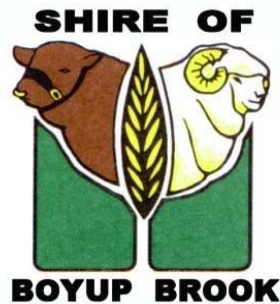


ATTACHMENT A



REPORT ON THE ASSESSMENT OF STRUCTURAL REFORM

FOR THE SHIRES OF BOYUP BROOK BRIDGETOWN-GREENBUSHES MANJIMUP and NANNUP



September 2009



Shire of
Bridgetown-
Greenbushes



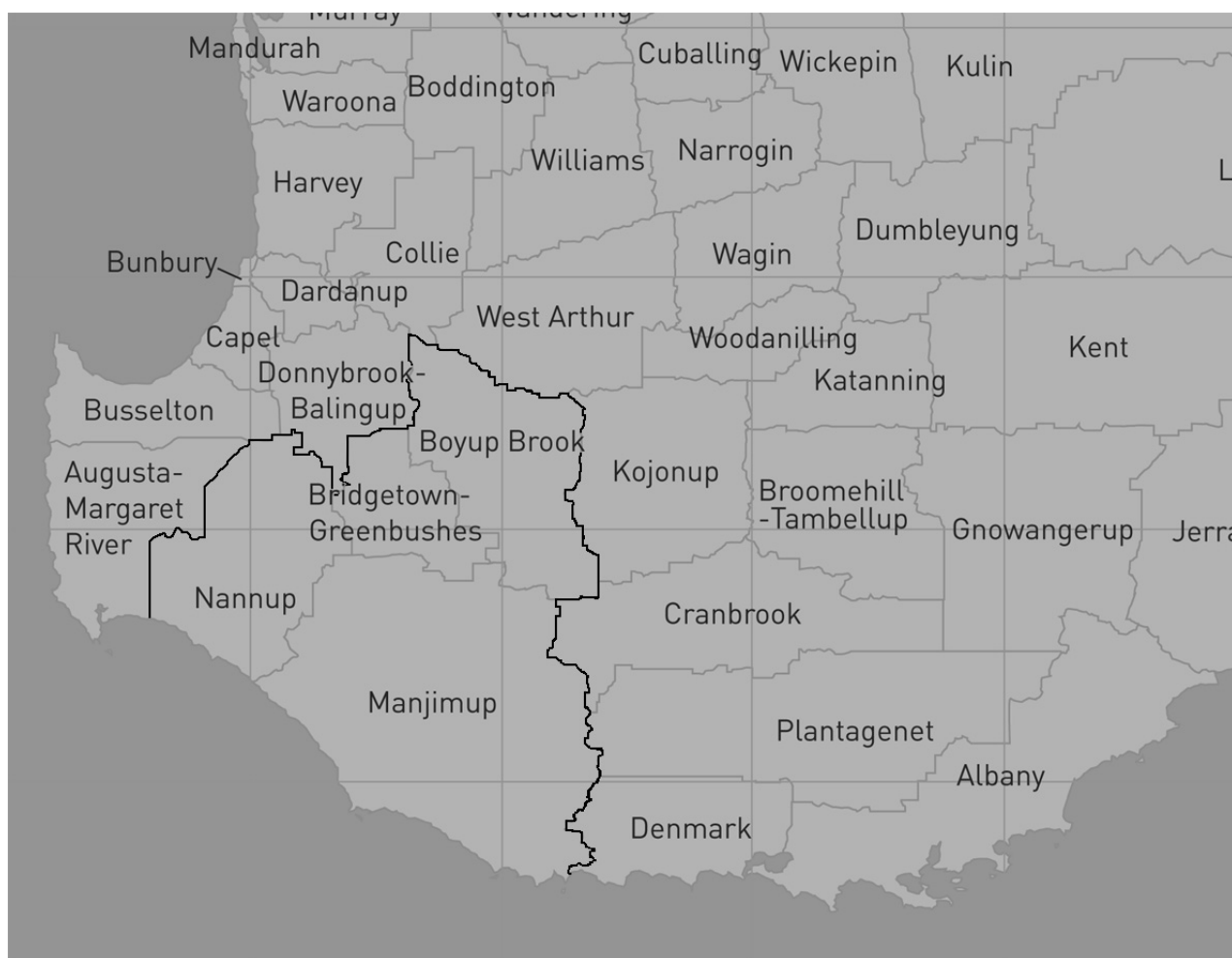
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MAP OF THE WARREN BLACKWOOD DISTRICT AND SURROUNDS

The following map depicts the four Shires of the Warren Blackwood Strategic Alliance and the surrounding Shires.



Courtesy of WALGA

EXECUTIVE SUMMARY

The assessment considered a wide range of financial, community and local representation issues in looking at whether an amalgamation of the Shires of Boyup Brook, Bridgetown Greenbushes, Manjimup and Nannup would create a local government that will have the capacity to improve the provision of services to the community and introduce new services and facilities that individually the Shires cannot.

Based purely on financial capacity there are no significant obstacles that would prevent an amalgamation. The assessment identifies that annual savings can be made on the merger of administrative staff but the initial cost of staff redundancies and other transitional costs would require a contribution from the State Government of between \$750,000 to \$1m to ensure the initial costs of amalgamation do not overly stretch available cash reserves.

The initial year the cost of redundancies for four CEOs and five senior officers could be as high as \$840,000. This amount will be reduced if these officers are appointed to Director or Manager positions in the created Shire. After the initial year, savings in the order of \$950,000 can be expected from the reduction in the number of elected members, three less CEOs and reduced senior staff positions. Although some redundancies may be needed reduction in staff numbers should be achievable through natural attrition. Unfortunately much of these savings may be eroded by a reduction in the General Purpose Grant after five years when funding is assessed as a single Shire and not four separate Shires.

An amalgamated Shire will have a greater political voice and greater influence with the State and Federal Governments and be able to attract grants that smaller Shires cannot.

The assessment found that there are different levels of rating by the four Shires and in an amalgamation rates with the imposition of an average rate in the dollar rates in Boyup Brook would decrease and there would be significant increases in the rural rates in Bridgetown-Greenbushes and Nannup. Reserve funds have been accumulated by the four Shires for specific purposes in their district. Although the created Shire would have control over the expenditure of Reserve funds there would be an expectation that those funds be restricted to the purpose for which they have been raised. Different levels of loan liability exist and although Manjimup has the highest debt liability the loan repayments would be well within the capacity of the created Shire.

Different employment salary and conditions are in place within the four Shires but although a problem to address they are not an impediment to amalgamation.

The assessment did identify an adverse effect on the towns of Boyup Brook and Nannup if the majority of the Shire staff and operations were to be removed from the towns. An effect on business and volunteerism would be felt in the communities and although no leading to the demise of the towns will have an impact that would need to be recognised by the created Shire.

At a joint meeting of elected members and staff from the four Shires it was evident that there is a reluctance for the Shires to amalgamate into a larger body and especially with Manjimup. Manjimup however is open to amalgamations and boundary adjustments but will not consider the annexation of Walpole.

This Report is presented with a number of other options for amalgamation among the four Shires and these will be presented to community forums for consideration and direction to the Councils. The following alternate options are presented:

Amalgamate the Shires of Boyup Brook, Bridgetown-Greenbushes and Nannup. The amalgamation of the three Shires would create two Shires in the Warren Blackwood Region of a similar size and revenue. Savings from the reduction in elected member numbers would result in savings of approx \$86,000 per annum. Only small savings would be achievable through reduced senior staff and redundancies for the CEOs would cost \$360,000 if one of the current CEOs is not appointed as CEO for the created Shire. Savings should be achieved through a reduction in overall staff numbers but will only eventuate when the administration and outside workforces are brought together in one location.

Amalgamation of the Shires of Bridgetown-Greenbushes and Boyup Brook. An amalgamation of the two Shires would generate savings of \$76,000 through the reduction of elected members. Savings through the elimination of one CEO position would be absorbed in increased salaries for the CEO, Directors and Managers of the created Shire.

Savings should be achieved through a reduction in overall staff numbers but will only eventuate when the administration and outside workforces are brought together in one location.

Amalgamation of the Shires of Manjimup and Nannup. An amalgamation of these two Shires will provide savings of \$24,000 per annum through the reduction in number of elected members. Savings through the elimination of one CEO position would be absorbed in increased salaries for the CEO, Directors and Managers of the created Shire. Savings should be achieved through a reduction in overall staff numbers but will only eventuate when the administration and outside workforces are brought together in one location.

Amalgamation of the Shires of Bridgetown-Greenbushes and Nannup. On economic statistics the amalgamation of these two Shires is an option worthy of strong consideration. Savings would not be significant with a decrease in the cost of supporting the elected members of \$50,000 being the only immediate saving. Additional savings would be made when the administration and operational workforce locations were centralised with the most logical centre being Bridgetown.

Rating by average rates in the dollar would not see a significant impact with the total UV rates in Nannup increasing by 17%.

The establishment of a formal Regional Local Government and the retention of the four Shires. The establishment of a regional local government will provide a vehicle for the centralising of a number of financial and administrative tasks on behalf of the four Shires. Savings should be made in the reduction of senior staff similar to those if an amalgamation of the four were to occur. Annual costs associated with a Regional Local Government are \$470,000. If the Regional Local Government cannot operate from the existing Shire Offices additional costs will be incurred in purchasing or leasing office and meeting space.

Retain the status quo. The assessment identified significant savings can be made by the amalgamation of the four Shires with a reduction in those savings for other amalgamations. Unfortunately those savings may be eroded after five years when the general purpose grants allocated to the created Shire decreases. Projections show the population of the Shires either remaining stable or declining over the next twenty years, however, the Shires are showing signs of positive growth with new subdivisions and new industries. It is therefore a creditable option that the Shires retain the status quo and look toward resource sharing through the Warren Blackwood Strategic alliance.

Community consultation was undertaken with the communities of the four Shires through conducting forums in seven of the towns with Shire's districts. The forums were advertised by the Shires through local media outlets and advertising on notice boards etc.

The forums followed the format of giving the attendees a summary of the process that had been undertaken since the Minister for Local Government's announcement in February 2009 and a summary of the findings of the assessment undertaken on behalf of the Warren Blackwood Strategic Alliance and the options for amalgamation that were outlined in the assessment report. Attendees were given a handout on the advantages and disadvantages of amalgamation for their particular Shire with a brief explanation of the options identified in the draft Report.

The following is a summary of the outcome of the forums. More detail on the discussions during the forums is contained in Chapter 18 of this Report.

Bridgetown – Monday 7 September 2009.

- *There was significant support for the Shire to remain as an individual local government.*
- *About half of the Bridgetown residents were in favour of an amalgamation of the Shires of Boyup Brook and Bridgetown-Greenbushes.*
- *Just over half of the residents were in favour of Council making a submission for the amalgamation of the Shires of Boyup Brook, Bridgetown-Greenbushes and Nannup (with the transfer of the coastal area to either Manjimup or Augusta Margaret River) and the inclusion of Balingup.*
- *Only one resident was in favour of an amalgamation with Manjimup.*

Nannup – Tuesday 8 September 2009.

- *The community very strongly voted to retain the status quo.*
- *The community, as a back up position, voted strongly to amalgamate with the Shires of Bridgetown-Greenbushes and Boyup Brook, with the inclusion of Balingup to form a Blackwood River Valley Shire.*

Boyup Brook – Wednesday 9 September 2009.

- *That the Shire remain as an individual Shire – All except two attendees in favour.*
- *That the Shire amalgamate with the other Shires in the Blackwood Strategic Alliance – No one in favour.*
- *That the Shire amalgamate with the Shire of Donnybrook-Balingup – Very little support.*
- *That the Shire amalgamate with the Shires of Bridgetown-Greenbushes and Nannup with the inclusion of Balingup – Very little support.*
- *That the Shire participate in a formal Regional Local Government with the Shires in Blackwood Strategic Alliance. – approx 50% support.*

Manjimup – Monday 14 September 2009.

- *No vote was taken on the community view as it was considered that an opposition to amalgamation had been expressed plainly during the Forum.*

Pemberton – Tuesday 15 September 2009.

- *Although the status quo was preferred there was some acceptance of the Shire of Manjimup amalgamating with the Shire of Nannup.*
- *It was generally agreed that with amalgamation Pemberton would continue to receive the same level of services it currently receives and that Walpole must remain in the Shire of Manjimup.*

Northcliffe – Wednesday 16 September 2009.

- *General feeling of the meeting that Manjimup not amalgamate but seek to preserve representation for Northcliffe and Walpole.*

Walpole – Thursday 17 September 2009.

- *Overwhelming vote in favour of Walpole remaining part of the Shire of Manjimup.*
- *Two attendees favoured Walpole leaving the Shire of Manjimup.*
- *Overwhelming vote in favour of the Shire of Manjimup retaining 11 councillors.*
- *A significant majority voted in favour of an amalgamation of the Shire of Manjimup and the Shire of Nannup with an increase in the number of councillors to 13 to retain a high level of representation.*
- *A significant majority voted in favour of a boundary change to include Nordanup and Peaceful Bay in the Shire of Manjimup.*

1. BACKGROUND

In February 2009, the Minister for Local Government announced strategies for local government to investigate structural reform of the sector in Western Australia. Subsequently, each local government within the Warren Blackwood region has undertaken preliminary work focussing on developing options for reform within their administrative and governance structures.

On the 22nd of May 2009 at a regional meeting of all Warren Blackwood Shire Council representatives, it was resolved to prepare a joint submission for funding assistance under the auspices of the Warren Blackwood Strategic Alliance (WBSA). The Alliance has been authorised to act on behalf of all municipal members of the Alliance. Accordingly, a Consultancy Brief - Scope of Works was prepared in conjunction with an application for funds to assist the four local governments to further examine their reform options.

On the 13 July 2009 the consultant met with the Chief Executive Officers of the four Shires in Bridgetown to discuss the preparation of the Report. Generally the CEOs felt that the Shires preferred position was for the status quo, however, they wished to undertake a thorough analysis. The CEO of Shire of Manjimup stated that the Shire is open to amalgamations and other reform.

A meeting was held in Manjimup on 21 August 2009 with the consultant, elected representatives and staff of the four Shires to brainstorm a preliminary draft report and challenge the data and check for consistency in the findings.

Section 3.1 of the *Local Government Act 1995* determines that *“the general function of a local government is to provide for the good government of persons in its district”*. Section 1.3(3) of the Act states *“In carrying out its functions a local government is to use its best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancement and economic prosperity”*.

Elected members when considering any matter need to satisfy themselves that when *“participating in the local government’s decision-making processes”* they are participating in a manner that allows the local government to carry out its functions as set out in the Act.

