



NOTICE OF ORDINARY COUNCIL MEETING

To be held on

Wednesday 28 July 2021

Commencing at 5.00pm

Shire of Donnybrook Balingup Council Chambers, Donnybrook

A handwritten signature in black ink, appearing to read 'BGR', with a long horizontal flourish extending to the right.

Ben Rose
Chief Executive Officer

23 July 2021

Disclaimer

Please note the items and recommendations in this document are not final and are subject to change or withdrawal.

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SHIRE OF DONNYBROOK BALINGUP
NOTICE OF ORDINARY COUNCIL MEETING

To be held at the Council Chambers
Wednesday 28 July 2021 at 5.00pm

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

Shire President – Acknowledgment of Country

The Shire President to acknowledge the traditional custodians of the land, the Wardandi People of the Noongar Nation, paying respects to Elders, past, present and emerging.

The Shire President to declare the meeting open and welcome the public gallery.

The Shire President advised that the meeting is being digitally recorded to assist with minute taking in accordance with Council Policy 1.25. The Shire President further stated the following:

If you do not give permission for your participation to be recorded, please indicate this at the meeting. Members are reminded that no other visual or audio recording of this meeting by any other means is allowed without the permission of the Chairperson.

2 ATTENDANCE

MEMBERS PRESENT

COUNCILLORS	STAFF
Cr Brian Piesse (President)	Ben Rose – Chief Executive Officer
Cr Jackie Massey (Deputy President)	Steve Potter – Director Operations
Cr Shane Atherton	Robin Garrett – Director Corporate and Community (Acting)
Cr Anita Lindemann	Maureen Keegan – Manager Executive Services
Cr Anne Mitchell	
Cr Chaz Newman	
Cr Chris Smith	
Cr Leanne Wringe	

PUBLIC GALLERY

2.1 APOLOGIES

2.2 APPROVED LEAVE OF ABSENCE

2.3 APPLICATION FOR A LEAVE OF ABSENCE

3 ANNOUNCEMENTS FROM PRESIDING MEMBER

4 DECLARATION OF INTEREST

Division 6: Sub-Division 1 of the *Local Government Act 1995*. Care should be taken by all Councillors to ensure that a financial/impartiality interest is declared and that they refrain from voting on any matter, which is considered to come within the ambit of the Act.

5 PUBLIC QUESTION TIME

5.1 RESPONSES TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

5.2 PUBLIC QUESTION TIME

6 PRESENTATIONS

6.1 PETITIONS

6.2 PRESENTATIONS

6.3 DEPUTATIONS

Mr Sheehan, Item 9.1.1 Closure of Historical Bridge 5224 Due to Safety Concerns.

7 CONFIRMATION OF MINUTES

7.1 ORDINARY MEETING OF COUNCIL – 23 JUNE 2021

Minutes of the Ordinary Meeting of Council held 23 June 2021 are attached (*attachment 7.1 (1)*).

EXECUTIVE RECOMMENDATION

That the Minutes from the Ordinary Meeting of Council held 23 June 2021 be confirmed as a true and accurate record.

7.2 SPECIAL MEETING OF COUNCIL – 12 JULY 2021

Minutes of the Special Meeting of Council held 12 July 2021 are attached (*attachment 7.2(1)*).

EXECUTIVE RECOMMENDATION

That the Minutes from the Special Meeting of Council held 12 July 2021 be confirmed as a true and accurate record.

8 REPORTS OF COMMITTEES

Nil.

9 REPORTS OF OFFICERS

9.1 DIRECTOR OPERATIONS

9.1.1 CLOSURE OF HISTORICAL BRIDGE 5224 DUE TO SAFETY CONCERNS

Location	Preston River, Queenwood
Applicant	NA
File Reference	BR 5224
Author	Damien Morgan, Manager Works and Services
Responsible Manager	Steve Potter, Director Operations
Attachments	9.1.1(1) – Site Plan 9.1.1(2) – WALGA Advice 9.1.1(3) – Legal Advice (Confidential) 9.1.1(4) – Summary of Correspondence
Voting Requirements	Simple Majority

Recommendation
<p>That Council:</p> <ol style="list-style-type: none"> 1. Acknowledges the advice received from Main Roads WA (dated 14 June 2021) regarding the serious concerns it has with the safety of Bridge 5224 and recommending it be closed immediately; 2. Endorses the closure of bridge 5224 as a required measure, until/unless the required emergency works are undertaken to the satisfaction of MRWA; 3. Authorises the Chief Executive Officer to assist in identifying temporary access arrangements (which may have load restrictions) for impacted landowners. This may include alternate access arrangements or temporary propping of Bridge 5224; 4. Indicates that Council’s preference is for temporary access arrangements to be achieved via an alternate access and that temporary propping of Bridge 5224 should only be undertaken if all other avenues have been deemed unviable; 5. Authorises the Chief Executive Officer to utilise Shire funds from its bridge maintenance account for either alternate access arrangements or the temporary propping of Bridge 5224, whilst a long-term solution is negotiated; 6. Determines that any Shire funds expended on alternate access or temporary propping of Bridge 5224 shall form part of any overall financial contribution to resolving the matter by the Shire and will reduce any Shire

financial contribution towards costs of a permanent solution by a corresponding amount;

- 7. Determines that the Shire will only fund temporary propping of Bridge 5224 for a maximum of six months, unless otherwise approved by Council;**
- 8. Instructs the Chief Executive Officer to advise any impacted landowners and MRWA that the Shire is prepared to negotiate a permanent resolution (that may or may not involve the ongoing use of Bridge 5224 or identifying alternative access arrangements), on a “without prejudice basis”;**
- 9. Reiterates that the Shire’s willingness to assist in resolving this matter does not in any way indicate that the Shire accepts it is responsible for the ongoing ownership, maintenance and care of Bridge 5224 under section 3.53 of the *Local Government Act 1995*;**
- 10. Authorises the Chief Executive Officer to negotiate with MRWA and impacted landowners to identify a permanent solution, in accordance with the following parameters:**
 - 10.1 MRWA and any landowners with existing rights of carriageway access across Lot 5 Donnybrook – Boyup Brook Road are to each make a financial or in-kind contribution to the cost of achieving a permanent resolution;**
 - 10.2 The Shire’s contribution is to be consistent with other similar bridge related matters and shall take into account any funds expended on facilitating temporary access under Point 5;**
 - 10.3 Subject to a permanent resolution being identified, MRWA is to issue a written statement confirming that Bridge 5224 will no longer be considered a Shire asset by MRWA;**
 - 10.4 Any properties with remaining “rights of carriageway” involving the use of Bridge 5224 or another bridge structure, are to have a suitable notification placed on their certificates of title advising them and any future land owners that the Shire will not be responsible for any future maintenance, care and/or repairs for the Bridge (or words to similar effect); and**
 - 10.5 The Shire is to have no residual legal responsibilities to Bridge 5224 (or any other bridge structure required for access) in the future.**
- 11. If a permanent solution has not been identified and actively being implemented by February 2022, the Chief Executive Officer is to bring a further report to Council seeking direction, at the next available meeting.**

STRATEGIC ALIGNMENT

The following outcomes from the Corporate Business Plan relate to this proposal:

Outcome	4.1	A strategically focused, open and accountable local government.
Strategy	4.1.2	Continue to enhance communication and transparency.
Action	4.1.2.1	Ongoing meaningful communication and engagement with residents, ratepayers and stakeholders.

EXECUTIVE SUMMARY

Main Roads Western Australia (MRWA) recently informed the Shire that a bridge across the Preston River identified as Bridge 5224, was required to be immediately closed and have emergency repairs due to it being assessed as having a ‘zero-load’ rating.

Staff’s position based on previous legal and State Government Department advice received is that Bridge 5224 is not the responsibility of the Shire’s under the *Local Government Act 1995*, however it is considered the Shire has a moral obligation to assist in identifying a resolution.

BACKGROUND

An historical timber bridge identified as Bridge 5224, is located on Crown land over the Preston River between the cadastral boundaries of Lot 5 and Lot 3195 Donnybrook-Boyup Brook Road (refer Attachment 9.1.1(1)).

Access to Bridge 5224 is via a private “Right of Way” through Lot 5 Donnybrook-Boyup Brook Road. The Shire’s understanding is that this private “Right of Way” is only to the benefit of Lots 3195, 486 and 4223, and has no connections to any Shire managed roads.

