 Email: cgiles@iinet.net.au



City of Busselton Locked Bag 1 Busselton 6280

19/10/2016

Dear Sir,

On behalf of the Dunsborough Probus Club, we would like to thank you for your kind donation towards our South West Get together,it was very much appreciated; I am glad to say the day went off very well, and I am sure our guests left with a lot more knowledge of our town and district.

Thanks again.

Frances Lismore (President)

Fu Lixmore

16. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

17. CONFIDENTIAL REPORTS

Nil

18. **QUESTIONS FROM MEMBERS**

19. PUBLIC QUESTION TIME

20. <u>NEXT MEETING DATE</u>

Wednesday, 23 November 2016

21. <u>CLOSURE</u>