To provide the elected members of the Shires with sufficient information to allow them to make an informed decision and satisfy themselves of the benefits or otherwise of any local government reform this report is structured to address three components that need to be addressed when making a decision on local government reform options.

The first component is the financial, administrative and operational considerations. The report identifies areas of potential savings through combining the operations of the amalgamating Shires. The report also considers additional costs that may be incurred to implement reform.

The second component relates to the governance of the local governments and how a single elected governing body will provide representation to the communities of the amalgamated local governments and how those communities can have a voice in the new larger local government. The report identifies potential savings through the reduction in the number of elected members.

The third component looks at the economic and social impact that any reform may have on the commercial viability of the businesses in the towns within the amalgamated local governments. The social impact that the loss of identity may have on the communities of the amalgamated local governments and how the amalgamation may impact on the cultures and traditions relating to sporting, volunteerism social and pride within those communities.

When considering amalgamation or other reform options an aspect that needs to be considered by the elected members of all Shires is whether by staying as an individual Shire the community will be disadvantaged by the Shire not having access to regional grant funding offered by the State and Federal governments. Grant funding for larger projects would require a project that will advantage a regional district and not just one Shire.

Elected members need to consider whether without amalgamation, or being part of a regional organisation, the Shires will find that their capacity to provide the level of services and facilities for their communities that are available to other neighbouring communities is limited.

Elected members when making their decision need to answer the following questions:

- Are there any community benefits to be accrued by an amalgamation?
- Will a well managed amalgamation result in a better community outcome?
- Will an amalgamation give the newly created Shire greater capacity to provide new and improved services and facilities?

2. BRIEF HISTORIES

In 1871 the Road Districts of Western Australia were first constituted. The area now known as the Warren Blackwood sub-region was part of the Wellington Road District, an area that included the coastal areas of Capel, Bunbury and Harvey across to the Wickepin and Kulin and south to Tambellup and Gnowangerup. In 1890 the Lower Blackwood area was re-designed Nannup and in 1896 the designation of the Upper Blackwood was declared. (Schorer, 1968)

In 1923 the Roads Boards first received federal government funding under the Federal Aid Road Program. (Frost, 1979) The Roads Boards were subjected to many name and Boundary changes as the populations grew. Roads Boards continued until 1961 when the Local Government Act of 1960 created a name change to Shires. A brief history and commentary of each of the Shires follows.

Boyup Brook

The townsite of Boyup Brook was declared on, 9th February 1900. The region was developed as an agricultural area providing crops and stocks resources. The local government of the area, now geographically identified as the Shire of Boyup Brook, was administered through the Upper Blackwood Roads Board, which prior to 1896 included Bridgetown and Warren. In 1961 the Shire of Upper Blackwood was declared.

The Shire has a spread of vineyards, timber plantations, general farming, sheep, cattle, olives and various cottage industries whilst maintaining a fledgling tourist industry and various tourist attractions.

The Shire conducts a number of significant local events including the Country Music Awards, a growing Music Festival, the Mayanup Camp Draft, a Power Dingy Race and a Rodeo all of which draw large crowds and many visitors. The town is blessed with an abundance of sporting facilities which would serve a growing community extremely well.

Bridgetown-Greenbushes

The townsite of Bridgetown was declared 1868. Once part of the Upper Blackwood Roads Board and then Nelsons Roads Board, it was not until 1970 that the Shire of Bridgetown-Greenbushes was formed. Prior to that date the Shire of Bridgetown and the Shire of Greenbushes were separate local government entities.

The Shire of Bridgetown-Greenbushes is a jewel in the crown of the South-West. The Shire is located literally in the centre of the South-West, close to forests and National Parks, wineries, heritage walks and trails, and some of the State's most stunning heritage buildings. Bridgetown was recognised by the National Trust as a "Heritage Town" in 2000.

The population of the Shire is approximately 4,000 with 2,221 of those living within the Bridgetown town site boundary. The Shire's three major industries are timber, mining and tourism followed by various agricultural and horticultural related industries. The town site of Bridgetown was declared in 1868.

The Shire has a strong art and cultural focus with a community that embraces and delivers a range of quality events each year including the Blues at Bridgetown, Blackwood River Chamber Festival, Festival of Country Gardens and also boasts the longest running Repertory Theatre in Australia. Additional events hosted in the Shire include the Blackwood Marathon, WA State Kayak Championships and Blackwood Classic Power Boat Race. Bridgetown also hosts the annual Blackwood Valley WA Boutique Wine Show.

The Shire has an abundance of sporting, education, retail, medical and recreational facilities which will serve a growing community extremely well.

Manjimup

In 1869 Warren was attached to the Wellington residency. This continued until 1876 when it became part of the Blackwood Roads Board with its administration centre in Bridgetown. In 1896 the Upper Blackwood Roads Board was formed leaving the Bridgetown and Warren Roads Board to be joined to form the Nelsons Roads Board. In 1908 the Warren Roads Board was formed with three wards Perup, Central and Warren. (Giles, 1959)

According to Giles (1959), Manjimup town was gazetted on 13th February 1903. The Warren Roads Board was formed in 1908, was redesignated the Manjimup Roads Board in 1925 and became the Manjimup Shire Council in 1961. In 1936 the Manjimup Roads Board included 5 wards and in 1952 expanded to 6 wards.

Sawmills opened in the surrounding area from 1911 onwards allowing the timber milling industry to develop. According to Giles (1959), a Department of Agriculture Officer, Mr N.

Halse, observed in 1959, the most important industry likely to be developed in the Manjimup area over the next 15 years was a paper pulp factory.

The Shire of Manjimup's inhabitants enjoy the benefits of a diverse economy and a rural lifestyle second to none. The town of Manjimup acts as a regional service centre for the area. With the surrounding towns of Pemberton, Northcliffe, Walpole and smaller communities of Jardee, Palgarup, Quinninup Windy Harbour, Nyamup and Deanmill it offers a wide range of sporting, community and business facilities. Residents enjoy the benefits of an extensive road network, excellent recreation and educational facilities, diverse shopping, hospitals, an airport and a range of government departments.

Nannup

The Town was first settled in the 1850's as an agricultural and timber industry area. The area known as the Shire of Nannup was included in various Roads Boards until 1890 when the Nannup Roads Board was formed. The Shire of Nannup commenced administration in 1960.

The Shire encompasses the localities of Nannup, Donnelly River, Bidellia, Carlotta, Cundinup, Scott River, Lake Jasper, Darradup, Barrabup, Nannup Brook and East Nannup.

Nannup is geographically in the centre of the South West and caters for most sporting and outdoor adventure enthusiasts offering basketball, netball, multi purpose skate park, walk trails, golf course, football club, tennis, canoeing, cricket, horse riding, 4WD tracks, beach and trout fishing. National Parks and State Forest are a prominent feature in the Shire being a significant tourist attraction for the region.

Nannup hosts several significant local events including the Nannup Music Festival, Flower and Garden Festival, Blackwood Power Boat Marathon and Forest Car Rally. Nannup boasts a variety of successful industries including beef cattle, horticulture, tourism, arts and crafts, floriculture, aquaculture, viticulture and timber processing. Nannup has a long history with the predominant industries for many years being timber and agriculture, recent diversification has seen this diluted somewhat with cottage type industries and tourism increasing.

3. WARREN BLACKWOOD REGION

The Warren-Blackwood Region, comprising the Shires of Manjimup, Bridgetown-Greenbushes, Boyup Brook and Nannup is an area of wide physical contrast, great natural beauty and high economic productivity. With a total area of approximately 1,412,000ha and an estimated population at 30 June 2008 of 17,253, it contains 58.9 per cent of the total South-West land area and has 13 per cent of the population.

Extending from the south coast and the Scott Coastal Plain, over the southern end of the Darling Scarp and into the plateau of the western agricultural areas, the region is dissected by the two major river basins, which give the region its name.

The Blackwood River passes through the Shires of Boyup Brook, Bridgetown-Greenbushes and Nannup, whereas the Warren River basin is contained almost totally within the Shire of Manjimup. The Department of Environment and Conservation estate accounts for 64.6 per cent of the regional area, but this is greater in the Manjimup Shire (79.5 per cent) and Nannup Shire (78.8 per cent). The remaining land has been generally cleared for agricultural uses, with only a very small proportion being urban or rural-residential land.

The Warren-Blackwood Region has traditionally been an area of high productivity and great economic importance. On the limited freehold land available, the gross value of agricultural production for the region in 2005/06 was \$178.5m. With high-capability soils, relatively good supplies of high-quality water and considerable export opportunities, there is significant potential for intensification and diversification of production.

The region is also subject to considerable uncertainty now as the timber industry is being affected by the rationalisation and cutback of native forest timber harvesting and the Forest Management Plan 2004-2013 and is undergoing a process of readjustment. Government agricultural services have been rationalised in recent years and agricultural producers are affected by fluctuating commodity prices and rural economic change. In addition, the region is affected by a wide range of land degradation factors, which potentially threaten future productivity, viability and ecological sustainability.

Although the population is relatively small and current growth rates relatively low, the region is becoming increasingly attractive as a lifestyle alternative to city living and the rapidly developing coastal areas to the north and west. Tourism, which has always been a significant industry in the area, is also growing. With the wide variety of natural attractions and the ambience of the region, its appeal in this regard will almost certainly continue to grow.

It is clear that the Warren-Blackwood Region is of State economic significance, as well as being of great environmental and social/cultural value. It is imperative that careful planning to protect the natural resources be undertaken in line with the aspirations of the local community.

The Western Australian Planning Commission published the Warren Blackwood Rural Strategy in August 2004 and the Warren Blackwood Region, Industrial Sites Study, in July 2007.

4. THE WARREN BLACKWOOD STRATEGIC ALLIANCE.

The Warren Blackwood Strategic Alliance is an association of the Shires of Boyup Brook, Bridgetown-Greenbushes, Manjimup and Nannup and is supported by the South West Development Commission.

It was formed in April 2001 as The Warren Blackwood Economic Alliance, and changed to its current name on 1 May 2007. Its purpose is to highlight and progress issues that have regional impact and to be a voice for the Warren Blackwood.

The Board of the Alliance has representatives from the four Shires and their communities and the South West Development Commission and employs a part time executive officer. The Board meets every two months, rotating its meetings around the four Shires.

MISSION

Strength, Influence and Recognition for the benefit of our communities

VISION

The Warren Blackwood Strategic Alliance will lead the way in partnership development, relationship building and progressing projects by establishing a respected reputation with community, government and industry to enhance the wellbeing of their communities.

The Alliance will be approached by government and industry for information and input into significant issues.

The Warren Blackwood Strategic Alliance is the preferred regional local government organisation for the four Shires.

5. DISTRICTS AND LOCATIONS

The four Shires are in the South West Country Zone of the Western Australian Local Government Association.

They are in the same WA Police Service and Education Department Zones.

The Shires are in the South West Development Commission Region.

6. GENERAL COMPARATIVE ASSESSMENT

As can be seen from the following Table the Shires are different in size and revenue with the Shire of Manjimup having the larger area and population. Purely based on this raw data, their common borders and their current co-operation through the Warren Blackwood Alliance any proposal that they amalgamate would, based on this raw data, be worth considering.

Comparative Statistics

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup
Distance from Perth	270	269	306	288
Area (sq kms)	2,838	1,691	7,028	2,953
Sealed Roads (kms)	212.62	214.64	521.51	197.73
Unsealed Roads (kms)	841.81	591.03	930.65	393.82
Population	1,594	4,339	9,995	1,325
Number of Electors	1,160	2,942	6,458	904
Number of Elected Members	9	11	11	8
Number of Electors per Elected Member	129	267	587	113
Number of Dwellings	749	2,000	4,546	747
Total rates	\$1,693,063	\$2,835,448	\$ 6,756,990	\$ 853,629
Total GP Grant (08/09)	\$ 267,047	\$ 777,490	\$ 1,670,010	\$ 564,285
Total Road Grant (08/09)	\$ 541,639	\$ 546,256	\$ 1,411,904	\$ 361,418
Total Op Revenue	\$4,036,424	\$8,657,804	\$14,379,220	\$2,541,064
Employees	31	75	103	28

There are however many other matters that need to be taken into account by the decision makers when they are considering the proposal. Factors such as the relative financial positions, cost of implementing the amalgamation, long term financial benefits, representation on the amalgamated Shire and impacts on the communities such as social advancement and economic prosperity would also influence a decision to amalgamate.

7. FINANCIAL ASSESSMENT AND COMPARISONS

7.1 Financial Ratios

The following Tables provide a five year history of the financial ratios that every local government is required by legislation to disclose. The Tables are provided by the Department of Local Government and are followed by the Department's assessment for each ratio. The Tables are coloured on the traffic light principle. "Green" means go, every thing is alright, "Amber" means caution, and "Red" means stop, something is wrong.

Financial ratios should be used to identify adverse trends in the financial performance over a number of years. An adverse ratio for a single year should be able to be explained by a particular financial event for that year. Adverse trends need to be identified and action taken to rectify the trend.

The four Shires, although generally above the benchmark for the Rates Coverage Ratio, have a low percentage of rates raised against operating revenue. The Bridgetown-Greenbushes Table shows that despite having relatively large rate increases in 2007 and 2008 its percentage of rate against operating revenue dropped below the benchmark of 33% for a Shire of its size.

Manjimup has the highest percentage in the Gross Debt to Revenue Ratio of 51% in 2008 with Boyup Brook the next highest at 28%. Bridgetown-Greenbushes and Nannup are very low at 5% and 3% respectively.

The Financial Ratio Tables reflect a good level of financial performance by the four Shires with nothing that would have an adverse impact on amalgamation.

Shire of Boyup Brook

Financial Ratios	2004	2005	2006	2007	2008
Current Ratio (benchmark >100%)	158%	100%	114%	91%	150%
Debt Ratio (benchmark <100%)	4%	4%	3%	2%	3%
Debt Service Ratio (benchmark<10%)	3%	2%	2%	2%	2%
Rates Coverage Ratio (benchmark>27%)	36%	31%	32%	34%	36%
Outstanding Rates Ratio (benchmark<5%)	7%	6%	4%	2%	3%
Untied Cash to Trade Creditors Ratio (benchmark>100%)	51%	53%	85%	105%	282%
Gross Debt to Revenue Ratio (benchmark<60%)	13%	9%	15%	15%	28%
Gross Debt to Economically Realisable Assets Ratio (benchmark<30%)	7%	6%	9%	9%	14%
* Note: New ratios prescribed 2005 onwards					
Percentage Rate Increases in Total \$ Value to the Previous Year	2.96%	5.96%	2.94%	3.12%	14.81%

Courtesy Department of Local Government

Current Ratio

This ratio measures the liquidity position of a local government. The preferred ratio is greater than 100%. Except for 2007, the Shire disclosed a good current position for four of the past five years.