From Shire records, Bridge 5224 was first identified by MRWA as a Shire asset in 1997, based on their interpretation of section 3.53 of the *Local Government Act 1995* (Act). Refer to statutory compliance for full details of section 3.53 of the Act.

The Shire has consistently contested that Bridge 5224 is not a Shire asset for care and maintenance, on the basis that section 3.53 of the Act only outlines that a local government has responsibility for controlling and managing ‘other unvested facilities’ on Crown land. The interpretation has been that ‘control and management’ does not extend to ‘care and maintenance’.

This position is based on previous advice received by the Western Australian Local Government Association (WALGA), informed by the State Solicitors Office via the Department of Local Government and Regional Development in 2007, that outlined:

“A Local Government is not responsible under section 3.53 (2) for controlling and managing “private bridges” (ie those which are not appurtenant to public thoroughfares in the district). These facilities do not “belong to the Crown” within

the meaning of the definition of “otherwise unvested facility” in section 3.53 of the Act.”

A full copy of this advice is provided in Attachment 9.1.1(2).

The Shire also sought its own legal advice in 2016 regarding an unvested bridge facility within the Shire, with the advice received consistent with the WALGA Advice, (refer Confidential Attachment 9.1.1(3)).

Attachment 9.1.1 (4) outlines a summary of Shire correspondence relating to Bridge 5224 since 1997 that illustrates the Shire’s established position in regard to Bridge 5224 throughout this timeframe.

Following MRWA detailed inspections of Bridge 5224 in January 2020 and in June 2021, it was advised on 14 June 2021 that based on these inspections and a “Detailed Inspection Report”, that Bridge 5224 was unsafe for use, with two emergency response options being considered appropriate by MRWA:

1. Close the bridge to traffic immediately; or
2. Prop Pier 1 and Pier 2.

The Shire contacted the owners of Lot 3195 advising that the Shire was taking actions towards closing Bridge 5224, based on MRWA advice, in the interests of public safety.

FINANCIAL IMPLICATIONS

As outlined above, the Shire’s historical position regarding Bridge 5224 is that it is not a Shire asset for care and maintenance. The Shire may have a controlling and managing requirement for this unvested bridge facility on Crown land if it was determined as belonging to the Crown.

However, the Shire’s previous experience with similar matters is that even in taking this position there is considerable cost in officer’s time and potential further legal costs in the defense of the Shire’s position.

A similar bridge matter was previously resolved through lengthy negotiations, where it was eventually determined that the adjoining landowner would accept responsibility for the bridge subject to the Shire and MRWA first undertaking the identified emergency repairs on a cost share basis.

To facilitate current discussions that are occurring with impacted landowners, the Shire has obtained initial estimates for temporary emergency propping, with a cost in the vicinity of between \$15,000-\$30,000 for the installation works, plus additional ongoing costs of between \$3,000-\$6000 per month for the hire of the props and required monthly inspections. It is important to note that if undertaken this would only temporarily address the identified emergency work.

MRWA has also estimated that it would cost in excess of \$100,000 to address the identified emergency work (replacement of the identified piers) on a more permanent basis and would not resolve the long-term viability of the bridge, as its overall condition is near the end of its useful life. These works would most likely also not attract emergency funding from MRWA, whilst the asset ownership remains unresolved.

POLICY COMPLIANCE

Not applicable.

STATUTORY COMPLIANCE

The relevant section of the Local Government Act 1995 is 3.53.

3.53 Control of certain unvested facilities

(1) *In this section —*

former section 300 means section 300 of the Local Government Act 1960 as in force before the commencement of this Act;

otherwise unvested facility means a thoroughfare, bridge, jetty, drain, or watercourse belonging to the Crown, the responsibility for controlling or managing which is not vested in any person other than under this section.

(2) *A local government is responsible for controlling and managing every otherwise unvested facility within its district unless subsection (5) states that this section does not apply.*

(3) *If the facility is partially within each of 2 or more districts, it is to be controlled and managed as the local governments for the districts concerned agree or, if they do not agree, as the Minister directs.*

(4) *An agreement or direction under subsection (3) has effect according to its terms.*

(5) *This section does not apply if any person was, immediately before the commencement of this Act, responsible for controlling or managing then facility unless:*

(a) *the responsibility arose under the former section 300; or*

(b) *the Governor, by order, declares that the facility is to be controlled and managed under this section.*

Council should also be aware that as part of the current review of the *Local Government Act 1995* being undertaken, WALGA has outlined in its submission that:

“That Section 3.53 be repealed and that responsibility for facilities located on Crown Land return to the State as the appropriate land manager.”

CONSULTATION

The Shire has regularly informed previous and current purchasers of Lot that Bridge 5224 was considered a private bridge, since a recorded clarification was first sought in 1998.

The closure of Bridge 5224 has resulted in both Lot 3195 and Lot 486 having no legal access to their land and has caused significant stress to the owners and their families.

Regular discussions are being held between impacted parties to progress suitable short-term and long-term access arrangements, on a 'without prejudice' basis.

OFFICER COMMENT/CONCLUSION

Historical bridge structures built across the Preston River to properties on the northern side of the Donnybrook - Boyup Brook Road have been a contentious issue for a number of years.

There are three known bridge structures along the Preston River that have experienced a similar situation as the one the subject of this report. Responsibility for two of these bridge structures have been legally resolved, with both structures becoming the responsibility of the landowners of the properties that they service, however Bridge 5224 remains unresolved.

It is acknowledged that the complexities of this matter have resulted in varying approaches by Shire staff when issues have arisen in the past and the Shire has utilised Shire funds on occasions to undertake works on these bridge structures.

As is evident by the history of all three bridge structures, unless a permanent resolution is found, they tend to remain an ongoing issue that typically arises whenever a bridge is compromised (i.e. structural failure, fire, or flood damage); when changes in property ownership are proposed; or when MRWA undertakes its five-yearly Detailed Bridge Inspections.

Recent discussions held with a representative for one of the most impacted landowners has suggested there is a willingness to work collaboratively to achieve an outcome that satisfies all parties. To enable these negotiations to be progressed, authorisations and directions to the CEO are required as per the officer recommendation.

9.1.2 DONNYBROOK ARBORETUM – PROPOSED AMENDMENT TO SCOPE AND TIMING OF IMPROVEMENT WORKS

Location	Shire of Donnybrook Balingup
Applicant	Shire of Donnybrook Balingup
File Reference	RES 01/9
Author	Steve Potter, Director Operations
Responsible Officer	Steve Potter, Director Operations
Attachments	Nil
Voting Requirements	Simple Majority

Recommendation																															
That Council:																															
<ol style="list-style-type: none"> 1. Endorses amendments to the scope of works associated with improvements to the Donnybrook Arboretum as per the following: <table border="0" style="margin-left: 20px;"> <tr> <td style="padding-left: 20px;">1.1</td> <td>2 x covered picnic benches (on order)</td> <td style="text-align: right;">\$9,640</td> </tr> <tr> <td style="padding-left: 20px;">1.2</td> <td>Concrete pads (for picnic benches)</td> <td style="text-align: right;">\$2,000</td> </tr> <tr> <td style="padding-left: 20px;">1.3</td> <td>Restoration of machinery (volunteers)</td> <td style="text-align: right;">\$8,000</td> </tr> <tr> <td style="padding-left: 20px;">1.4</td> <td>Gravel path</td> <td style="text-align: right;">\$5,000</td> </tr> <tr> <td style="padding-left: 20px;">1.5</td> <td>Safety / Interpretive Signage</td> <td style="text-align: right;">\$7,000</td> </tr> <tr> <td style="padding-left: 20px;">1.6</td> <td>Painting of bollards</td> <td style="text-align: right;">\$1,000</td> </tr> <tr> <td style="padding-left: 20px;">1.7</td> <td>Survey of trees including GPS pickup</td> <td style="text-align: right;">\$3,000</td> </tr> <tr> <td style="padding-left: 20px;">1.8</td> <td>Information Bay</td> <td style="text-align: right;">\$15,000</td> </tr> <tr> <td style="padding-left: 20px;">1.9</td> <td>Bin / pad</td> <td style="text-align: right;"><u>\$1,200</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>\$51,840</u></td> </tr> </table> 2. Carries forward an amount of \$9,640 into the 2021/22 Budget for the purchase of the covered picnic tables (committed); 3. Instructs the Chief Executive Officer to include \$10,000 in the 2021/22 draft Budget to fund restoration works of the historical machinery and installation of picnic bench concrete pads; 4. Instructs the Chief Executive Officer to include the remaining \$32,200 of identified works in the Shire’s application for Local Roads and Community infrastructure (LRCI) funding (Round 3). 		1.1	2 x covered picnic benches (on order)	\$9,640	1.2	Concrete pads (for picnic benches)	\$2,000	1.3	Restoration of machinery (volunteers)	\$8,000	1.4	Gravel path	\$5,000	1.5	Safety / Interpretive Signage	\$7,000	1.6	Painting of bollards	\$1,000	1.7	Survey of trees including GPS pickup	\$3,000	1.8	Information Bay	\$15,000	1.9	Bin / pad	<u>\$1,200</u>			<u>\$51,840</u>
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1.9	Bin / pad	<u>\$1,200</u>																													
		<u>\$51,840</u>																													