Debt Ratio

This ratio measures total liabilities to total assets. The lower the percentage the stronger is the financial position. The Shire demonstrated a strong debt ratio.

Debt Service Ratio

This ratio measures a local government's ability to service debt. The ratio is under the benchmark demonstrating an ability to service debt.

Rates Coverage Ratio

This ratio is a measure of rates to total operating revenue and is an indicator of a local government's dependence on rate revenue to fund its operations. The Shire has a high dependency on rates to fund its operations and is above the benchmark for a local government of this size

Outstanding Rates Ratio

This ratio measures the effectiveness of the rate collection of a local government. The Shire has improved its rates collection to under the benchmark level.

Untied Cash to Trade Creditors Ratio

This ratio provides an indication of whether a local government has sufficient untied or uncommitted cash to pay its trade creditors. This ratio has improved to be well above the benchmark in 2008.

Gross Debt to Revenue Ratio

This ratio measures a local government's ability to service debt in any year out of total revenue (ie. operating revenue less capital grants and contributions). The Shire is under the benchmark demonstrating an ability to service debt out of total revenue

Gross Debt to Economically Realisable Assets Ratio

This ratio provides a measure of whether a local government has sufficient realisable assets to cover its total borrowings. The Shire is under the benchmark disclosing it has sufficient economically realisable assets to cover its total borrowings.

Shire of Bridgetown-Greenbushes

Financial Ratios	2004	2005	2006	2007	2008
Current Ratio (benchmark >100%)	191%	421%	388%	118%	254%
Debt Ratio (benchmark <100%)	1%	2%	2%	2%	1%
Debt Service Ratio (benchmark<10%)	3%	2%	3%	2%	2%
Rates Coverage Ratio (benchmark>27%)	37%	38%	39%	26%	29%
Outstanding Rates Ratio (benchmark<5%)	9%	8%	5%	4%	7%
Untied Cash to Trade Creditors Ratio (benchmark>100%)	341%	268%	293%	171%	309%
Gross Debt to Revenue Ratio (benchmark<60%)	13%	16%	14%	10%	5%
Gross Debt to Economically Realisable Assets Ratio (benchmark<30%)	7%	9%	7%	5%	2%
* Note: New ratios prescribed 2005 onwards					
Percentage Rate Increases in Total \$ Value to the Previous Year	4.93%	2.18%	8.68%	8.91%	6.75%

Courtesy Department of Local Government

Current Ratio

This ratio measures the liquidity position of a local government. The Shire has disclosed a strong position for the past 5 years

Debt Ratio

This ratio measures total liabilities to total assets. The Shire has maintained a strong debt ratio.

Debt Service Ratio

This ratio measures a local government's ability to service debt. The ratio is under the benchmark demonstrating an ability to service debt.

Rates Coverage Ratio

This ratio is a measure of rates to total operating revenue and is an indicator of a local government's dependence on rate revenue to fund its operations. The Shire has a high dependency on rates to fund its operations but is currently above the benchmark for a local government of this size

Outstanding Rates Ratio

This ratio measures the effectiveness of the rate collection of a local government. The Shire needs to improve its rates collection record to the benchmark level.

Untied Cash to Trade Creditors Ratio

This ratio provides an indication of whether a local government has sufficient untied or uncommitted cash to pay its trade creditors. This ratio is well above the benchmark and demonstrates the Shire's ability to pay its trade creditors out of uncommitted cash.

Gross Debt to Revenue Ratio

This ratio measures a local government's ability to service debt in any year out of total revenue (ie. operating revenue less capital grants and contributions). The Shire is under the benchmark demonstrating an ability to service debt out of total revenue

Gross Debt to Economically Realisable Assets Ratio

This ratio provides a measure of whether a local government has sufficient realisable assets to cover its total borrowings. The Shire is under the benchmark showing it has sufficient economically realisable assets to cover its total borrowings.

Shire of Manjimup

Financial Ratios	2004	2005	2006	2007	2008
Current Ratio (benchmark >100%)	130%	138%	*152%	*134%	*140%
Debt Ratio (benchmark <100%)	3%	3%	4%	3%	4%
Debt Service Ratio (benchmark<10%)	6%	6%	7%	8%	8%
Rates Coverage Ratio (benchmark>27%)	31%	32%	32%	29%	36%
Outstanding Rates Ratio (benchmark<5%)	4%	5%	5%	5%	5%
Untied Cash to Trade Creditors Ratio (benchmark>100%)	2664%	820%	341%	390%	443%
Gross Debt to Revenue Ratio (benchmark<60%)	42%	49%	64%	53%	51%
Gross Debt to Economically Realisable Assets Ratio (benchmark<30%)	19%	24%	22%	22%	21%
* Note: New ratios prescribed 2005 onwards					
Percentage Rate Increases in Total \$ Value to the Previous Year	15.9%	5.76%	9.23%	12.27%	8.64%

Courtesy Department of Local Government

*The Shire of Manjimup has advised that the ratio percentages disclosed in the Annual Financial Statements for the past three years were calculated incorrectly. The correct percentages as supplied by Manjimup have been included in the Table to ensure the actual financial position is assessed.

Current Ratio

This ratio measures the liquidity position of a local government. A ratio greater than 100% is preferred. The Shire has disclosed a good current ratio for each of the past five years.

Debt Ratio

This ratio measures total liabilities to total assets. The lower the ratio the stronger is the financial position of a local government. The Shire disclosed a strong debt ratio.

Debt Service Ratio

This ratio measures a local government's ability to service debt. The ratio is under the benchmark demonstrating an ability of the Shire to service debt.

Rates Coverage Ratio

This ratio is a measure of rates to total operating revenue and is an indicator of a local government's dependence on rate revenue to fund its operations. The Shire has a high dependency on rates to fund its operations and in 2008 is slightly above the average for a local government of this size

Outstanding Rates Ratio

This ratio measures the effectiveness of the rate collection of a local government. The Shire ratio has declined from 6% to 5%, and is within the satisfactory benchmark level.

Untied Cash to Trade Creditors Ratio

This ratio provides an indication of whether a local government has sufficient untied or uncommitted cash to pay its trade creditors. For the past four years, the Shire's ratio was well above the minimum benchmark, indicating it has sufficient cash to pay its trade creditors obligations.

Gross Debt to Revenue Ratio

This ratio measures a local government's ability to service debt in any year out of total revenue (ie. operating revenue less capital grants and contributions). The Shire is under the benchmark demonstrating an ability to service debt out of total revenue

Gross Debt to Economically Realisable Assets Ratio

This ratio provides a measure of whether a local government has sufficient realisable assets to cover its total borrowings. The Shire is under the benchmark, demonstrating it has sufficient economically realisable assets to cover its total borrowings.

Rate Increases

Rates over the past five years have increased by an average of 9.5%. The CPI for the 12 months to June 2007 was 4.5% whereas rates increased by 12.27%. This was well above CPI.

Shire of Nannup

Financial Ratios	2004	2005	2006	2007	2008
Current Ratio (benchmark >100%)	163%	157%	191%	108%	70%
Debt Ratio (benchmark <100%)	3%	3%	5%	8%	7%
Debt Service Ratio (benchmark<10%)	5%	4%	3%	2%	1%
Rates Coverage Ratio (benchmark>27%)	25%	26%	26%	21%	32%
Outstanding Rates Ratio (benchmark<5%)	3%	2%	2%	3%	3%
Untied Cash to Trade Creditors Ratio (benchmark>100%)	8112%	1540%	2009%	627%	137%
Gross Debt to Revenue Ratio (benchmark<60%)	13%	10%	8%	5%	3%
Gross Debt to Economically Realisable Assets Ratio (benchmark<30%)	5%	4%	3%	1%	1%
* Note: New ratios prescribed 2005 onwards					
Percentage Rate Increases in Total \$ Value to the Previous Year	2.74%	4.09%	3.75%	6.29%	4.38%

Courtesy Department of Local Government

Current Ratio

This ratio measures the liquidity position of a local government. Except for 2008 the Shire disclosed a good position for the past five years

Debt Ratio

This ratio measures total liabilities to total assets. The Shire demonstrates a good debt ratio.

Debt Service Ratio

This ratio measures a local government's ability to service debt. The ratio is under the benchmark demonstrating an ability to service debt.

Rates Coverage Ratio

This ratio is a measure of rates to total operating revenue and is an indicator of a local government's dependence on rate revenue to fund its operations. The Shire has a moderate dependency on rates to fund its operations and is close to the benchmark for a local government of this size

Outstanding Rates Ratio

This ratio measures the effectiveness of the rate collection of a local government. The Shire has a good rates collection record to less than 5%.

Untied Cash to Trade Creditors Ratio

This ratio provides an indication of whether a local government has sufficient untied or uncommitted cash to pay its trade creditors. For the past five years it is well above the benchmark and able to pay its trade creditors out of its uncommitted cash.

Gross Debt to Revenue Ratio

This ratio measures a local government's ability to service debt in any year out of total revenue (ie. operating revenue less capital grants and contributions). The Shire is under the benchmark demonstrating an ability to service debt out of total revenue

Gross Debt to Economically Realisable Assets Ratio

This ratio provides a measure of whether a local government has sufficient realisable assets to cover its total borrowings. The Shire is under the benchmark and demonstrates that there are sufficient economically realisable assets to cover its total borrowings.

7.2 Balance Sheets for the years 2005, 2006, 2007 and 2008

The following Tables set out the Balance Sheets of the four Shires for the years ending 30 June 2005, 2006, 2007 and 2008. An analysis of the Tables show any adverse trends in the financial position of the Shires which can be coupled together with other financial information in this Report. Trends, such as a decline in Equity, can mean that a Shire is using up all its assets to remain operational.

As with some other financial data Manjimup report things differently to the other Shires which makes comparison between the four a bit more difficult. The individual Balance Sheets do give a snapshot of the individual Shires positions.

Boyup Brook

	2008	2007	2006	2005
Current Assets	\$	\$	\$	\$
Cash and Cash Equivalents	2,362,782	1,386,265	1,037,647	911,490
Trade and Other Receivables	232,206	219,987	316,665	240,455
Inventories	31,115	21,129	20,796	29,018
Total Current assets	2,626,103	1,626,381	1,375,108	1,180,963
Non-Current Assets				
Other Receivables				3,385
Property, Plant & Equipment	5,714,508	5,850,645	5,776,614	5,387,299
Infrastructure	47,921,166	48,282,997	48,026,149	47,614,437
Total Non-Current assets	53,635,674	54,133,642	53,802,763	53,005,121
Total Assets	56,261,777	55,760,023	55,177,871	54,186,084
Current Liabilities				
Trade and Other Payables	399,895	449,430	312,690	241,932
Short Term Borrowings		37,858		
Long Term Borrowings	50,394	36,797	38,334	63,152
Provisions	242,127	190,871	124,626	129,362
Total Current Liabilities	692,416	714,956	475,650	434,446
Non-Current Liabilities				
Long Term Borrowings	1,113,340	564,197	600,994	322,264
Provisions	21,108	56,491	130,365	106,739
Total Non-Current Liabilities	1,134,448	620,688	731,359	429,003
Total Liabilities	1,826,864	1,335,644	1,207,009	863,449
Net Assets	54,534,913	54,424,379	53,970,862	53,322,635
Equity				
Retained Surplus	51,762,103	51,886,321	51,518,972	50,944,453
Reserves - Cash Backed	1,082,429	947,677	861,509	787,801
Reserves - Asset Revaluation	1,590,381	1,590,381	1,590,381	1,590,381
Total Equity	54,434,913	54,424,379	53,970,862	53,322,635

Boyup Brook has upward trends for total assets, reserve funds and equity showing a growth in the overall wealth of the Shire. There is however an upward trend in long term borrowings.

Bridgetown-Greenbushes

	2008	2007	2006	2005
Current Assets	\$	\$	\$	\$
Cash and Cash Equivalents	5,405,575	6,050,266	2,853,396	2,263,123
Trade and Other Receivables	574,705	428,037	423,634	416,872
Inventories	23,826	22,575	658,721	664,836
Total Current assets	6,004,106	6,500,878	3,935,751	3,344,831
Non-Current Assets				
Other Receivables	44,195	45,858	43,770	47,613
Property, Plant & Equipment	7,963,202	7,791,323	7,577,323	7,256,483
Infrastructure	99,668,065	98,069,017	97,729,468	98,099,408
Total Non-Current assets	107,675,462	105,906,198	105,350,561	105,403,504
Total Assets	113,679,568	112,407,076	109,286,312	108,748,335
Current Liabilities				
Trade and Other Payables	351,543	803,916	449,726	444,345
Long Term Borrowings	35,272	564,312	74,290	70,307
Provisions	370,936	269,667	163,172	104,654
Total Current Liabilities	757,751	1,637,895	687,188	619,306
Non-Current Liabilities				
Long Term Borrowings	231,028	203,300	767,612	841,902
Provisions	132,146	186,944	185,203	171,487
Total Non-Current Liabilities	363,174	390,244	952,815	1,013,389
Total Liabilities	1,120,925	2,028,139	1,640,003	1,632,695
Net Assets	112,558,643	110,378,937	107,646,309	107,115,640
Equity				
Retained Surplus	50,694,311	48,239,120	48,579,553	48,854,056
Reserves - Cash Backed	4,515,946	4,791,431	1,718,370	913,198
Reserves - Asset Revaluation	57,348,386	57,348,386	57,348,386	57,348,386
Total Equity	112,558,643	110,378,937	107,646,309	107,115,640

Bridgetown-Greenbushes has upward trends for total assets, reserve funds and equity showing a growth in the overall wealth of the Shire. There is also a downward trend in long term borrowings which adds to financial stability.

Manjimup

	2008	2007	2006	2005
Current Assets	\$	\$	\$	\$
Cash and Cash Equivalents	2,856,818	2,618,575	3,346,074	3,460,717
Trade and Other Receivables	938,528	1,069,517	922,096	997,492
Inventories	97,954	63,879	54,901	43,329
Other Assets	104,335	57,230	33,533	47,555
Tax Assets	6,164	60,512	27,322	21,786
Total Current assets	4,003,799	3,869,713	4,383,926	4,570,879
Non-Current Assets				
Other Receivables	170,600	177,383	153,733	152,247
Property, Plant & Equipment	22,990,516	23,803,900	24,681,127	19,134,439
Infrastructure	209,094,074	227,071,022	202,109,754	205,564,665
Total Non-Current assets	232,255,190	251,052,305	226,944,614	224,851,351
Total Assets	236,258,989	254,922,018	231,328,540	229,422,230
Current Liabilities				
Trade and Other Payables	1,817,193	1,460,018	2,625,673	1,335,072
Short Term Borrowings	485,336	481,836	470,896	373,537
Provisions	749,509	750,924	748,141	612,485
Total Current Liabilities	3,052,038	2,692,778	3,844,710	2,321,094
Non-Current Liabilities				
Long Term Borrowings	5,295,002	5,560,700	6,005,442	4,222,142
Provisions	221,623	228,532	245,334	204,233
Total Non-Current Liabilities	5,516,625	5,789,232	6,250,776	4,426,375
Total Liabilities	8,568,663	8,482,010	10,095,486	6,747,469
Net Assets	227,690,327	246,440,009	221,233,053	222,674,761
Equity				
Retained Surplus	-9,134,596	-5,258,453	-4,643,448	-3,357,404
Reserves - Cash Backed	1,865,343	1,808,785	1,293,282	1,377,321
Reserves - Asset Revaluation	234,959,579	249,889,677	224,583,219	224,654,844
Total Equity	227,690,327	246,440,009	221,233,053	222,674,761

The trends for Manjimup show a slight decrease in Equity from 2005 to 2006, a large increase in 2007 and a decrease for 2008. Cash backed reserves show a similar trend for the first three years but with a slight increase from 2007 to 2008. Long term borrowings show a decline since 2006.

Property, Plant and Equipment and Infrastructure non-current assets show a decline in value from 2007 to 2008.

Nannup

	2008	2007	2006	2005
Current Assets	\$	\$	\$	\$
Cash and Cash Equivalents	7,168,872	6,754,065	1,545,200	1,078,943
Trade and Other Receivables	170,173	608,026	132,213	106,892
Inventories				
Total Current assets	7,339,045	7,362,091	1,677,413	1,185,835
Non-Current Assets				
Other Receivables	1,562	785		1,838
Property, Plant & Equipment	4,010,486	3,773,411	3,417,060	3,441,110
Infrastructure	81,535,727	79,991,093	30,919,441	31,425,479
Total Non-Current assets	85,547,775	83,765,289	34,336,501	34,868,427
Total Assets	92,886,820	91,127,380	36,013,914	36,054,262
Current Liabilities				
Trade and Other Payables	6,602,661	6,945,539	1,312,676	690,140
Long Term Borrowings	25,007	32,681	43,119	44,866
Provisions	156,615	126,852	143,240	120,907
Total Current Liabilities	6,784,283	7,105,072	1,499,035	855,913
Non-Current Liabilities				
Long Term Borrowings	41,279	66,288	98,967	142,086
Provisions	52,722	67,685	48,642	56,558
Total Non-Current Liabilities	94,001	133,973	147,609	198,644
Total Liabilities	6,878,284	7,239,045	1,646,644	1,054,557
Net Assets	86,008,536	83,888,335	34,367,270	34,999,705
Equity				
Retained Surplus	248,130	-1,181,865	-1,543,827	-890,956
Reserves - Cash Backed	923,173	232,967	176,205	155,769
Reserves - Asset Revaluation	84,837,233	84,837,233	35,734,892	35,734,892
Total Equity	86,008,536	83,888,335	34,367,270	34,999,705

The trends for Nannup show an increase in value for total assets, reserve funds and equity showing a growth in the overall wealth of the Shire. There is also a downward trend in long term borrowings which adds to financial stability.

Property, Plant and Equipment and Infrastructure non-current assets show an increase in value each year.

7.3 Operating Statements by Program

The following Table sets out the operating statements of the four shires to allow comparisons by program revenue and expenditure. True comparisons are difficult as Shires can have different interpretations on where the same revenue and expenditure should be allocated.

Operating Statements by Program

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup
Op Revenues				
Governance	440	4,130	822,243	
General Purpose	2,640,220	4,227,041	7,403,973	2,252,971
Law, Order & PS	46,900	177,130	1,031,086	97,390
Health	453,499	7,250	32,802	3,500
Education & Welfare	6,400	3,500	495,716	
Housing	22,192	6,160	76,338	30,840
Community Amenities	99,300	637,034	1,330,129	77,300
Recreation & Culture	32,450	196,548	910,290	4,100
Transport	644,352	101,390	5,252,721	1,200
Economic Services	73,850	130,120	77,000	48,763
Other Prop & Services	16,821	114,845	21,150	25,000
	4,036,424	5,605,148	17,453,448	2,541,064
Op Expenditure				
Governance	454,475	849,573	1,703,322	242,717
General Purpose	46,501	95,586	23,000	121,378
Law, Order & PS	118,371	406,463	710,182	202,848
Health	522,837	206,185	288,294	59,077
Education & Welfare	60,015	198,593	589,852	90,865
Housing	109,062	25,389		52,167
Community Amenities	251,520	1,120,336	1,688,327	397,323
Recreation & Culture	514,482	1,462,761	3,104,075	395,071
Transport	2,608,808	2,470,994	8,466,790	1,819,397
Economic Services	275,778	398,624	1,070,650	257,163
Other Prop & Services	14,983	157,919	-14,566	127,908
	4,976,832	7,392,423	17,629,926	3,765,914
Borrowing Costs				
Governance	1,972		27,597	286
General Purpose		500		
Law, Order & PS			3,113	
Health	8,266			
Housing	46,333			2,427
Community Amenities	2,049	4,550	15,799	
Recreation & Culture	11,151		198,877	
Transport			48,701	1,591
Economic Services	5,413	11,201	71,101	
	75,184	16,251	365,188	4,304
Cont'b Devlp Assets				
Law, Order & PS		753,166		
Recreation & Culture		105,000		1,733,203
Transport	145,548	1,524,332		6,086,103
Economic Services				33,200
Other Prop & Service		9,000		
	145,548	2,391,498		7,852,506

Profit/(Loss) sale assets				
Governance		-2,392		-3,643
Law, Order & PS		3,992		
Health		238,752		
Community Amenities		-4,786		
Transport	-12,600	56,870		10,994
Economic Services		-2,445		
Other Prop & Services		49,000		
	-12,600	338,991		7,351
Net Result	-882,644	926,963	-541,666	6,886,519

7.4 Cash Flow Statements by Nature and Type

The following Table compares the Cash Flow Statements of the four Shires. The statements show the levels of revenue and expenditure for the various nature and types and determines and increase or decrease in the cash held by the Shire at the end of the financial year.

The statements are taken from the 2008/09 annual budgets of the Shires. An explanation of any increase or decrease in the cash held is included in the notes to the financial statements. To compare the financial performance of the Shires an analysis of the reasons for any increase or decrease has been undertaken. A decrease that is made up of a decrease in specific purpose reserve funds is not a cause to worry. If the decrease in reserve funds were to be greater than the decrease in cash it would appear that reserve funds are being used to fund operating expenses.

Boyup Brook budgeted to have a decrease in cash held at 30 June 2009 of \$1,466,550. This was made up of a decrease in cash backed reserve funds of \$868,049 and a decrease in unrestricted cash of \$598,501. The main decreases in reserve funds were the Police Housing Loan Unspent of \$572,392, the CEO Housing Reserve of \$300,625 and Road to Recovery funds of \$109,615.

Bridgetown-Greenbushes budgeted to have a decrease in cash held of \$1,125,347. Made up of a decrease in cash backed reserve funds of \$253,404 and decrease in unrestricted cash of \$877,257. The main decrease in reserve funds were Roads to Recovery Grants of \$228,862 and the Swimming Pool Reserve of \$41,982.

Manjimup has budgeted for a decrease in cash held of \$1,121,222. Made up of a decrease in cash in bank of \$808,349 and a decrease in cash backed reserve funds of \$312,873. The decrease in cash in bank would occur by utilising the cash surplus from the previous year. The decrease in reserve funds was through expenditure from the Plant and Equipment and Waste Management Reserve.

Nannup budgeted for a decrease in cash held of \$4,752,435. Made up of a decrease in restricted cash (specific road funds) of \$4,704,000, a decrease in Reserve funds of \$486,700 and offset by an increase in cash in bank of \$469,368. The decrease in reserve funds came from the specific reserve for the Kindergarten and Co-location Building Reserve.

These figures show that the Shires all budgeted for a decrease in cash held based on the expenditure of funds that had been set aside for a particular purpose and the decrease was not an erosion of their operating financial position.

Comparison of Cash Flow by Nature and Type

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup
Cash Flows from Operating Activities	\$	\$	\$	\$
Receipts				
Rates	1,693,063	2,835,448	5,658,477	853,629
Grants & Subsidies - operating	1,411,121	1,561,761	3,669,802	1,047,174
Contributions, Reimbursements & Donations	66,133	67,095	0	17,000
Fees & Charges	737,519	660,018	2,127,568	178,761
Interest Earnings	122,386	299,750	240,352	424,500
Goods and Services tax	0	295,000	0	0
Other	1,000	163,750	927,542	20,000
	4,031,222	5,882,822	12,663,468	2,541,064
Payments				
Employee Costs	2,486,638	3,016,601	6,383,465	1,013,229
Materials & Contracts	1,401,317	1,604,298	2,791,999	772,332
Utilities (gas, electricity, water, etc)	82,350	150,478	378,443	44,100
Insurance	128,323	172,657	349,825	126,016
Interest	75,184	16,251	365,188	4,304
Goods and Services Tax	0	295,000	0	0
Other	0	86,485	480,473	10,300
	4,173,812	5,341,770	10,749,393	1,970,281
Net Cash Provided by Operating Activities	142,590	541,052	1,914,075	570,783
Cash Flows from Investing Activities				
Purchase of Land	0	0	803,000	0
Payments for Purchase of Property, Plant and Equipment	1,513,500	2,084,340	2,698,505	360,000
Payments for Construction of Infrastructure	165,615	3,218,490	4,484,696	8,539,413
Grants/Contributions for the Development of Assets	145,548	2,385,760	4,183,560	3,127,306
Proceeds from Sale of Plant & Equipment	60,000	600,000	432,542	146,000
Net Cash Used in Investing Activities	1,473,567	2,317,070	3,370,099	5,626,107
Cash Flows from Financing Activities				
Repayment of Debentures	50,393	35,279	485,336	25,007
Proceeds from Self Supporting Loans	0	0	17,138	0
Proceeds from New Debentures	200,000	685,950	803,000	327,896
Net Cash Provided By (Used In) Financing Activities	149,607	650,671	334,802	302,889
Net Increase (Decrease) in Cash Held	1,466,550	1,125,347	1,121,222	4,752,435
Cash at Beginning of Year	2,333,322	5,405,575	2,837,767	6,999,485
Cash and Cash Equivalents at the end of the Year	866,772	4,280,228	1,716,545	2,247,050
% decrease in cash held	62.85%	20.82%	39.51%	67.90%

7.5 Nature and Type Revenue and Expenditure Percentages

The following Table compares the nature and type revenue and expenditure of the Shires by percentages. Non cash items such as depreciation and profit and loss on sale of assets have been excluded from the Table.

Although the Shires receive grants for capital works the receipt of a large grant or a large capital expenditure using grant funds received in advance can distort the percentages and therefore have been discounted.

The Table shows that as a percentage of operating revenue Boyup Brook has budgeted to receive 42.1% in rates, Bridgetown-Greenbushes 50.9%. Manjimup 44.2% and Nannup 33.6%.

The percentage of employee costs against operating expenditure for the Shires increases significantly with the removal of depreciation but accurately reflects the true percentages relative to cash expenditure. The percentages of employee costs for the Shires without depreciation and with depreciation are:

Boyup Brook	without	61.8%	with	48.1%
Bridgetown-Greenbushes		59.6%		40.6%
Manjimup		59.5%		35.1%
Nannup		50.6%		35.8%

Nature and Type Revenue and Expenditure Percentages

	Boyup Brook		Bridgetown-Greenbushes		Manjimup		Nannup	
Revenue	\$	%	\$	%	\$	%	\$	%
Rates	1,698,265	42.1	2,852,774	50.9	5,658,477	44.2	853,629	33.6
Grants and Subsidies	1,411,121	35.0	1,561,761	27.9	3,899,587	30.4	1,047,174	41.2
Contributions & Reimbursements	66,133	1.6	67,095	1.2			17,000	0.7
Service Charges								
Profit on sale of assets								
Fees and Charges	737,519	18.3	660,018	11.8	2,127,568	16.6	178,761	7.0
Interest Earnings	122,386	3.0	299,750	5.3	240,352	1.9	424,500	16.7
Other Revenue	1,000	0.0	163,750	2.9	882,399	6.9	20,000	0.8
Sub-total	4,036,424		5,605,148		12,808,383		2,541,064	
Expenditure								
Employee Costs	2,436,638	61.8	3,016,601	59.6	6,321,364	59.5	1,013,229	50.6
Materials & Contracts	1,217,528	30.9	1,606,794	31.8	2,791,999	26.3	804,832	40.2
Utilities	82,350	2.1	150,478	3.0	372,850	3.5	44,100	2.2
Depreciation								
Interest Expenses	75,184	1.9	16,251	0.3	365,188	3.4	4,304	0.2
Insurance	128,323	3.3	172,657	3.4	349,825	3.3	126,016	6.3
Loss on sale of Assets								
Other Expenditure			97,249	1.9	428,155	4.0	10,300	0.5
	3,940,023		5,060,030		10,629,381		2,002,781	

7.6 Comparison of Actual Rates against Assessed Capacity

The Financial Assistance Grants allocated by the WA Local Government Grants Commission (the Commission) are calculated by assessing a local government's revenue raising capacity against its expenditure need. The difference between these two components (assessed revenue and assessed expenditure) is referred to as the equalisation requirement.

As part of calculating the overall revenue raising capacity of a local government, the Commission calculates the assessed rating capacity of a local government. This is averaged over a three year period.

The rating capacity of a local government is assessed under four categories; residential/commercial, mining, agricultural and pastoral.

The balanced budget methodology is used by the Grants Commission for the sole purpose of calculating the Financial Assistance Grants. Care should be taken when interpreting these calculations as they are not meant to reflect an accurate comparison of rating regimes between local governments.

Bearing in mind the averaging of the Commission data, the Table shows that Boyup Brook is levying its residential, commercial and industrial rates 41% above, and its rural rates 11% below, the assessed capacity. Bridgetown-Greenbushes levies its residential, commercial and industrial 36% above the assessed capacity and its rural rates 29% below the assessed capacity. Manjimup levies its residential, commercial and industrial rates 25% and its rural rates 7%, above the assessed capacity. Nannup levies its residential, commercial and industrial 25% above and its rural rates 56% below the assessed capacity.

It can be taken from the Table that Manjimup is making the best overall effort in rating to the assessed revenue capacity as calculated by the Grants Commission.

The rating policies of a local government are a choice that each local government is entitled to make. Local governments need to rate to provide the services that meet the expectations of the community.

Comparison of actual rates against assessed rating capacity.