STRATEGIC ALIGNMENT

The following outcomes from the Strategic Community Plan relate to this proposal:

Outcome	2.1:	An attractive and maintained built environment
Strategy	2.1.1:	Maintain, renew an improve infrastructure within allocated resources
Action	2.1.1.2:	Seek funding for development and renewal of infrastructure.
Outcome	3.2:	An engaged, supportive and inclusive community
Strategy	3.2.1:	Provide and maintain appropriate community facilities
Action	3.2.1.3:	Maintain community facilities within resource capacity

EXECUTIVE SUMMARY

At the Ordinary Council Meeting of December 2019 Council committed to undertaking a range of works at the Donnybrook Arboretum over several years with a view to improving the amenity for locals and visitors alike.

In the interim, Shire staff have held discussions with ARBEX (local volunteer group) and internally reviewed the scope of works and considers there is merit in making some minor amendments to reduce the overall cost to the Shire and potentially enable the works to be undertaken in an expeditious manner.

Further, the original Council resolution was made prior to the Shire being aware of further grant funding being available under the Local Roads and Community Infrastructure (LRCI) Program with Round 3 scheduled to be open for applications from January 2022.

ARBEX is motivated to commence restoration works on the historic steam engine in the near future and therefore it is recommended that the Shire contribution of \$8,000 which was identified for inclusion in the 2021/22 Budget as per the original resolution be retained. In addition, on-order picnic tables are also scheduled for installation in the near future and therefore will require funds to install concrete pads (\$2,000).

However, it is recommended that the remaining works be the subject of the next Shire application for LRCI funds.

BACKGROUND

At the Ordinary Council Meeting of December 2019 Council (in part) resolved the following:

“That Council:

2.1 Reaffirms that Council’s strategic direction for the Donnybrook Arboretum site is to perform the function of a low-key tourist rest stop (without bathroom / toilet or any extended or overnight-stay facilities);

2.2 Considers the following improvements to the Arboretum site which shall be included in future revisions of the Parks and Reserves Asset Management Plan from 2020/21 onwards for consideration in future budgets.

Year Item Cost (indicative)

- 2020/21 Safety Fencing (Shed structure only) \$12,936***
- 2020/21 2 x Bench Seats and 2 x Picnic Tables \$9,652***
- 2021/22 Sandblasting / Painting Machinery (Steam Engine) \$8,000***
- 2021/22 Interpretive Signage (Trees and Machinery) \$5,000***
- 2022/23 Gravel Path \$18,135***
- 2023/24 Information Bay \$20,000***

2.3 Commits to considering the following allocation in the Shire’s Annual Budget, from 2020/21 onwards, for the ongoing maintenance of the Arboretum site:

2.3.1 Annual Tree Maintenance (\$10,000 p/a);

2.3.2 Quarterly Site Maintenance (\$4,000 p/a).

2.4 Requests the Chief Executive Officer liaise with community groups (with Incorporation status, or otherwise) that may provide voluntary assistance or co-contribution (financial, in-kind, materials or other) to Council in improving the site with regard to machinery restoration, tree maintenance and interpretive signage.

Subsequent to Council’s decision, Staff have met with members of ARBEX on several occasions to determine how the works will proceed and clarify ARBEX’s role in the process. In addition, there has been further opportunity to refine the scope of works contained in Council’s original resolution, in consultation with ARBEX, which has resulted in a revised position being established. Furthermore, after having had the opportunity to undertake maintenance on the site over the past year, it is the position of staff that a reduced maintenance budget may be appropriate.

FINANCIAL IMPLICATIONS

To illustrate the above the following tables have been prepared which clarifies the existing and proposed changes to scope and maintenance.

Original Scope (2019 Council Resolution)	Original Cost	Proposed Revised Scope	Revised Cost
Safety Fencing (Shed structure only)	\$12,936	No fencing proposed	\$0
2 x Bench Seats and 2 x Picnic Tables	\$9,652	2 x covered picnic benches	\$9,640
Sandblasting / Painting Machinery (Steam Engine) - ARBEX	\$8,000	Sandblasting / Painting Machinery (Steam Engine) - ARBEX	\$8,000
Interpretive Signage (Trees and Machinery)	\$5,000	Safety / Interpretive Signage (Trees and Machinery)	\$7,000
Gravel Path	\$18,135	Gravel Path (reduced length)	\$5,000
Information Bay	\$20,000	Concrete pads for Picnic Benches	\$2,000
		Painting of bollards	\$1,000
		Survey of Trees including GPS Pickup	\$3,000
		Bin / pad	\$1,200
		Information Bay	\$15,000
TOTAL	\$73,723	TOTAL	\$51,840

Original Maintenance	Annual Cost	Proposed Revised Maintenance	Revised Annual Cost
Annual Tree Maintenance	\$10,000	Annual Maintenance (inclusive of site and tree maintenance)	\$10,000
Quarterly Site Maintenance	\$4,000		
TOTAL	\$14,000 p/a	TOTAL	\$10,000 p/a

POLICY COMPLIANCE

Nil.

STATUTORY COMPLIANCE

Nil.

CONSULTATION

Consultation has been undertaken with ARBEX, which has resulted in some of the proposed changes to the scope, particularly the removal of fencing around the historic machinery.

OFFICER COMMENT / CONCLUSION

When the matter was originally considered by Council in December 2019, the scope of works was established by Staff in response to a petition which necessitated an immediate response with little time for consultation with community groups and/or consideration of alternatives. In addition, costs were largely estimates based on unit rates and assumptions as to what might actually be needed.

The interim period since Council's decision has enabled the matter to be further refined as a result of internal discussion among staff and further consultation with ARBEX. The resulting revised scope of works is considered to represent a reasonable approach that reduces the overall costs whilst remaining consistent with Council's 'strategic direction' for the Arboretum as a 'low-key tourist rest stop'.

It is noted that the 2020/21 Budget allocated \$22,588 for improvement works associated with the Arboretum. This included almost \$13,000 for fencing works, which did not occur as a result of discussions with ARBEX and further consideration of how public safety imperatives might be achieved in other ways, such as the use of warning signage and the fixing of moving parts.

In terms of proceeding, Staff are presenting two options, one of which utilises primarily Shire funds as originally intended, with some proposed changes to the timeframes. The other is to utilise minimal Shire funds to enable some works to proceed, with the remainder of the works being accessed via the Local Roads and Community Infrastructure (LRCI) fund (Round 3). Both options are clarified below:

Option 1

Council's original resolution staggered works over several financial years, with a view to having the final works complete in 2023/24.

Under this option and with regard to the 2020/21 unspent funds, it is recommended they be carried forward and combined with the committed funds for 2021/22 as per Council's original resolution, which will achieve a significant amount of the revised scope of works. If Council is willing to contribute slightly more funds in 2021/22, then there is an opportunity to complete the entire project in the current financial year. Two options are provided with different completion dates in the below table which are identified as Options 1(a) and 1(b).