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup
Actual GRV Rates levied 08/09	298,181	1,788,616	3,282,729	445,771
<i>Grant Commission assessed GRV Rate income 08/09</i>	175,992	1,133,800	2,441,721	334,209
Actual UV Rates levied 08/09	1,385,043	719,378	2,379,539	407,858
<i>Grant Commission assessed UV Rate income 08/09</i>	1,536,601	931,709	2,207,574	639,344
Actual Mining Rates levied 08/09	5,040	67,886		
<i>Grant Commission assessed Mining Rate income 08/09</i>	18,043	74,911	3,984	26,839

7.7 Comparison of Rates in the Dollar

The following Table compares the rates in the dollar imposed by the Shires against the Gross Rental Values (GRV) and Unimproved Values (UV). The rates in the dollar are influenced by changes in values by the Valuer General. The GRVs are only reviewed every four to five years and can swing quite dramatically, whereas UVs are reviewed annually.

New GRVs came into force in Boyup Brook and Bridgetown-Greenbushes on 1 August 2006 and in Manjimup and Nannup on 1 August 2005 so there should not be that much variation between Shires.

The Table shows that the rate in the dollar imposed by Boyup Brook on GRV properties is higher than the other three Shires. To achieve an average rate in the dollar Boyup Brook would have to reduce its rate in the dollar by 25.7% and Bridgetown-Greenbushes, Manjimup and Nannup raise theirs by 25.03%, 12.47% and 3.66% respectively.

With rates in the dollar imposed on UVs, Nannup has the largest discrepancies to the average and would have to increase its rate in the dollar by 57.54%. Bridgetown-Greenbushes would have to increase its rate in the dollar by 16.17%. Boyup Brook and Manjimup would have to decrease their rate in the dollar by 24.33% and 15.42% respectively.

There would be an adjustment to the minimum rates applied with Bridgetown-Greenbushes and Manjimup having to reduce their GRV and UV minimum rates while Boyup Brook and Nannup would have to increase theirs.

Rates in the Dollar

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup	Average
General Rate					
GRV General	0.138600	0.082333	0.091520	0.099300	0.102938
GRV Mining		0.123492			0.123492
UV General	0.004414	0.002875	0.003949	0.002120	0.003340
UV Urban Farm		0.002443			0.002443
UV Mining	0.004414				0.004414
CALM Leases			0.003949		0.003949
Minimum Rate					
GRV General	\$560.00	\$616.00	\$590.00	\$507.00	\$568.25
UV General	\$560.00	\$616.00	\$590.00	\$521.00	\$571.75
CALM Leases			\$50.00		\$50.00
CALM Leases			\$100.00		\$100.00

The four Shires collectively raise \$10,777,542 in rates, using the average rates calculated above and the existing valuations the amalgamated Shire would raise \$10,785,278.

7.8 Loan Repayment Schedules 2009/10 – 2018/19

The following Table sets out the total of the annual interest and principal loan repayments for the Shires for the period from 2009/10 to 2018/19. The 2009/10 repayment have also been calculated as a percentage of the rate revenue for each of the Shires and combined. The figures do not allow for any new borrowings.

It can be seen from the Table that Manjimup has the greatest annual amount of repayments as a percentage of rate revenue. Nannup is a sound position as it has no significant debt liability. As a combined Shire loan repayments as a percentage of rates would be 9.8%.

The annual repayments for a combined Shire, if no new loans are taken out, decreases each year.

Loan Repayments per Shires and Combined

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup	Combined
	\$	\$	\$	\$	\$
2009/10	125,572	103,748	837,865	29,020	1,096,205
% of rate revenue	7.4%	3.6%	14.6%	3.4%	9.8%
2010/11	125,572	103,748	813,885	21,846	1,065,051
2011/12	125,572	103,748	728,247	14,251	971,818
2012/13	124,817	103,748	637,674		866,239
2013/14	109,908	88,367	628,739		827,014
2014/15	109,908	88,367	616,160		814,435
2015/16	109,908	52,707	590,828		753,443
2016/17	109,908	52,707	576,098		738,713
2017/18	110,977	52,707	525,456		689,140
2018/19	85,613	52,707	452,248		590,568
Total	1,137,755	802,554	6,407,200	65,117	8,412,626

7.9 Overdraft Facilities

The following Table sets out the overdraft facilities established by the four Shires and the use of that facility. The comments in the Table are taken from the notes to the Shires 2008/09 annual budgets.

The comments of the Shires show that there is no reliance on overdraft facilities during the early part of the financial year.

Overdraft Facilities

Shire	Comments
Boyup Brook	Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$50,000 with the Commonwealth Bank of Australia does exist. It is not anticipated that this facility will be required to be utilised during 2008/09
Bridgetown-Greenbushes	Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$200,000 with the Commonwealth Bank of Australia does exist. It is not anticipated that this facility will be required to be utilised during 2008/09
Manjimup	Overdraft facility is established temporarily and is to be reviewed each year. No amount of overdraft is brought forward from 2007/08, and no overdraft is anticipated to be carried forward at year-end.
Nannup	Council has not utilised an overdraft facility during the financial year. It is not anticipated that this facility will be required to be utilised during 2008/09, although \$500 has been allowed in the budget if the need arises

7.10 Level of Reserve Funds

The following Tables set out the amount of cash backed Reserve Funds budgeted to be held by each Shire at the end of the 2008/09 financial year. The restricted funds are restricted by legislation, a deed of agreement or have been given to the Shire for a specific purpose. The greatest share of the restricted funds are set aside to pay for staff leave entitlement that an employer is required by legislation or award to provide.

It can be seen from the Tables that Bridgetown-Greenbushes has the largest amount of cash backed reserves. Bridgetown-Greenbushes unrestricted reserve funds are 62.25% of its 2008/09 operating expenditure, Nannup is 21.37%, Boyup Brook 14.5% and Manjimup 4.38%.

Comparison to operating expenditure has no particular relevance but is a common reference when making comparisons between the levels of unrestricted reserve funds accumulated.

It is to be remembered that the purpose of reserve funds can be changed by a local government at the time of adopting the annual budget without public consultation.

Comparison of the level of cashed backed Reserve Funds

Shire	Amount of Unrestricted Funds	Amount of Restricted Funds	Total Funds
Boyup Brook	\$721,790	\$64,982	\$786,772
Bridgetown-Greenbushes	\$4,007,085	\$255,457	\$4,262,542
Manjimup	\$781,285	\$770,397	\$1,551,682
Nannup	\$804,849	\$53,124	\$857,973
TOTAL	\$6,315,009	\$1,143,960	\$7,458,969

The following Tables set out the cash backed Reserve Funds budgeted to be held by each of the Shires at the end of the 2008/09 financial year. The Tables provide details on the amount and the purpose of the reserve funds held.

Shire of Boyup Brook

Reserve and Purpose	Restriction	Amount budgeted at end 08/09
Plant & Vehicle - <i>purchase of major plant items</i>		\$188,067
Leave Reserve - <i>staff entitlements</i>	Yes	\$64,982
Depot - <i>upgrade of facilities</i>		\$18,864
Community Housing - <i>maintenance of Homeswest Housing Units in Forrest & Proctor Streets</i>		\$21,796
Emergency - <i>emergency situations during and outside working hours, eg trees on roads</i>		\$31,565
Insurance Claim - <i>when insurance claims are excessive</i>		\$13,525
Flax Mill Sheds - <i>maintenance and upgrade</i>		\$25,645
Recreation Facilities - <i>improvements</i>		\$23,138
Commercial - <i>economic development and promotion of district</i>		\$230,331
Bush Fire Radios - <i>changeover and future requirements</i>		\$12,187
Rylington Park - <i>development of facilities</i>		\$15,826
Infrastructure - <i>development of infrastructure</i>		\$18,007
Bridges - <i>requirements of bridge works</i>		\$25,605
Medical Services - <i>future medical requirements</i>		\$43,985
Swimming Pool - <i>major improvements/maintenance</i>		\$10,544
Boyup Brook Town Hall - <i>major improvements/maintenance</i>		\$10,544
Building Maintenance - <i>maintenance of Shire buildings</i>		\$12,199
Aged Accommodation - <i>requirements of aged accommodation</i>		\$19,962
TOTAL		\$786,772
Total Restricted		\$64,982

Shire of Bridgetown-Greenbushes

Reserve and Purpose	Restriction	Amount budgeted at end 08/09
Leave - <i>staff entitlements</i>	Yes	\$146,195
Plant - <i>purchase of major plant items</i>		\$147,567
Land & Building - <i>acquisition of land and buildings</i>		\$2,820,238
Bush Fire - <i>purchase fire fighting equipment and fire fighting plant</i>		\$27,193
Maranup Ford Rd Maintenance - <i>between the old and new entrances to the Sons of Gwalia Mine.</i>		\$112,619
Subdivision - <i>construction of sub-division feeder roads</i>		\$325,236
Sanitation - <i>provision of waste management services and facilities</i>		\$4,090
Hampton St Upgrade (Council) - <i>Upgrade project</i>		\$27,986
Recreation centre Floor - <i>timber floor replacement</i>		\$110,650
Bridgedale Project - <i>maintenance and/or development Bridgedale Historic Site and surrounds</i>		\$36,867
MGB - <i>maintenance of the project</i>		\$38,918
Refuse Site Post Closure - <i>rehabilitate refuse sites</i>		\$136,208
Community Bus Replacement		\$41,114
Memorial Park Development - <i>development Bridgetown Memorial Park</i>		\$37,006
Blackwood River Park Development		\$20
Drainage - <i>Drainage upgrade works</i>		\$76,571
SBS Tower replacement -		\$17,557
Playground Equipment - <i>replacement of equipment</i>		\$5,263
Roads to Recovery Supplementary Grant - <i>balance of payment</i>	Yes	\$59,898
Hampton St Upgrade Grant - <i>balance of unspent grant</i>	Yes	\$16,939
Premiers Physical Activity Task Force Grant - <i>balance of unspent grant</i>	Yes	\$21,881
Roads to Recovery 2007/08 Grant - <i>balance of unspent grant</i>	Yes	\$5,834
Swimming Pool - <i>studies on life expectancy and upgrades</i>		\$41,982
Unspent Minor <Grants \$15,000 - <i>balance of unspent grants</i>	Yes	\$4,710
TOTAL		\$4,262,542
Total Restricted		\$255,457

Shire of Manjimup

Reserve and Purpose	Restriction	Amount budgeted at end 08/09
Airfield Construction & Maintenance - <i>Used on recommendation Airfield Committee</i>		\$9,250
AquaCentre Building - <i>replacement of the Centre building in particular the inflated roof</i>		\$30,000
AquaCentre Plant Purchase - <i>replace plant and equipment</i>		\$30,000
Bridge - <i>construction and maintenance</i>		\$169,530
Community Bus - <i>maintenance</i>		\$14,180
Construction & Resource Research - <i>resourcing materials for construction</i>		\$365,365
Future Carpark Construction Manjimup - <i>from developer contributions</i>	Yes	\$31,600
HACC Annual & Long Service Leave - <i>staff leave provisions</i>	Yes	\$58,333
HACC Asset Replacement - <i>HACC assets</i>	Yes	\$14,500
Heritage Reserve - <i>Heritage Building Maintenance</i>		\$421
Land Resumption - <i>Land resumption for infrastructure purposes</i>		\$28,942
Northcliffe Town Hall - <i>Maintenance costs</i>		\$6,530
Plant & Equipment Replacement		\$91,602
Staff Annual & Long Service Leave - <i>staff entitlements</i>	Yes	\$665,964
Strategic Asset Development - <i>purchase of strategic land, buildings and capital works</i>		\$3,601
Telecommunications - <i>replace television and radio retransmission equipment</i>		\$16,500
Waste Management & Site Development - <i>development of new waste site</i>		\$9,882
Windy Harbour Infrastructure - <i>development of infrastructure within the settlement</i>		\$5,482
TOTAL		\$1,551,682
Total Restricted		\$770,397

Manjimup disclosed in its 2008/09 annual budget that its estimated long service leave accrual as at 30 June 2009 is \$309,107.

Shire of Nannup

Reserve and Purpose	Restriction	Amount budgeted at end 08/09
Long Service Leave - <i>staff entitlements</i>	Yes	\$53,124
Plant - <i>purchase of major plant items</i>		-\$29,965
Foreshore Park Ablution Block - <i>construction of ablution block</i>		\$11,247
Recreation Centre - <i>redevelopment of Centre</i>		\$152,051
Kindergarten Extension - <i>extension of Kindergarten</i>		\$234,093
Co-Location Building - <i>construction of building</i>		\$361,667
Office Equipment - <i>maintenance of office equipment and upgrade of computer system</i>		\$15,364
Balingup Rd Caravan Park - <i>redevelopment of the Park</i>		\$392
Main Street Upgrade - <i>upgrade of Warren Road</i>		\$60,000
TOTAL		\$857,973
Total Restricted		\$53,124

7.11 Recurring Grant Funding and Subsidy per Head of Population

The following Table sets out the recurring grant funding received by each Shire and the subsidy per head of population for each of the Shires. Some Shires receive more in recurring grant funding but that was not included as it relates to specific purposes such as Home and Community Care. Other grant funding received but not included is non-recurring and given for specific projects or services.

The WA Local Government Grant Commission will allow for the provision of the level of general purpose grants currently given to the individual Shires for a period of five years after the date of amalgamation. The created Shire will then be assessed as an individual local government and the general purpose grant reduced accordingly.

The amount of any decrease cannot be predicted with any certainty. The Grants Commission have advised that based on current figures and not taking into account the outcome of the review of the method of allocating grants in WA, the level of increase in grants from the Commonwealth and the number of amalgamations that may occur in local governments in the next six years the decrease in grant could be between \$500,000 and \$900,000. Road funding from the Grants Commission is calculated on the Asset Preservation Model and should not be effected.

The Shires with the smaller populations receive the greatest per head subsidy.

Recurring Grant Funding

Grants	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup	Combined
	\$	\$	\$	\$	\$
General Purpose Funding	267,047	777,490	1,670,010	564,285	3,278,832
Local Roads Funding	541,639	546,256	1,411,904	361,418	2,861,217
Regional Road Grant	145,000	285,333	550,000	150,000	1,130,333
TIRES Funding	200,000	45,000	35,000	170,000	450,000
Roads to Recovery	311,620	288,424	1,357,643	345,492	2,303,179
Blackspot Funding		74,000	246,484	180,000	500,484
MRWA Direct Grant	82,000	86,840	177,226	59,611	405,677
Bush Fire Operating Grant	32,000	83,785	103,660	80,000	299,445
SES Operating Grant		12,770	38,986	15,390	67,146
Swimming Pool Subsidy	3,000	3,000	3,000		9,000
Totals	1,582,306	2,202,898	5,593,913	1,926,196	11,305,313
Population	1,594	4,339	9,995	1,325	
Per head of population	\$993	\$508	\$560	\$1,454	

7.12 Findings of Financial Assessment and Comparisons

The financial position of the four Shires is relatively sound and their financial ratios are generally in the positive. Nannup needs to assess the reason for a bad Current Ratio in 2008. The balance sheets of the Shires are sound and mostly show steady trends in the right directions. There is no threat to the financial position of any of the four Shires.