Year	Option 1(a)	Option 1(b)
2020/21	Budget Allocation \$22,588 <ul style="list-style-type: none"> • Committed: \$9,640 • Uncommitted: \$12,948 Carry Forward: \$22,588	Budget Allocation \$22,588 <ul style="list-style-type: none"> • Committed: \$9,640 • Uncommitted: \$12,948 Carry Forward: \$22,588
2021/22	2020/21 Carry Forward: \$22,588 2021/22 Revised Budget Allocation \$12,052* (down from \$13,000) Combined Funds = \$34,640 <u>Proposed Tasks</u> <ul style="list-style-type: none"> • 2 x covered picnic benches (\$9,640) • Sandblasting / Painting Machinery (Steam Engine) – ARBEX (\$8,000) • Concrete pads for Picnic Benches (\$2,000) • Gravel Path (\$5,000) • Safety / Interpretive Signage (Trees and Machinery) (\$7,000) • Survey of Trees inc. GPS Pickup (\$3,000) TOTAL: \$34,640 *May include use of DB Townscape Funds if needed (\$11,500).	2020/21 Carry Forward: \$22,588 2021/22 Budget Allocation \$13,000 Combined Funds = \$35,588 <u>Proposed Tasks</u> <ul style="list-style-type: none"> • All tasks as per revised scope of works (\$51,840). <u>Required Funds:</u> <ul style="list-style-type: none"> • Combined 2020/21 + 2021/22 = \$35,588 • 2021/22 Donnybrook Townscape Funds = \$11,500 • Additional Council Contribution Required in 2021/22 Budget = \$4,752 TOTAL: \$51,840
2022/23	2022/23 Budget Allocation \$17,200 (down from \$18,135) <u>Proposed Tasks</u> <ul style="list-style-type: none"> • Information Bay (\$15,000) • Bin / pad (\$1,200) • Painting of bollards (\$1,000) TOTAL: \$17,200	\$0 (down from \$18,135)
2023/24	\$0 (down from \$20,000)	\$0 (down from \$20,000)

It is noted that \$11,500 for townscape works in Balingup was recently supported 'in-principle' by Council and will be included in the 2021/22 draft Budget. Council Policy COMD/CP-4 (Community Townscape Activities) includes a policy provision indicating that Council will generally seek to allocate an equal amount of funds to Balingup and Donnybrook for townscape activities each year.

If an equivalent amount was allocated to Donnybrook townscape activities and Council determined that such funds should be used at the Arboretum for the 2021/22 financial year, then the following are relevant under each of the options presented above:

Option 1(a): Council could determine to use the \$11,500 allocation of Donnybrook townscape funds as its contribution to the works identified for the Arboretum in 2021/22 (rather than having separate allocations of \$12,052 and \$11,500 in the Budget).

Option 1(b): If Option 1(b) was supported it would require the separate allocation of the \$13,000 identified in the original Council resolution, plus the 2021/22 Donnybrook townscape funds (\$11,500), plus a small additional Council contribution (\$4,752). However, it would mean that the entire project was complete in the next financial year and therefore contributions in future years would be nil.

Option 2 (Recommended)

The original Council resolution identified that the machinery restoration works would be undertaken in the 2021/22 financial year and discussions with ARBEX indicate the volunteers are motivated to commence this process in the near future. As such, it is suggested that the \$8,000 originally earmarked as a Council contribution for this project be retained in the draft 2021/22 Budget, to facilitate this process.

In addition, the covered picnic benches have been ordered (\$9,640) which will need to be carried forward into the 2021/22 financial year and are scheduled to be installed in the near future which will also necessitate funds being available for the concrete pads (\$2,000).

However, the Shire has recently been advised that it is eligible for additional funding under the Local Roads and Community infrastructure (LRCI) program (Round 3). As such, it is Staff's position that the remainder of the proposed works should form part of the Shire's LRCI application as per the following:

2021/22

- Carry forward of \$9,640 for cost of covered picnic benches;
- Shire allocation in Budget \$10,000 (machinery restoration works plus picnic table concrete pads).
- Application for LRCI in January 2022 for the following:
 - Safety / Interpretive Signage (Trees and Machinery) \$7,000
 - Gravel Path (reduced length) \$5,000
 - Painting of bollards \$1,000
 - Survey of Trees including GPS Pickup \$3,000
 - Bin / pad \$1,200
 - Information Bay \$15,000
 - \$ 32,200

9.1.3 REQUEST TO CLOSE UNCONSTRUCTED RIGHT OF WAY BETWEEN SOUTH WESTERN HIGHWAY AND ROBERTS STREET, BALINGUP

Location	Landgate Land ID 3502814, Balingup
Applicant	Ms Rosie Norris
File Reference	A5366
Author	Kira Strange, Principal Planner
Responsible Manager	Steve Potter, Director Operations
Attachments	9.1.3(1) – Location Plan 9.1.3(2) – Preliminary Written Advice
Voting Requirements	Simple Majority

Recommendation
<p>That Council:</p> <p>1. Pursuant to Section 58 of the <i>Land Administration Act 1997</i> resolves to:</p> <p>a. Advertise the proposed closure of the unconstructed ‘right of way’ identified as Landgate Land ID 3502814 between South Western Highway and Roberts Street, Balingup, as depicted in Attachment 9.3.1 (1);</p> <p>b. Authorise the Chief Executive Officer to request the Minister for Lands to close the road subject to:</p> <p>i. No objections or significant issues arising as a result of advertising to the general public, surrounding landowners and/or relevant external agencies during the advertising period that cannot be reasonably resolved at staff level; and</p> <p>ii. All associated costs with the request being borne by the relevant applicant/landowner.</p>

STRATEGIC ALIGNMENT

The following outcomes from the Corporate Business Plan relate to this proposal:

Outcome	2.1.	An attractive and maintained built environment
Strategy	2.1.2.	Provide effective and efficient regulatory services
Action	2.1.2.2	Provide efficient and effective building services

EXECUTIVE SUMMARY

The Shire has received a request to close an unconstructed 'Right of Way' (ROW) for the purpose of private acquisition by an adjoining landowner.

Right of Ways (ROWs) vested in the Crown are access way reserves and fall within the same definition as 'road reserves'. Public ROW closure requests are administered by the Local Government in accordance with the *Land Administration Act 1997* (LAA) and *Land Administration Regulations 1998* (LAR), then forwarded to the Minister for Lands for approval.

The Shire has completed a preliminary review of the request which has identified that there is likely to be underground infrastructure in this location that will require further investigation and formal referral to external agencies.

It is recommended that the request be administered in accordance with the LAA and LAR, including appropriate advertising. Subject to no issues and/or objections being identified during the advertising period that cannot be reasonably resolved at an officer level, it is recommended the matter then be forwarded to the Minister for Lands for approval.

BACKGROUND

On 24 May 2021, the Shire received a preliminary request to close a portion of unconstructed right of way. The subject parcel, totaling 168m², is not identified within the Shire's Works and Services program for future construction.

The request was made by the adjacent landowner who owns both Lot 6 (45) and Lot 604 (47) Bridgetown Road (South Western Highway), Balingup. The intention of the landowner is to privately acquire the land from the Crown which will then be amalgamated into one of their two properties (yet to be determined). A location plan of the subject road reserve parcel is provided below.



Following the preliminary investigation and provision of written feedback (Attachment 9.1.3(2)), the Shire received a formal request to close the subject portion of right of way on 24 June 2021.

FINANCIAL IMPLICATIONS

There are no financial implications for Council. The applicant has paid the relevant fees including:

- Part 1: Written Planning Advice – Preliminary investigation and feedback (\$73.00);
- Part 2: Formal Request to Close Reserve (\$750.00 plus associated costs to be determined).

In addition, the applicant has provided written confirmation accepting responsibility for all associated costs as advised by the Local Government and/or the Department of Planning, Lands and Heritage (DPLH) such as advertising, surveying, plan/document preparation, etc.

POLICY COMPLIANCE

As outlined above, a right of way vested in the Crown is identified as 'road reserve'. In this regard, the provisions of *Local Planning Policy 9.9 Road Closure* (LPP 9.9) apply. LPP 9.9 outlines the following parameters relevant to a request of this nature:

1. *Council will not support the closure of any gazetted public road which has any possibility whatsoever of being utilised. There is a general presumption against the closing of roads.*
2. *Council will however consider the closure of a gazetted road where it will have no impact upon legal practical access to any property and will result primarily in the rationalisation of land and roads within the Shire.*
3. *In the event that Council supports the closure of a road the proponent will be liable for all costs involved with the road closure.*

A preliminary review of the proposal confirms that the request meets the requirements of LPP 9.9 and can be considered by Council.

STATUTORY COMPLIANCE

A request to the Minister for Lands to formally close a road reserve is to be made in accordance with Section 58 of the *Land Administration Act 1997* including the requirement to advertise the closure for a period of no less than 35 days.

For the purposes of preparing a request under the LAA, the Local Government must also adhere to the requirements of Regulation 9 of the *Land Administration Regulations 1998*.

In summary, the request to the Minister must be accompanied by:

- A written, in-principle agreement from the landowner/applicant to purchase the land identified for closure;
- Plans of the location of the road and portion to be closed;
- A copy of the Council Resolution(s) to initiate and support the proposed closure;
- A copy of the public advertisement/notification (required for a period of no less than 35 days);
- Copies of any submission(s) received during the public/advertisement period;
- The local government's assessment of the comments received; and
- Any other relevant information.

CONSULTATION

In accordance with the LAA, the proposed right of way closure will be advertised to the general public in a newspaper circulating the district with comments invited for a period of no less than 35 days. In addition, letter notifications will be provided to surrounding landowners inviting direct comment on the proposed closure.

It is noted that the applicant has only expressed an interest to purchase the portion of ROW that divides their own two properties (the western portion). As part of the advertising process the Shire will seek to gauge the interest of both landowners abutting the eastern portion (Lots 67 and 68 Roberts Street) to determine if either of them may be interested in purchasing this section, to enable the entire ROW to be closed.

During the preliminary review of the request, a 'Dial Before You Dig' enquiry resulted in three agencies identifying assets within the vicinity of the subject ROW: Water Corporation, Western Power and Telstra.

In this regard, the proposed road closure will be referred to relevant external agencies including but not limited to:

- Western Power;
- Telstra;
- Water Corporation;
- Main Roads Western Australia;
- Department of Planning Lands and Heritage including the Western Australian Planning Commission;
- Department of Mines, Industry Regulation and Safety;
- Department of Biodiversity, Conservation and Attractions;
- Department of Water and Environmental Regulation; and
- Department of Fire and Emergency Services.

In addition, the Shire's Works and Services team identified that there may be underground drainage infrastructure within the subject reserve. This would either need to be relocated at the applicant/landowners' cost or an easement placed over the land to provide legal access to the

relevant agency (MRWA). It is noted that the existence of an easement generally precludes the construction of structures within the delineated area.

OFFICER COMMENT/CONCLUSION

In order for landowners/applicants to purchase a portion of an ROW (whether constructed or not) the actual reserve parcel needs to be formally closed. In order to achieve this, the Local Government (at the request of the landowner/applicant) has to administer the request under the LAA and LAR and formally request the Minister for Lands to close the road.

A preliminary assessment of the proposed road closure indicates the following:

- The subject right of way is unconstructed;
- The Shire's Works and Services team has advised that there are no current or future plans for the construction of a right of way in this location;
- Water Corporation has identified that there is an asset (pipeline) in this locality;
- The Shire's Works and Services team has identified that there may be drainage infrastructure associated with the highway (under the care and control of Main Roads Western Australia) within this parcel;
- All surrounding lots have legal access to constructed road frontages.

A full copy of the preliminary assessment provided to the applicant is available in Attachment 9.1.3(2).

It is unlikely that this ROW will be utilised for access by the Shire in the future, nor will it impact current access provisions to surrounding properties as it remains unconstructed. Whilst there may be infrastructure within this parcel, additional consultation with external agencies is required to ascertain whether or not this can be managed through an easement or if the infrastructure is able to be relocated. In any case, any modifications and or legal remedies will be the responsibility of the applicant and/or relevant landowner.

The applicant has agreed to cover all associated costs with the request. In this regard, the proposed road closure complies with LPP 9.9 and can be supported by Council.

Should any objections or issues be identified that cannot be suitably addressed at an officer level, an additional report may be brought to Council for further consideration. It is therefore recommended that Council resolve in accordance with the Officer's recommendation to enable the advertising / notification process to commence.

9.2 DIRECTOR CORPORATE AND COMMUNITY

9.2.1 ACCOUNTS FOR PAYMENT

The Schedule of Accounts Paid (9.2.1(1)) under Delegation (No 3.1) is presented to Council for information.

9.2.2 MONTHLY FINANCIAL REPORT – JUNE 2021

The Monthly Financial Report for June is attached (*attachment 9.2.2(1)*).

EXECUTIVE RECOMMENDATION

That the monthly financial report for the period ended June be received.

9.2.3 ANNUAL REVIEW OF INTEGRATED PLANNING AND REPORTING FRAMEWORK DOCUMENTATION

Location	Shire of Donnybrook Balingup
Applicant	Shire of Donnybrook Balingup
File Reference	FNC 10/2
Author	Stuart Eaton - Finance Projects
Responsible Manager	Robin Garrett – Director Corporate and Community Services (Acting)
Attachments	9.2.3 (1) Asset Management Plan - Parks & Reserves 9.2.3 (2) Asset Management Plan – Vehicles 9.2.3 (3) Asset Management Plan - Buildings 9.2.3 (4) Asset Management Plan – Roads and Transport 9.2.3 (5) Borrowings Plan 9.2.3 (6) Reserve Fund Plan
Voting Requirements	Simple Majority

Recommendation	
<p>That Council endorse the annual review of the following plans for 2021/22, as attached:</p> <ol style="list-style-type: none"> 1. 9.2.3 (1) Asset Management Plan - Parks and Reserves; 2. 9.2.3 (2) Asset Management Plan – Vehicles; 3. 9.2.3 (3) Asset Management Plan – Buildings; 4. 9.2.3 (4) Asset Management Plan – Roads and Transport; 5. 9.2.3 (5) Borrowings Plan, and 6. 9.2.3 (6) Reserve Fund Plan. 	

STRATEGIC ALIGNMENT

The adoption of the review of the 2021/22 Asset Management Plans will meet the following objectives of the Shire of Donnybrook Balingup Strategic Community Plan.

Outcome	4.2	A respected, professional and trusted organisation
Strategy	4.2.1	Effective and efficient operations and service provision
Action	4.2.1.2	See a high level of legislative compliance and effective internal controls.

EXECUTIVE SUMMARY

Council is requested to endorse the annual review of Council’s Integrated Planning and Reporting (IPR) suite of plans. The review is undertaken annually to meet statutory obligations and to enable preparation of next year’s Annual Budget.

BACKGROUND

In 2010, the IPR Framework and Guidelines were introduced in Western Australia (WA) as part of the State Government's Local Government Reform Program. All local governments were required to have their first suite of IPR documents in place by 1 July 2013.

Past reviews of local government in WA found serious performance and sustainability issues in the sector, in particular:

- Strategic planning systems that did not deliver accountable and measurable linkages between community aspirations, financial capacity and practical service delivery.
- Financial planning systems that failed to accurately demonstrate a local government's capacity to deliver services and manage assets that can sustain their communities into the future.
- Asset management systems lacking the rigour of process and integrity of data to accurately reflect true asset management costs.
- General lack of a formal approach to workforce planning across the sector.

IPR addresses these concerns with processes to:

- Ensure community input is explicitly and reliably generated and informs the long- and medium-term objectives of the local government.
- Identify the resourcing required to deliver the plans and enable rigorous and transparent prioritisation within resource constraints before finalising the plans.

Officers are progressing the development of the Integrated Planning and Reporting Framework for the Shire that will contribute towards improving the long-term financial sustainability of the Shire of Donnybrook Balingup.

This corporate planning framework provides greater integration of plans and becomes the driver for the Annual Budget.

A suite of financial planning systems has been developed and implemented that;

- a) Accurately demonstrate the Shire's capability to deliver services and manage its asset portfolio that can sustain our community into the future.
- b) Accurately determine the real cost of managing the Shire's asset portfolio.
- c) Accurately determine the real cost of delivering services to the community.
- d) Accurately determine the real contribution residents and users should make to the cost of services & facilities.

One aspect of the financial planning framework is realigning the underlying foundation of the Annual Budget to respond to these points to improve the long-term financial sustainability for the Shire.