The assessment found that Nannup received the least percentage of its operating revenue from rates and the greatest from grants. The percentages for rates and grants as a percentage of operating revenue are set out in Chapter 7.5.

With non cash items such as depreciation removed from the operating expenditure the percentages for expenditure on employee costs are within 60% except for Nannup which is at 50%. These percentages cannot be compared to other local governments, however, the Shires may wish to set their own financial policies on upper limits.

An amalgamated Shire would raise an amount of rates similar to that of the four Shires individually by using an average of the rates in the dollar imposed by the four Shires. There would need to be a considerable adjustment to the rates in the dollar imposed with the GRV rate in the dollar imposed in Boyup Brook having to be decreased and the rate in the dollar and the other three Shires having to be increased. With UV rates in the dollar those imposed in Manjimup and Boyup Brook would have to be decreased while those imposed in Bridgetown-Greenbushes and Nannup having to be increased by 16% and 57% respectively.

Manjimup has by far the largest debt liability with \$6.4m, Boyup Brook with \$1.13m, Bridgetown-Greenbushes \$802,000 and Nannup \$65,000. Manjimup is carrying the biggest percentage debt liability with its Debt Service Ratio at 8%, Boyup Brook and Bridgetown Greenbushes at 2% and Nannup at 1%.

Bridgetown-Greenbushes has the largest amount of cash backed reserves with its unrestricted reserve funds at 62.25% of its 2008/09 operating expenditure, Nannup at 21.37%, Boyup Brook at 14.5% and Manjimup at 4.38%.

Financial savings would have to be made in the created Shire within the first five years to allow for an highly qualified estimate decrease in General Purpose Grants of \$500,000 to \$1m.

Although not a comment on the financial viability or otherwise of Manjimup, of the four Shires it has the largest debt liability and the lowest percentage of unrestricted reserve funds.

8. HUMAN RESOURCES ASSESSMENT

8.1 Comparison of the differences in employment conditions across the four Shires

Interim Report on the commonality of employment conditions across the 4 Shires forming the Warren Blackwood Strategic Alliance.

Prepared by Anne Lake, Anne Lake Consultancy, HR Consultant.

Brief

To gather and compare all of the available staff benefits including wages and salaries that exist within the four Shires to gain a better understanding of the Industrial, contractual and custom and practice obligations that may provide obstacles in the harmonious integration of an alliance framework.

Methodology

All Shires submitted detail as request for analysis and comment

General Comment

Whilst enterprise agreements are a matter of public record and available for all to see, it was never the less courageous for the Shires to share their competitive employment benefits in such a detailed manner.

There are a number of legal impediments to moving past the Alliance stage and becoming an amalgamated Shire, an immediate problem would be the application of the Transmission of Business provisions made even more difficult by the uncertainty surround the legal status of a Shire in terms of it being a constitutional corporation and indeed this was raised by the Deputy Prime Ministers Office when dealing with a variation for one of your near neighbours recently who have completed the amalgamation process.

It is a matter of fact that all Councils with Enterprise Agreement increased benefits for staff. Manjimup is the only Shire in the Alliance to have its entire staff covered by an Enterprise Agreement. Bridgetown-Greenbushes has its inside and operations staff covered by separate Agreements expiring 30/6/11 and 30/6/10 respectively. Boyup Brook have their operations employees cover by an Agreement but not the inside staff and Nannup has no registered agreement.

As you can see from the details provided below there are elements of commonality underpinned by many differences and earning opportunities. However the figures in the Local Government Award only detail the basic starting point. Particularly at Nannup some officers assigned an Award classification level are on higher salaries to reflect marketplace realities for those skill sets.

The best overall payment and reward conditions and therefore the most expensive benefits for other Shires to match come from the Shire of Manjimup. Manjimup are one of the very few Shires if not the only Shire to negotiate what amounts to an annualisation of hours that are worked in the majority of the year and then drawn down during periods of inclement weather. So the higher agreement costs need to be viewed in context with productivity and less down time.

Negotiated Salaries

It would appear that whilst there is a repetition of senior positions there is, given the differences in size, very little difference in the remuneration components of each officer's package. The main differences come from the values attached to the package, for example there can be as much as \$8,000 difference in the value attached to the vehicle.

Comparison of Benefits for Alliance Shire's Outside Workforce.

Operations Teams	Manjimup <i>Have one pay scale for all employees. Majority of Ops employees paid in the range of 3-5</i> Major difference is operational employees work under annualised hours.	Bridgetown-Greenbushes	Nannup <i>Apprentice Level 1 & 2 etc New Op basic skill Level 4 Entry: Level 5 Experienced 7 Senior Experienced Level 7</i>	Boyup Brook
Hourly Rate	5% increase due 9 Sept 2009, 2010 and CPI 2011	Next increase due 1 July 2010 CPI + 3%	Probable demand for increase July 2010, details of amount unknown	CPI+2% Increase in April 2010
Level 1			14.28	14.30
Level 2	20.15		16.52	15.35
Level 3	21.98	20.28	18.58	15.90
Level 4	24.00	21.94	19.08	16.25
Level 4A			Nannup's level 5 is old 4A.	16.77
Level 5	26.05	23.05	19.73	17.04
Level 6	28.16	24.33	20.37	17.87
Level 7	30.23		20.72	
Level 8	32.44		21.13	
Level 9	35.06		22.06	
Level 10			23.21	

Anne Lake Consultancy

Comparison of Benefits for Alliance Shires Administrative and Supervisory Workforce.

Administrative Teams	Manjimup <i>Manjimup have one pay scale for all employees. Majority of Ops employees paid in the range of 3- 5</i>	Bridgetown-Greenbushes	Nannup	Boyup Brook
Hourly Rate	<i>5% increase due 9 Sept 2009, 2010 and CPI 2011</i>		<i>Step increases for Staff and Anniversary increases for Senior Staff</i>	<i>Probable next increase due 10/09 with EBA</i>
Level 1				
Level 2	20.15	18.51 - 20.18	16.39 -17.88	19.67 - 21.45
Level 3	21.98	20.74 - 24.00	18.37 - 19.33	22.05 - 23.20
Level 4	24.00	22.41 - 25.87	22.04 - 23.20	23.81 - 25.00
Level 5	26.05	24.16 - 27.85	19.85 - 20.83	25.68 - 26.91
Level 6	28.16	25.67 - 27.25	21.40 - 22.43	27.29 - 28.97
Level 7	30.23	27.77 – 29.17	22.74 - 24.14	29.52 - 31.01
Level 8	32.44	29.79 – 31.23	26.39 - 27.66	31.67 - 33.19
Level 9	35.06	32.18 – 33.94	28.51 -30- 07	34.21 - 36.09
Level 10				

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- Manjimup agreement attempts to move outside of the LGA by providing for Severance Pay to be retained at a point two years in the past.
- Journey to and from work Insurance Cover also provided
- All overtime outside of standard hours paid at 1.5. Emergency work and public holidays paid at double time
- Agreement has approximately 28 months of currency left.
- Boyup Brook provides for some banking of hours at 1.5 however it is limited in approach and not like the system used by Manjimup.

Common Employment Conditions

Benefit	Manjimup	Bridgetown-Greenbushes	Nannup	Boyup Brook
Redundancy	Capped at 52 weeks	Outside Workers Workplace Agreement states that any redundancy package for those affected employees will be 3 weeks for every completed year of service capped at 52 weeks, payment of 50% of accumulated sick leave and payment shall be based on the annualised rate of pay at the date of Council decision leading to redundancy. All other staff – the provisions of the Local Government Officers Award apply.	Up to 16 weeks in accordance with Award.	Min 4 weeks' notice, up to 16 weeks pay for 9 years and 1 additional week for each 10 years of service.
Clothing Allowance	All councils have Clothing Allowance Policies for LGO staff and replacement as needs for operations employees.			
Volunteer Leave	1 hour per week accumulated to 52 weeks	Nil	Nil	Nil
Retirement Salary sacrifice Leave	20% over 5 years for 5 years prior to retirement	No policy or procedure in place.	Nil	Nil
Two days in lieu	Take during Christmas break.	Outside Workforce has forfeited these 2 days in lieu of other benefits, specifically a wage increase. All other permanent workers receive the 2 days and take them at the Christmas break	Take during Christmas break	

Long Service Leave	9 week after 7 years may be taken further accumulation may be taken annually as leave. With payout dollars frozen at 14 weeks accumulation	As per the Local Government (Long Service Leave) Regulations.	As per the Local Government (Long Service Leave) Regulations.	As per the Local Government (Long Service Leave) Regulations.
Inclement Weather	1.5 hrs banked each week for inclement weather period.	No policy or procedure in place. During periods of inclement weather outside workers undertake suitable duties.	No policy or procedure in place. During periods of inclement weather outside workers undertake suitable duties.	No policy or procedure in place. During periods of inclement weather outside workers undertake suitable duties
Gratuity Policy	A staff member who has at least 5 years service with the Shire is entitled on termination or retirement to receive a gift to the value of \$25 for each completed year to a maximum value of \$250. A staff member who has 25 years' service is entitled to receive a watch (or similar award) to the value of \$200 in recognition of that service.	After three years \$100 up to \$500 for twenty years or more. Further Council may consider a maximum payment of \$5000 and will only be considered where a departing employee has served a continuous period of 20 years or greater.	Gratuity Policy that provides for up to one year dependent on length of service.	\$200 after 3 yrs plus \$30 for each additional completed year and Council may agree under certain circumstances to an amount not exceeding 3 months' salary or unused sick leave.

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8.2 Staffing Levels

A compilation of the staffing levels of the four Shires has been undertaken to make a comparison of the estimated staffing levels required in an amalgamated Shire.

An organisational structure based on another local government of a similar operating revenue was drawn up with four directorates, Corporate Services, Community Services, Development Services and Technical Services. An estimation was made of the number of senior position that would be needed and to determine any senior position currently in the

four Shires that would not be needed. Senior positions have been taken as Level 7 and above for the purposes of this Report.

It is clear that with the new Shire only one Chief Executive Officer would be employed. Because of the increased responsibility of the CEOs position of the new Shire it would be prudent to terminate the contracts of the four CEOs and advertise and appoint a CEO for the new Shire. Based on the new Shires annual revenue of \$30m the bands established by the Salaries and Allowance Tribunal recommend a salary of between \$184,000 and \$249,000.

The combined annual salaries for the four CEOs is approx \$480,000. The maximum payout under a contract is limited by regulations to 12 months, or the length of time the contract has to run if the contract has less than 12 months to run. If the four contracts have more than 12 months to run there would be a payout of \$480,000 with annual savings of approx \$280,000 thereafter when the salary of the CEO for the new Shire is deducted. If the four CEOs were to be paid out there would still be the cost of the new CEO for that first twelve months the total cost for that year \$680,000

Under the suggested organisational structure for the new Shire five senior management position would be made redundant allowing for savings of \$360,000 per annum. Dependent on what employees are appointed to the newly created positions will determine any immediate savings. If not under contract the employees are guaranteed employment for a period of two years from the date of amalgamation or if a payout can be agreed to by the employee there are no immediate savings to be made. If any of the five are contract employees a payout would be required as stipulated under the employee's contract. If payouts were required under contract equivalent to 12 months salary the whole \$360,000 would be a cost in the first year with annual savings after that. An amalgamation would become viable if the State Government was to provide funding to pay for redundancies as promised by the Premier.

Some of the employees could continue to be employed undertaking the many tasks that will be required during the amalgamation process thus reducing the costs of redundancies but also reducing the immediate savings.

Local governments are subject to the compliance provision of a large amount of legislation. If through amalgamation the number of local governments is reduced the burden of compliance is reduced. This reduction in compliance should allow for a reduction of an estimated two administrative staff. This should allow for savings of \$90,000.

These savings could not be considered as part of the amalgamation process as they may not eventuate for at least three years. Merging of the administrative functions may take longer as none of the four Shires has the capacity for increases in their current facilities and a new administrative centre would have to be built.

The staff of all current Recreation Centres, Swimming Pools/Centres, Libraries, Home and Community Care Services, Waste Management Sites, Parks and Gardens and those located in Pemberton, Northcliffe and Walpole have not be assessed for redundancies.

The Table below sets out the current senior positions that are likely to be effected by an amalgamation and sets out those senior positions that will be required in the amalgamated Shire.

This Table is only created for the purposes of this report and is not to be taken as applying should an amalgamation occur.

Senior Positions effected by Amalgamation

Senior Positions	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup	Combined	Amalgamated Shire
Chief Executive Officer	1c	1c	1c	1c	4	1
Deputy CEO		1c			1	
Director Statutory Services			1c		1	1
Manager Corporate Services				1	1	
Manager Financial Services	1				1	1
Manager Administration Services			1		1	1
Accountant		1c			1	
Senior Finance Officer		1			1	
Information Technology Co-ordinator			1		1	1
Human Resource Co-ordinator			1		1	1
Director Community Services & Facilities			1c		1	1
Executive Manager Community Services		1c			1	1
Manager Library & Information Services			1		1	1
Director Works			1c		1	1
Manager Works & Services	1	1c	1	1c	4	4
Supervisor Maintenance			1		1	1
Works Supervisor		1			1	
Senior Engineering Technical Officer		1c			1	1
Team Leader Projects			1		1	1
Manager Parks			1		1	1
Supervisor Mechanical Workshop			1		1	1
Manager Technical Services			1		1	1
Director Planning & Environment						1
Manager Development Services				1c	1	1
Manager Planning		1c	1		2	1
Manager Building Services			1		1	1
Manager Environmental Services			1		1	1
EHO/Building Surveyor		1c			1	1
Building Surveyor		1			1	1
Regional Environmental Off		1c			1	1
	3	12	17	4	36	28

"c" denotes contract employee

It needs to be recognised that merely by reducing the number of senior management positions does not necessarily reduce the total number of employees by that number. Senior managers while in the smaller environment of the current Shires also undertake a significant amount of the day to day work required of his or her area. By taking on a senior management role in a large organisation the management role increases and other staff are required to undertake the day to day work the manager no longer has time to do. If this work cannot be undertaken by staff from other Shires participating in the amalgamation or other staff cannot be retrained, additional staff may need to be employed. Potential savings are in senior management salaries, not necessarily a reduction in the number of employees.