Redevelopment Works

It had been acknowledged within the presented asset plans that Council is currently undertaking redevelopment planning of several facilities and areas of public open space within the Shire. Asset renewal for the affected existing facilities have been removed from forward planning in the expectation that the current projects will be delivered, thereby addressing identified asset renewal requirements.

Upon completion of these projects, asset inspections will be undertaken to determine detailed asset renewal requirements for these new community assets.

Should the redevelopment projects not address asset renewal works that are currently required on existing facilities, these necessary works would require reintroducing into the asset plans, resulting in additional funding requirements.

Asset Management Plans

Asset Management Plan – Parks & Reserves (Attachment 9.2.3 (1))

Parks and Reserves comprise numerous items of built or installed depreciable equipment and infrastructure. These deteriorate over time and requires a program of cyclical replacement at the end of economic life.

The program of renewal works within this plan has been sourced from an independent revaluation of parks infrastructure undertaken in 2018. In addition, all items have undergone onsite inspection and assessment by works staff.

This strategy plans for the timing and financing of.

- a) Development works.
- b) Replacement of aged infrastructure.
- c) Major maintenance of infrastructure.

It is identified that the sustainable annual own source funding level for this asset class is \$350,000pa. Based on existing assets held, gradual annual increases in the annual budget allocation for this asset class is identified in the plan to achieve sustainable funding levels in 2028/29.

2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
100,000	125,000	150,000	175,000	200,000	250,000	300,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000

Sustainable own source funding was reduced from \$150,000pa in 2019/20 to \$0 in 2020/21.

To meet asset renewal requirements identified in the asset plan, structural budget funding is required to recommence from the current zero-funding base to an initial amount of \$100,000pa in 2021/22.

Asset Management Plan – Buildings (Attachment 9.2.3 (2))

The purpose of this document is to provide a strategy for funding Council’s buildings. This strategy will plan for the timing and financing of.

- a) Construction of new buildings.
- b) Alterations and extensions of existing buildings.
- c) Preservation and maintenance of building.

The Asset Management Plan – Buildings (BAMP), has been developed to provide a systematic method to identify, plan and fund necessary works to maintain the facilities to an acceptable standard that maximise their useful life for the community.

It is identified that the sustainable annual own source funding level for this asset class is \$430,000pa to 2026/27, then reducing to \$270,000pa thereafter.

2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
430,000	430,000	430,000	430,000	430,000	430,000	270,000	270,000	270,000	270,000	270,000	270,000	270,000	270,000	270,000

Sustainable own source funding was reduced from \$270,000pa in 2019/20 to \$0 in 2020/21.

To meet asset renewal requirements identified in the asset plan, structural budget funding is required to recommence from the current zero-funding base to an initial amount of \$430,000pa in 2021/22.

Material influences on the 2021/22 plan for this asset class includes.

- a) Sustainable own source funding was reduced from \$270,000pa in 2019/20 to \$0 in 2020/21.
- b) Transfer of planned borrowing for major asset renewal projects totalling \$913,628 across the life of the plan to own source funding.

These material influences have resulted in an asset renewal backlog in this asset class of \$167,568 across 12 facilities, together with an immediate requirement to increase annual funding to \$430,000 from 2021/22 to meet asset renewal needs.

The plan additionally identifies a requirement for new borrowings for major building works.

Year	Building	Amount
2021/22	VC Mitchell Park Redevelopment	\$1,315,000
2022/23	VC Mitchell Park Redevelopment	\$1,185,000
2024/25	Administration Centre - Donnybrook	\$2,000,000

Asset Management Plan – Vehicles (Attachment 9.2.3 (3))

This Asset Management Plan details the:

- Acquisition of new vehicles.
- Cyclical replacement of existing vehicles.
- Annual funding plan for the Vehicle Reserve Fund.

Council operates a fleet of vehicles to carry out service delivery to the community. These range from road construction plant to compliance vehicles.

Council engaged an independent review of its vehicle fleet in 2017. The economic change-over life recommended in the independent review has guided the development of this asset plan.

It is identified that there is a requirement to allocate annualised asset renewal funding for this asset class of \$430,000 pa. The 2020/21 funding level was \$212,000 pa.

2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
250,000	280,000	310,000	340,000	380,000	430,000	430,000	430,000	430,000	430,000	430,000	430,000	430,000	430,000	430,000

Based on current assets held, gradual annual increases in the budget allocation for this asset class is recommended in the plan to achieve sustainable funding levels by 2026/27.

Asset Management Plan – Roads and Transport (Attachment 9.2.3 (4))

The information contained in this asset plan is a summary from Council's Road Asset Management and Maintenance System (RAMMS). The estimation of Capital Renewal funding requirements identified in the Asset Plan has been determined using the Remaining Useful Life of each recorded asset item.

The plan provides aggregated level Capital Renewal requirements for the following transport asset classes.

- Roads.
- Railings.
- Drainage.
- Footpaths.
- Car Parks.
- Street Signs.

Local Governments are allocated funds for bridges through the Local Grants Commission. Project funds for bridges are allocated to renewal type projects, recognising that some of these projects may include some upgrading or replacement when the existing bridge has reached the end of its economic life.

A Bridge Committee advises the Commission on priorities for allocating funds for bridges. Membership of the Committee is made up of representatives from the following organisations:

- WA Local Government Grants Commission.
- Western Australian Local Government Association; and
- Main Roads Western Australia (MRWA).

The Committee receives recommendations from MRWA on funding priorities for bridges. MRWA inspects and evaluates the condition of local government bridges and has the expertise to assess priorities and make recommendations on remedial measures.

Bridges are therefore excluded from the Shire's asset planning, as this is managed, and funded, at a State level.

Capital expenditure on Roads and Transport infrastructure is typically classified into the following categories.

1. Capital Renewal - Increases the life of the asset and may increase its service potential. Expenditure in this category includes:

- Roads
 - Resealing aggregate and asphalt seals.
 - Regravelling existing gravel roads.
 - Reforming existing formed roads.
 - Reconstructing roads to existing standards (may include widening less than lane width).
 - Reconstructing shoulders on sealed roads.
 - Replacing cattle grids.
 - Replacing culverts.
 - Replacing kerbs.
- Bridges
 - Replacing bridge components.
 - Strengthening individual structural components.
 - Constructing concrete overlays Reconstructing of bridges to existing standards (may include widening less than 1 metre).
- Ancillary
 - Replacement of lighting infrastructure.
 - Replacement of road signals and signs including street signs.
 - Replacement of road marking.
 - Replacement of all other traffic management devices.
 - Reconstruction of footpaths and dual use paths.

2. Capital Upgrade - Provides a higher level of service to users. Expenditure in this category includes:

- Roads
 - Gravelling a road that was not previously gravelled.
 - Sealing a road that was not previously sealed.
 - Constructing a second carriageway.
 - Widening a road.
- Bridges
 - Widening a bridge.
 - Strengthening a bridge to accommodate higher axle loads.
- Ancillary
 - Upgrading or adding to existing.
 - Street lighting.
 - Road signals and signs including street signs.
 - Road marking.
 - All other traffic management devices.
 - Footpaths including dual use paths.

3. Capital Expansion - Extending the road network. Expenditure in this category includes:

- Roads
 - Constructing a road that previously did not exist. It may be a formed, gravelled or sealed road or street.

- Bridges
 - Constructing a bridge where none existed previously.
- Ancillary
 - Provision of the following on new roads:
 - Street lighting.
 - Road signals and signs including street signs.
 - Road marking.
 - All other traffic management devices.
 - Footpaths including dual use paths.

It is identified that annual expenditure requirements for Capital Renewal on Roads and Transport Assets is \$2.13m pa (indexed annually).

Based on the past five financial years, it is calculated that annual Transport Asset Capital Renewal expenditure requires doubling from current levels.

	<i>Not e</i>	2014/15	2015/16	2016/17	2017/18	2018/19
Transport Assets Capital Renewal - Actual	1	393,298	3,294,477	1,142,228	1,221,936	1,158,546
Transport Assets Capital Renewal - Requirements	2	2,314,155	2,314,155	2,314,155	2,314,155	2,314,155
Transport Assets Capital Renewal - Funding Gap (pa)		(1,920,857)	980,322	(1,171,927)	(1,092,219)	(1,155,609)

1 Source: WALGA Road Assets and Expenditure Return (Annual)

2 Source: Shire of Donnybrook Balingup Road Asset and Maintenance System

Total capital expenditure (including Capital Upgrades Capital Expansion) on Transport Assets in the 2020/21 budget was \$2.77m.