8.3 Provisions to meet Annual and Long Service Leave Commitments

The following Table sets out the current and non-current provisions for annual and long service leave contained in the Shire Annual Financial Statements for the year ending 30 June 2008

The current shortfall faced by the Shires looks significant however it could be expected that some annual leave will be met by the annual budget. Any shortfall is more serious when annual leave is allowed to accumulate to the point where it has to be paid out or an employee is away for a significant amount of time requiring backfilling in the position and a doubling up of expense.

Manjimup is performing the best in covering its leave liability through cash backed reserves.

Provisions for Annual and Long Service Leave

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup
Provisions 2007/08				
Annual Leave - Current	\$125,036	\$241,075	\$338,100	\$136,762
Long Service Leave - Current	\$117,091	\$129,861	\$309,107	\$19,853
Total Current	\$242,127	\$370,936	\$647,207	\$156,615
Long Service leave - Non Current	\$21,108	\$132,146	\$221,623	\$52,722
Total	\$263,235	\$503,082	\$868,830	\$209,337
Cash Backed Reserve	\$64,982	\$171,960	\$631,654	\$53,124
Potential Current Shortfall	\$177,145	\$198,976	\$15,553	\$103,491

8.4 Findings of the Human Resources Assessment

The assessment has found that the Manjimup Enterprise Agreement covering all employees would create an obstacle to an amalgamation of the workforces into one. The Agreement has three years to run and would require those employees transferring from Manjimup to be on different pay and conditions until the Agreement expires.

Bringing employees onto equal pay and conditions after the expiry may require other employees pay and conditions to be increased adding costs to the amalgamation.

Senior staff positions would have to be made redundant to provide savings to make the amalgamation worthwhile and to allow for decreases in general purpose grant funding after five years.

Sufficient funding from the State Government to pay for redundancies would improve the benefits of an amalgamation as some of the employees who will be given redundancies may also be entitled to significant annual and long service leave payments.

9. COMPARISON OF FEES AND CHARGES IMPOSED BY THE SHIRES

9.1 Service Charges imposed under the Local Government Act 1995

None of the Shires imposed a Service Charge under the provisions of section 6.32 of the Local Government Act 1995.

9.2 Waste Collection Charges and Tipping Fees

The following Tables set out the waste collection charges and the tipping fees imposed by each of the Shires.

In addition to the fees and charges set out in the Table below Bridgetown-Greenbushes levies a Health Act Rate of \$93.00 per assessment. Proceeds of the Health Act rate are applied to the maintenance of the Shire's refuse sites and includes the transfer of \$15,000 to the Refuse Post Closure Reserve

Waste Removal and Tipping Fees

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup
Waste Removal				
1 x 240lt MGB collected once per week	\$150.00		\$283.50	\$115.00
Additional 240lt MGB service	\$165.00			
1 x 120lt MGB collected once per week		\$74.00*	\$164.00	
Additional 120lt MGB service		\$74.00*		
Recycling				
1 x 240lt MGB once per fortnight		\$75.00*		\$110.00
Tipping Fees				
Per cubic metre			\$17.50	
6x4 trailer	\$15.00	\$12.50		\$5.00
2-4 tonne truck	\$30.00	\$37.50		\$20.00
4-6 tonne truck	\$40.00	\$50.00		\$30.00
6-8 tonne truck	\$60.00	\$75.00		\$30.00
8+ tonne dual axle truck	\$100.00	\$125.00		\$40.00
Semi Trailer 20m ³ capacity	\$200.00	\$250.00		\$60.00
Bulk Bin (3m ³ or less)	\$30.00	\$37.50		\$20.00
Bulk Bin (3m ³ - 6m ³)	\$40.00	\$50.00		\$30.00
Bulk Bin (6m ³ - 10m ³)	\$60.00	\$75.00		\$40.00
Bulk Bin (exceeding 10m ³)	\$100.00	\$125.00		\$50.00

* The Shire of Bridgetown-Greenbushes levies a minimum charge per assessment of \$93.00 under the provisions of the Health Act. The proceeds are applied to the maintenance of the Shire's refuse sites.

9.3 Burial and Other Cemetery Fees

The following Table set out the burial and other cemetery fees imposed by the four Shires.

Not all fees and charges imposed by the Shires have been included. The fees compared are those which are assessed to be the most relevant to the greatest percentage of cemetery use.

Burial and Cemetery Fees

Cemetery Fees	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup
<i>Grant of Right of Burial</i>				
Grave (Traditional Sect)			\$620.00	\$572.00
Grave (Headstone lawn)			\$440.00	
Pre purchase right of burial	\$200.00	\$205.00	\$90.00	
Renewal Grant	\$50.00	\$52.00		\$114.00
<i>Interments</i>				
Adult	\$670.00	\$686.00	\$410.00	\$800.00
Child under 7			\$245.00	\$686.00
Stillborn Child	\$180.00	\$184.00	\$140.00	\$456.00
Lawn Section		\$870.00		
Cremated ashes (existing)	\$200.00	\$204.00		
Cremated Ashes (new site)	\$400.00	\$410.00	\$70.00	\$132.00
<i>Niche Walls</i>				
Single (inc Plaque)	\$320.00	\$348.00	\$255.00	\$275.00
Installation only			\$118.00	
Purchase single			\$130.00	
Double First (inc Plaque)	\$450.00	\$480.00	\$405.00	
Double Second (inc Plaque)	\$200.00	\$225.00	\$250.00	
Reservation of specific site	\$100.00	\$52.00	\$55.00	
<i>Ashes</i>				
In Rose Garden				\$355.00
In Rose Garden No plaque)				\$149.00
Transfer to new position	\$200.00	\$205.00		
Removal by family member	\$100.00	\$102.00		
<i>Additional</i>				
Re-opening of ordinary (admin)	\$60.00	\$52.00	\$75.00	
Interment Outside hours			\$105.00	\$64.00
Int -Sat, Sun, Public Hol's	\$250.00	\$256.00	\$160.00	\$400.00
Int - w/o due notice		\$102.00	\$170.00	\$64.00
Exhumation			\$410.00	
Single Monument Permit	\$60.00	\$52.00	\$70.00	\$19.00
<i>Licences</i>				
Undertakers Licence	\$100.00	\$82.00	\$82.00	\$49.00
Undertaker fee single	\$60.00	\$52.00	\$40.00	\$18.00
Monumental Mason fee		\$82.00		

9.4 General Fees and Charges

The following Table sets out some general fees and charges that are imposed by the Shires. Comparisons in some areas are not possible among all the four Shires as some do not have those fees and charges listed in their Schedule. Nannup does not have fees and charges relating to dog impoundments and does not budget to receive income from impoundments.

The differences in approach to fees and charges highlights the administrative difficulties of bring Shires together into one larger organisation.

General Fees and Charges

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup
Rate Inquiry Fee	\$55.00	\$31.00	\$23.00	\$32.00
General Enquiries (per hr)	\$44.00	\$47.00		\$70.00
Payment of Rates by Direct Debit		\$28.00		
Secretarial Services (per hr)	\$55.00	\$60.00		
Council Minutes (per meeting)	\$22.00	\$27.50		\$16.60
Electoral Rolls	\$55.00			
FOI application non-personal	\$30.00	\$30.00	\$30.00	
FOI process (per hr)	\$30.00	\$30.00		
Dog Pound Fees - registered	\$55.00	\$56.00	\$30.00	
Dog Pound Fees - unregistered	\$110.00	\$112.00		
Dog Pound Fee - after hrs			\$100.00	
Destruction/Disposal Dog	\$110.00	\$112.00	\$150.00	
Pound fee per day	\$25.00	\$15.00	\$8.00	
Dog Kennel Licence - 1st yr	\$200.00	\$200.00		
Dog Kennel Licence - Renew	\$100.00	\$100.00		
Apply for more than 2 dogs	\$50.00	\$52.00		

9.5 Recreation Centres, Halls, Ovals and Swimming Pools

The following Tables set out some common fees and charges imposed by the Shires. Comparison of the fees needs to take into account the type and standard of the facilities provided and the amount of supervision provided.

For instance the swimming pool fees set by Manjimup are higher because the pool is heated and can be used all year round. Other fees may be different because of the facilities that are included in the hire.

A general observation is that the fees imposed by Nannup are less than the other three Shires.

Recreation Halls and Community Centres

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup
Recreation Hall				
Sporting Events (Hour)		\$22.00	\$14.70	\$15.50
Sport Event Night (Hr)		\$45.00		
Sporting Events (Daily)				\$76.65
Sport Event with Centre				\$146.50
Other Functions				\$183.00
Other Function with Centre				\$257.00
Change Rooms (Day)				\$21.00
Community Centre				
Social Functions (Day)	\$75.00		\$100.00	\$85.00
Meet/Class (Hour)		\$18.00	\$15.75	\$16.50
Meet/Class Night (Hr)		\$45.00		
Kitchen (additional)			\$29.50	

Swimming Pools

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup
Swimming Pool				
Adult Entry	\$3.50	\$3.00	\$4.40	
Spectator	\$1.80	\$1.50	\$1.00	
Pensioner	\$1.80	\$1.70	\$2.80	
Child	\$1.50	\$1.70	\$2.80	
Daily School Group		\$250.00		
Family Season	\$250.00	\$220.00	\$772.00	
Adult Season	\$100.00	\$110.00	\$386.00	
Child Season	\$55.00	\$75.00	\$275.60	

Sporting Venues - Seasonal

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup
Ovals - Seasonal				
Senior Football Club	\$695.00	\$1,260.00	Under review	\$360.00
Junior Football Club	\$350.00	\$221.00		
Hockey Club	\$350.00	\$191.00		\$44.60 per day
Cricket Club	\$350.00	\$126.00		\$360.00
Junior Cricket Club		\$101.00		
Basketball Association	\$465.00			
Junior Netball	\$350.00			
Tennis Club	\$350.00			
Senior Soccer Club		\$630.00		
Junior Soccer Club		\$221.00		

9.6 Private Works Plant and Machinery Hire Charges

The following Table sets out the private works hire charges for plant and machinery. There is a significant difference in some hire rates and not all Shires have the same plant and machinery.

Private Works Charges

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup	Average
Private Works Charges					
<i>Plant & Machinery (inc labour, o/heads and parts)</i>	per hour	per hour	per hour	per hour	per hour
Motor Grader	\$130.00	\$100.00	works costed on request	\$131.00	\$120.33
Tandem Tip truck (13 tonne)	\$95.00	\$80.00		\$119.00	\$98.00
Tray Top Truck (3 tonne)	\$85.00	\$60.00		\$92.00	\$79.00
Utilities (single cab)	\$60.00	\$50.00			\$55.00
Utilities (dual cab)	\$75.00	\$50.00			\$62.50
Traxcavator Loader	\$100.00	\$100.00			\$100.00
Front end Loader	\$150.00	\$100.00		\$119.00	\$123.00
Tractors	\$120.00	\$50.00		\$92.00	\$87.33
Ride on mower	\$85.00	\$50.00			\$67.50
10 tonne vibrating roller	\$150.00	\$80.00			\$115.00
16 tonne Multi tyred roller	\$80.00	\$80.00		\$98.00	\$86.00
Prime mover & low loader	\$200.00				
Backhoe		\$50.00		\$104.50	\$77.25
<i>Labour</i>					
Labour % O/heads only	\$45.00	\$45.00		\$42.00	\$44.00
<i>Material & Services</i>	Cost + 30% + GST	Cost + 30% + GST			

9.7 Findings of Fees and Charges Imposed by the Shires

The fees and charges imposed by the Shires are not significantly different except for the area of Waste Collection where Bridgetown-Greenbushes imposed a levy under the Health Act to maintain its tips while that fee is inbuilt in the annual fee charged by the other Shires.

Retaining the current fees and charges for the recreation centres, swimming pools and ovals can be justified on the basis of the services provided whereas some general fees and plant hire rates may need to be standardised.

Generally the fees imposed by Nannup would have to be increased to meet a uniform level.

10.1. ADMINISTRATIVE ASSESSMENT AND COMPARISONS

10.1 Comparison of Current Local Laws

The following Table sets out the current local laws of the four Shires and the year of their gazettal. Local Laws shown on the Department of Local Government's Local Law Register that are obsolete or have been superseded by new legislation have not been included in the table.

In the event of an amalgamation the local laws will have to be reviewed and one set of local laws adopted for the new Shire. The newly created Shire will have four sets of local laws under which to operate as legislation prescribes that until repealed, local laws will continue to apply in the district for which they were made.

If this cannot be accomplished in-house by retaining surplus staff, outside assistance will have to be engaged. Regardless of how it is done the likely cost for the review would be \$30,000 which includes the cost of advertising.

Local Laws are required by legislation to be review every eight years.

Current Local Laws

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup
Standing Orders	1997	2008		
Bush Fire Brigades	2004	2000		
Fencing	2004	2004		
Parking and Parking Facilities	2004	2000		2007
Dogs	2004	2000	2004	
Local Government Property	2004	2000		
Activities in Thoroughfares and Public Places and Trading	2004	2000	2002	
Health	2004	2001	1999	2003
Cemetery	2004	2000		1981
Extractive Industries		2001		
Signs			2003	
Landfill and Waste Transfer Station			2007	
Refuse Site				1999
Old Refrigerators & cabinets		1962		
Signs and Hoardings		1973		
Parking Region			1990	
Hawkers		1933		
Swimming Pool			1978	
TV Masts and Antennas			1960	

Taken from the Department of Local Government's Local Law Register.

10.2 Policy and Procedures

The Council adopted policies and procedures will have to be reviewed and consolidated into one set to be adopted by the Council of the newly formed Shires. This work should be done in-house however if the expertise is not available outside assistance will be required at a estimated cost of \$15,000

10.3 Contracts, Deeds and Agreements

In the event of an amalgamation the contracts and agreements held by the two Shires will have to be amended into the name of the newly formed Shire. This has the potential to incur expenditure due to the legal requirements. This could incur costs through legal advice and is estimated at \$15,000.

10.4 Information Technology

“To be provided by TSA Corporation”

10.5 Town Planning Schemes and Local Planning Strategies

Boyup Brook

Town Planning Scheme No 2 was adopted by Council on 15 August 1997 and approved by the Western Australian Planning Commission on 22 September 1997. The Scheme was last updated in May 2009.

In 2006 the Western Australian Planning Commission gave consent to advertise the Shire's Local Rural Strategy. The Strategy is dated June 2009.

Bridgetown-Greenbushes

Town Planning Scheme No 3 was adopted by Council on 21 May 1982 and approved by the Western Australian Planning Commission on 22 November 1982. Scheme No 2 relates to the Bridgetown Townsite and was last updated on 23 March 2009. Town Planning Scheme No 4 relates to the balance of the Shire.

Local Planning Scheme No 5 and a Local Planning Strategy are currently under consideration and upon gazettal will replace the two existing Schemes.