Further development of this asset plan to provide long-term program reporting, including detailed Capital Upgrade and Capital Expansion programming is intended to be progressed.

Borrowings Plan (Attachment 9.2.3 (5))

The use of borrowings as a means of funding asset acquisitions, renewals and major maintenance is a mechanism for allocating the costs of major works over a period that reflects when residents will benefit from the assets.

Council is guided by its adopted policy - 3.8 Debt Policy. This policy sets out the way the Shire of Donnybrook Balingup may establish and manage a debt portfolio. The objective of this Debt Policy is to ensure the sound management of the Shire’s existing and future debt.

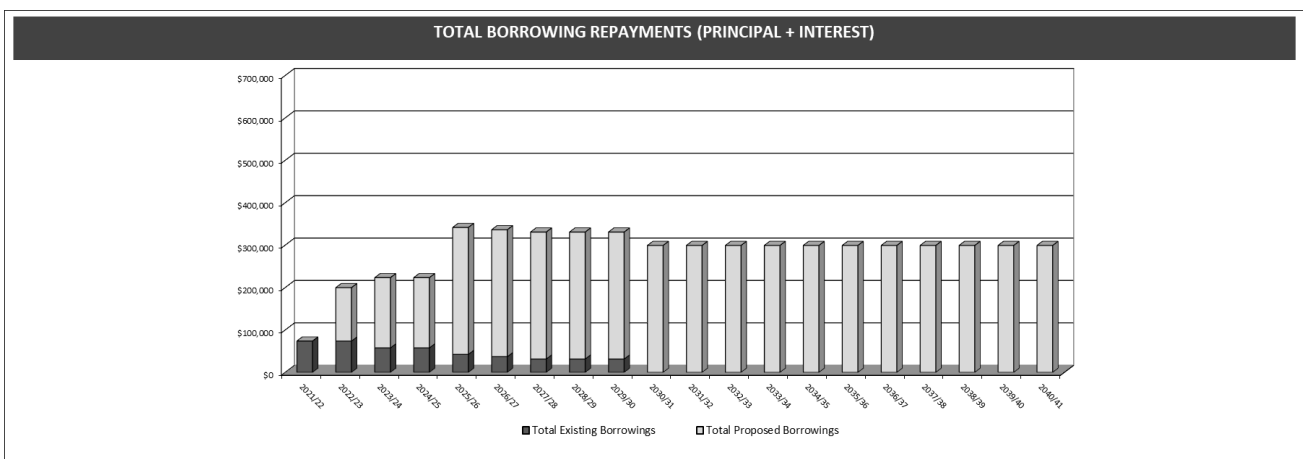
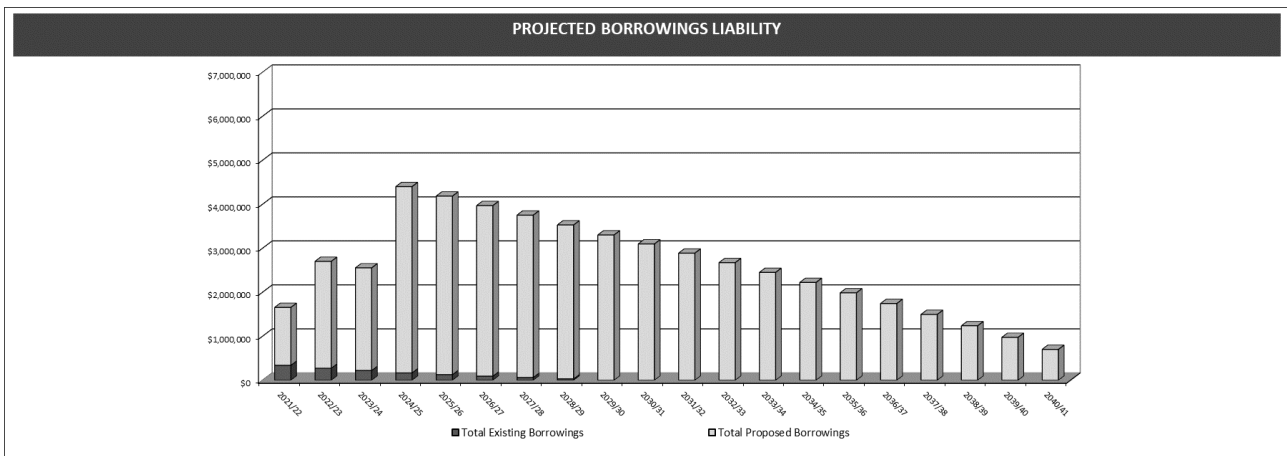
The policy outlines the Shire’s debt strategy and provides for the responsible financial management of borrowings by ensuring that the level of indebtedness is maintained within acceptable limits and is managed appropriately.

It is therefore critical that debt funding is appropriately planned and monitored if Council is to maintain the capacity to effectively use this funding source.

Strategic planning allows Council to develop targets and standards for debt that are strategic in nature, rather than relying on debt as a response to current financial requirements.

The following future borrowings are identified.

Year	Building	Amount
2021/22	VC Mitchell Park Redevelopment	\$1,315,000
2022/23	VC Mitchell Park Redevelopment	\$1,185,000
2024/25	Administration Centre - Donnybrook	\$2,000,000



Reserve Fund Plan (Attachment 9.2.3 (5))

s6.11 of the Local Government Act requires that where a local government wishes to set aside money for use for a purpose in a future financial year, it is to establish and maintain a reserve account for each such purpose.

The suite of plans recommended for adoption require budgetary allocations to meet planned expenditure requirements. The mechanism for meeting own source funded expenditure identified in the plans is from reserve funds. Therefore, the annual budget is required to fulfill the function of delivering the sustainable levels of annual funding into reserves that is calculated to meet the planned expenditure.

The purpose for this document is to provide a consolidated summary of annual transfers to and from Council's cash backed reserve funds.

Council maintains several cash reserves for a variety of purposes:

- a) to provide funds for future liabilities.
- b) to provide funds for future asset acquisitions / replacement.
- c) to hold unspent funds for specific projects.
- d) to reduce the reliance on borrowing by accumulating funds for specific projects.

Where relevant, reserves are supported by comprehensive plans that detail future funding requirements and the necessary annual allocations to reserves.

Should Council not allocate budget funding for transfer to reserves as identified in this plan, reserves will become depleted and associated expenditure identified throughout the IFPR framework that is sourced from reserves will not be deliverable. The majority of identified asset renewal works are funded from reserves, therefore a failure to budget the necessary amounts into reserves will lead to long term asset condition decline.

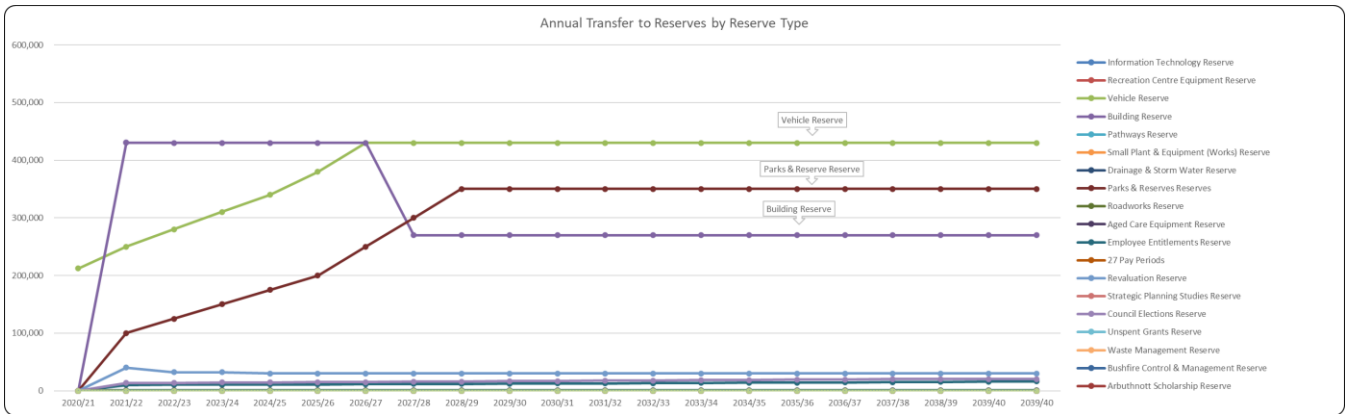
FINANCIAL IMPLICATIONS

The identified increase in transfers into reserves for 2021/22 is material, \$633,850. This increase is due to \$679,149 in transfer to reserves being cut in the COVID-19 impacted 2020/21 Annual Budget.

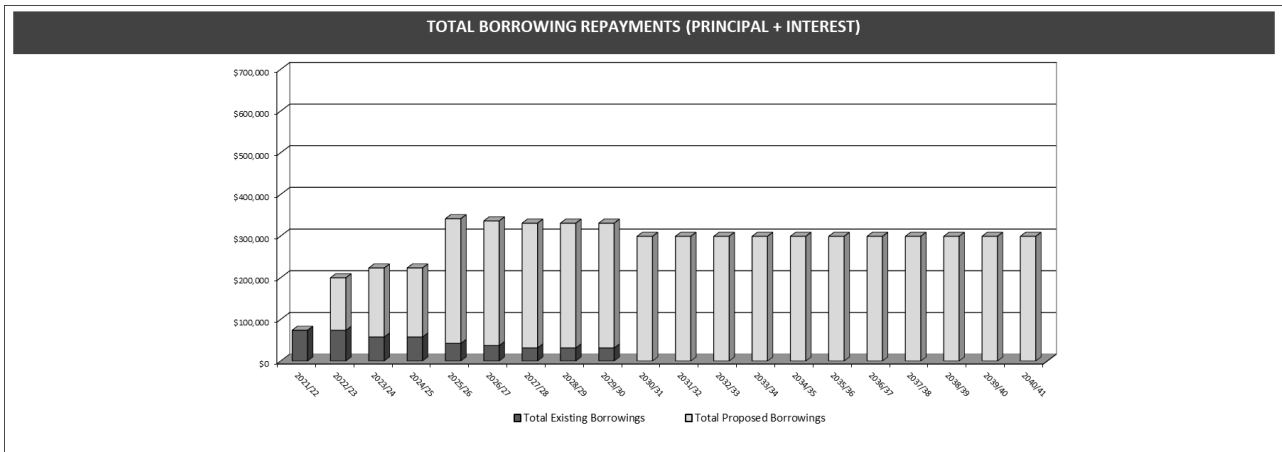
Reestablishing pre 2020/21 sustainable funding in the Annual Budget is necessary to meet planned expenditure identified in the plans recommended for endorsing.

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Transfer to Reserves from Municipal Fund	Budget	Budget										
Information Technology Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Recreation Centre Equipment Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Vehicle Reserve	320,000	212,000	250,000	280,000	310,000	340,000	380,000	430,000	430,000	430,000	430,000	430,000
Building Reserve	270,000	0	430,000	430,000	430,000	430,000	430,000	430,000	270,000	270,000	270,000	270,000
Pathways Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Small Plant & Equipment (Works) Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Drainage & Storm Water Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Parks & Reserves Reserves	150,000	0	100,000	125,000	150,000	175,000	200,000	250,000	300,000	350,000	350,000	350,000
Roadworks Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Aged Care Equipment Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Employee Entitlements Reserve	0	0	10,000	10,250	10,506	10,769	11,038	11,314	11,597	11,887	12,184	12,489
27 Pay Periods	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation Reserve	40,000	0	40,000	32,000	32,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Strategic Planning Studies Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Council Elections Reserve	0	0	13,650	13,650	14,333	14,333	15,049	15,049	15,802	15,802	16,592	16,592
Unspent Grants Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Waste Management Reserve	31,149	0	0	0	0	0	0	0	0	0	0	0
Bushfire Control & Management Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Arbuthnott Scholarship Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Land Development Reserve	80,000	0	0	0	0	0	0	0	0	0	0	0
Central Business District Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Apple Funpark Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Contribution to Works Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Tuia Lodge Surplus Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Preston Village Exit Deferred Management Fee Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Preston Village Reserve Fund Contribution Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Minninup Cottages 1-4 Surplus Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Minninup Cottages 5-8 Surplus Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Minninup Cottages 9-12 Surplus Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Langley Villas 1-6 Surplus Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Langley Villas 7-9 Surplus Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Minninup Cottages 5-8 Long Term Maintenance Reserve	0	0	500	500	500	500	500	500	500	500	500	500
Minninup Cottages 9-12 Long Term Maintenance Reserve	0	0	500	500	500	500	500	500	500	500	500	500
Langley Villas 1-6 Long Term Maintenance Reserve	0	0	600	600	600	600	600	600	600	600	600	600
Langley Villas 7-9 Long Term Maintenance Reserve	0	0	600	600	600	600	600	600	600	600	600	600
POS - Donnybrook	0	0	0	0	0	0	0	0	0	0	0	0
POS - Ballingup	0	0	0	0	0	0	0	0	0	0	0	0
POS - Kirup	0	0	0	0	0	0	0	0	0	0	0	0
COVID-19 Reserve	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL TRANSFER TO RESERVE	891,149	212,000	845,850	893,100	949,039	1,002,301	1,068,287	1,168,563	1,059,599	1,109,888	1,110,976	1,111,280
Net Annual Increase (Decrease) Transfer to Reserves		(679,149)	633,850	47,250	55,939	53,262	65,986	100,276	(108,964)	50,290	1,088	304

It is planned that sustainable asset funding levels be attained over time though gradual increases in the annual budget allocation to respective asset reserves. Plateauing indicates achieving identified sustainable own source funding levels.



The Borrowings Plan identifies the requirement for three new borrowings over the life of the plans to meet identified asset management requirements. The forecast annual borrowing repayments for the next 20 years are reflected in the following graph.



POLICY COMPLIANCE

Not applicable

STATUTORY COMPLIANCE

S5.56(1) of the Local Government Act 1995 requires local governments produce a plan for the future.

CONSULTATION

Not Applicable.

OFFICER COMMENT/CONCLUSION

The effective management of Council’s asset portfolio is crucial to the sustainable delivery of services to meet the current and future needs of the community. Local governments are typically rich in assets and are responsible for managing a large stock of long-lived assets. Asset management planning is therefore essential to ensure that assets are created, maintained, renewed and retired (or replaced) at appropriate intervals to ensure continuity of services.

The suite of plans that form the Integrated Financial Planning and Reporting framework are intended to facilitate sound long-term financial planning and identify the true cost of managing Council’s asset portfolio.

It is advised that Council has careful regard to longer-term considerations in making annual budget decisions. If they do not, they may find that the Shire is faced with future financial challenges. These long-term financial plans let Council see what its future financial obligations are. The plans help Council assess the need for early intervention to reduce future risks and associated revenue raising requirements of future generations.

If a Local Government runs ongoing under-lying operating deficits, it needs to recognise the longer-term implications. Not addressing this deficit is likely to mean that future decision makers of this Shire will struggle to be able to accommodate asset renewal needs and that service levels will decline over time.

9.3 CHIEF EXECUTIVE OFFICER

Nil

10 ELECTED MEMBER MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

11 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

12 MEETINGS CLOSED TO THE PUBLIC

12.1 MATTERS FOR WHICH THE MEETING MAY BE CLOSED

12.1.1 CONFIDENTIAL – WORKS AND SERVICES BUSINESS UNIT REVIEW

This report is confidential in accordance with Section 5.23(a) of the *Local Government Act 1995*, which permits the meeting to be closed to the public.

(a) a matter affecting an employee or employees

RECOMMENDATION

That the meeting be closed in accordance with section 5.23(2) of the Local Government Act 1995 to discuss the following confidential items:

12.1.1 CONFIDENTIAL – WORKS AND SERVICES BUSINESS UNIT REVIEW

12.2 PUBLIC READING OF RESOLUTIONS THAT MAY BE MADE PUBLIC

Nil.

13 CLOSURE

The Shire President to advise that the next Ordinary Council Meeting will be held on 18 August 2021 commencing at 5.00pm in the Shire of Donnybrook Balingup Council Chamber.