Manjimup

Town Planning Scheme No 2 was adopted by Council on 26 June 1986 and approved by the Western Australian Planning Commission on 22 July 1987. The Scheme was last updated on 17 September 2009.

Town Planning Scheme No 4 is currently awaiting approval and gazettal.

Nannup

Town Planning Scheme No 3 was adopted by Council on 4 May 2006 and approved by the Western Australian Planning Commission on 12 October 2007. The Scheme was last updated on 13 May 2009.

The Local Planning Strategy contains the Main Street Guidelines, Fencing Standards (Special Rural Areas) and Bed and Breakfast Standards.

Amalgamation of Town Planning Schemes

Legal firm Minter Ellison in their July 2009 Local Government Law Journal stated that where there is an amalgamation of local governments *“The town planning schemes of the former districts will be applicable in respect of those areas under the Amalgamated Local Government until such time that the new amalgamated planning scheme is developed and comes into operation. Accordingly, it is important for parties involved in planning matters to be aware of the various town planning schemes to avoid errors that might arise when dealing with different schemes”*.

The Town Planning Schemes, Local Planning Strategies and Town Planning Policies will need to be reviewed and merged as soon as possible after amalgamation to avoid additional work and eliminate possible errors. Consultants have to be engaged to undertake the full process costs in the order of \$80,000 could be expected.

The Warren Blackwood Rural Strategy 2005 and the Warren Blackwood Industrial Sites Study 2007 are other planning documents that relate to the district of the four Shires.

11. ELECTED MEMBERS REPRESENTATION AND COST

11.1 Representation

The following figures have been compiled to show the effect that an amalgamation of the four Shires will have on the elected representation that each of the four Shires will be entitled to on an amalgamated Shire. The Minister for Local Government in his Circular 05-2009 stated:

Where amalgamations take place, local governments:

- *Will be able to establish a system of wards based on the boundaries of the former local governments; and*
- *Can choose to allocate elected members so that each ward has at least one elected member, even if this does not comply with the one-vote one-value policy of the Local Government advisory Board.*

These arrangements may exist for a limited period. For example, if the first election for an amalgamated local government takes place at the 2011 ordinary elections, adherence to the one-vote one-value policy is to come into effect at the 2013 ordinary elections.

Although initially elected members can be allocated equally, eventually the one-vote one-value policy will be enforced. It is therefore important to understand the eventual allocation on elected members and the figures below do this. In compiling the figures the number of electors registered with the Western Australian Electoral Commission as at 31 December 2008 has been used. It is understood that these will differ with the addition of owners and occupiers but not that significantly to alter the outcome. It has been assumed that each of the former Shire districts will constitute a Ward in an amalgamated Shire and that the number of offices of councillor will be set at eight to conform to the stated desire of the Minister for Local Government of a number of elected members between six (6) and nine (9).

It can be seen from the figures that to adhere to the one-vote one-value policy the Manjimup Ward would be entitled to four (4) elected members, Bridgetown-Greenbushes Ward two (2) and Boyup Brook and Nannup Wards one (1) each.

To quote other variations, if the offices of councillor were to be set at twelve (12) the entitlement would be seven (7), three (3), one (1) and one (1). If the number of offices was sixteen (16) the entitlement would be nine (9), four (4), two (2) and one (1).

Although a number of factors must be taken into account when making the decision on whether to amalgamate the ability of elected members to properly undertake their role within the community as well as the right of the community to have access to their elected members could be considered to be a high priority. Any proposal to reduce the right of the communities to representation and access to their elected members may be resisted by the communities.

The "Options for Community Representation and Maintaining Local Identity" publication released by the Local Government Reform Steering Committee in June 2009 makes a number of suggestions on the methods of continuing community representation when a Council is removed from a district after amalgamation. With the current restrictions in the Local Government Act 1995 these community committees can be given no local decision making power and only act in an advisory capacity.

Elected Member Representation

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup	Combined
Population (30/6/08)	1,594	4,339	9,995	1,325	17,253
Electors (WAEC 31/12/2008)	1,160	2,942	6,458	904	11,464
Elected Members	9	11	11	8	
Representation (Electors per Member)	129	267	587	113	
Population per Member	177	394	908	165	
Wards	4	4	6	3	
Warren Blackwood Shire					
Elected members					8
Wards (Old Shire Districts)					4
% electors per ward	10.12%	25.66%	56.33%	7.89%	
Elected member per Ward	0.81	2.05	4.51	0.63	
	(1)	(2)	(4)	(1)	

An alternate to the four ward system proposed would be a ward system that provides for representation from the main towns within the district of the Shire created by the amalgamation. The following figures are taken from the Australian Bureau of Statistics 2006 census figures for the towns as "state suburbs" and therefore do not match to the Shire figures. They do, however, give an indication of difficulties in establishing a fair ward system. These towns are:

	Population	Electors
Manjimup	4,239	2,890
Bridgetown	2,973	2,223
Greenbushes	343	263
Boyup Brook	1,594	1,160
Nannup	1,325	904
Pemberton	1,031	732
Northcliffe	412	293
Walpole	322	258

11.2 Elected Member Costs

The figures below have been compiled to show the current cost of maintaining the elected members in the four Shires and what that total cost is when combined. The figures also show the potential savings if the four Shires were to amalgamate and the potential savings if the four Shires were to amalgamate down to two.

It is to be noted that the costs for the amalgamated Shires have been compiled using the maximum amounts permitted under the Regulations. For example if the four Shires were to amalgamate the Shire President could be given an allowance of \$60,000 per annum calculated at 0.002 of the Shires operating revenue but not greater than \$60,000.

It can be seen from the Tables below that by amalgamating the four Shires and having eight elected members there is an estimated saving in costs of \$221,330.

Cost of elected members

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup	Total
Meeting Fees (President)			\$7,000		\$7,000
Meeting Fees (Members)	\$50,000	\$70,000	\$35,000	\$17,760	\$172,760
President's Allowance	\$5,000	\$14,000	\$14,936	\$8,000	\$41,936
Pres Entertainment Allow		\$3,550			\$3,550
D/President's Allowance	\$1,250	\$3,500	\$3,734	\$2,000	\$10,484
Travelling Expenses	\$8,000		\$14,500	\$2,400	\$24,900
Travelling Exp (vehicle use)		\$5,000			\$5,000
Telecommunications Allow	\$1,500	\$11,000	\$13,200	\$12,840	\$38,540
Conferences	\$11,500	\$16,000	\$8,000	\$11,000	\$46,500
Election Expenses	\$1,000	\$15,500	\$12,600	\$1,000	\$30,100
Refreshment & Entertainment	\$18,000		\$18,000	\$16,300	\$52,300
Civic Receptions			\$13,650		\$13,650
Training	\$2,500	\$11,000		\$4,000	\$17,500
Insurance	\$8,500	\$6,300		\$10,000	\$24,800
Other Expenses		\$3,000	\$3,000	\$1,000	\$7,000
General Legal Advice		\$2,000			\$2,000
Subscriptions	\$10,900	\$8,910	\$11,000	\$6,200	\$37,010
	\$118,150	\$169,760	\$154,620	\$92,300	\$535,030

Cost of Elected Members in an Amalgamated Shire

Cost merge (max allowable)	4 to 1
President's Allowance	\$60,000
D/President's Allowance	\$15,000
Meeting Fees - President	\$14,000
Meeting Fees - Councillors	\$49,000
Allowances	\$27,200
Travelling Expenses	\$21,000
Conferences	\$30,000
Refreshment & Entertainment	\$16,000
Presidents vehicle	\$30,000
Training	\$10,000
Insurance	\$6,500
Elections	\$15,000
Subscriptions	\$20,000
	\$313,700

Shires 2008/09 Annual Budgets

11.3 Findings on Elected Representation and Costs.

The Report shows there are potential saving in the costs of supporting the current thirty nine elected members of \$221,000 and potentially greater savings if the fees and allowance paid are not at the maximum level allowed for in legislation. However, given the workload that will be imposed on the eight elected there is justification for payment at the highest level.

A four Ward system with two elected members from each of the four Shires will for the first two years of the created local government give the four former Shires an equal voice in the establishment of the new Shire.

A detriment to an amalgamation of the four Shires will come after the initial two years with the loss of representation the communities in the Shires of Boyup Brook and Nannup and to a lesser extent Bridgetown-Greenbushes will incur. Under a four Ward system the communities of these three former Shires will only have equal representation to that which the Manjimup community will enjoy.

The alternate of introducing a Ward system that is centred around the towns within the district of the newly created Shire will provide a greater spread of representation and provide those communities with a voice in the decision-making for the district as a whole.

The representation figures have been calculated on the Minister for Local Governments stipulation that representation number be reduced to between six and nine. In the Shires of Boyup Brook and Nannup one elected member will be elected to provide the representation the current nine and eight respectively provide.

An alternate ward system could be introduced after the first two years which will allow for representation from the other towns within the district of the newly created Shire. Under one-vote one-value principles such a ward system would not allow for the smaller towns to have their own elected members

Lack of representation may be resolved by the introduction of Community Advisory Committees as promoted in the "Options for Community Representation and Maintaining Local Identity Paper" released by the Local Government reform Committee. The Paper also suggests *"In applying transitional arrangements, local government should consider the risk of entrenching old divisions in the new entity along the lines of the previous entities, balanced against the view that an amalgamation should be seen as a new beginning, a fresh start, and old rivalries and tensions are left behind"*.

12. POPULATION CHARACTERISTICS

12.1 Population Numbers and Age Groups

The following Table set out the population of the Shires as taken in the 2006 Census. The figures are shown for the individual Shires and a combined total compared to the percentages for the Australian population. The Table shows that there is a greater percentage of males than females in the combined total in contrast to the Australian percentage. Bridgetown-Greenbushes is the only Shire that matches the Australian percentages. The median age of persons in all the Shires is 6 years above the Australian median age. There is a significant absence of persons in the 15 – 24 and 25 – 54 age groups when compared to the Australia average. These figures are a reflection of rural areas and are an indication of the lack of educational and employment opportunities for younger people.

Person Characteristics

	Boyup Brook		Bridgetown-Greenbushes		Manjimup		Nannup		Combined		Australia	
	2006	%	2006	%	2006	%	2006	%	2006	%	2006	%
<i>Person characteristics:</i>												
Total Persons	1,480		3,953		9,256		1,192		15,881			
Males	758	51.2	1,936	49.0	4,650	50.2	625	52.4	7,969	50.2		49.4
Females	722	48.8	2,017	51.0	4,606	49.8	567	47.6	7,912	49.8		50.6
Indigenous persons	23	1.6	45	1.1	233	2.5	19	1.6	320	2.0		2.3
<i>Age Groups:</i>												
0-4 years	81	5.5	234	5.9	603	6.5	72	6.0	990	6.2		6.3
5-14 years	224	15.1	604	15.3	1,541	16.6	160	13.4	2,529	15.9		13.5
15-24 years	88	5.9	301	7.6	1,053	11.4	75	6.3	1,517	9.6		13.6
25-54 years	600	40.5	1,553	39.3	3,701	40.0	482	40.4	6,336	39.9		42.2
55-64 years	251	17.0	675	17.1	1,102	11.9	241	20.2	2,269	14.3		11.0
65 years and over	233	15.7	586	14.8	1,254	13.5	160	13.4	2,233	14.1		13.3
Median age of persons	43		44		39		46		43		37	

ABS Census Data

12.2 Population Movement 1996 to 2008

The following Table represents the census population figures for the last three census with estimated population figures for 2007 and 2008. The increase or decrease percentage is calculated for the period from the 1996 census to the estimated population as at 30 June 2008. Bridgetown-Greenbushes and Nannup have recorded an increase while Boyup Brook and Manjimup a decrease. The district of the four Shires has recorded a small increase.

Population Movement 1996 Census to June 2008

	1996 Census	2001 Census	2006 Census	Estimated 30/06/2007	Estimated 30/06/2008	% Increase/ decrease
Boyup Brook	1,747	1,536	1,480	1,581	1,594	-8.8
Bridgetown-Greenbushes	4,034	3,924	3,953	4,258	4,339	+7.6
Manjimup	10,256	9,880	9,256	9,875	9,995	-2.5
Nannup	1,161	1,171	1,192	1,297	1,325	+14.1
Total	17,198	16,511	15,881	17,011	17,253	+0.3

ABS statistics

12.3 Projected Population

The following Table sets out the population projections until the year 2021.

Projected Population

	2011	2016	2021	2031
Boyup Brook	1,500	1,500	1,400	1,400
Bridgetown-Greenbushes	4,100	4,100	4,000	3,800
Manjimup	10,100	10,000	9,900	9,400
Nannup	1,200	1,200	1,200	1,200

South West Development Commission

12.4 Place of Birth, Nationality and Marital Status

The Table below sets out the place of birth of the person within the four Shires and the combined district as compared to the Australian averages taken at the 2006 Census. The Table also shows the percentages for the marital status of persons as compared to the Australian percentages.

The Table shows that all four Shires and the combined district have a greater percentage of Australian citizenship than Australia generally and a greater percentage of the person are born in Australia. This reflects that recent migrants are generally not prepared to settle in rural areas preferring the metropolitan areas or the capital cities. There are a greater percentage of married persons in the district when compared to the Australian average, probably representing the quality of life in rural areas.

Selected Characteristics

	Boyup Brook		Bridgetown-Greenbushes		Manjimup		Nannup		Combined		Australia	
		%		%		%		%		%		%
<i>Selected characteristics:</i>												
Australian citizenship	1,367	92.4	3,537	89.5	8,292	89.6	1,061	89.0	14,257	90.1		86.1
Persons born overseas	209	14.1	817	20.7	1,343	14.5	240	20.1	2,609	17.4		22.2
Overseas visitors (excluded from all other classifications)	13	0.9	24	0.6	161	1.7	16	1.3	214	1.2		1.0
<i>Country of birth:</i>												
Australia	1,205	81.4	2,918	73.8	7,295	78.8	885	74.2	12,303	77.1		70.9
England	101	6.8	465	11.8	554	6.0	114	9.6	1,234	8.6		4.3
New Zealand	32	2.2	75	1.9	123	1.3	59	4.9	289	2.6		2.0
Netherlands			33	0.8	37	0.4	14	1.2	84	0.8		0.4
Scotland	10	0.7	30	0.8	75	0.8	11	0.9	126	0.8		0.7
Italy					95	1.0	7	0.6	102	0.8		1.0
Germany	8	0.5	19	0.5					27	0.5		
Ireland	8	0.5							8	0.5		
<i>Marital status</i>												
Married	701	59.8	1,724	55.3	3,864	54.3	529	55.2	6,818	55.0		49.6
Never married	253	21.6	740	23.8	2,084	28.8	257	26.8	3,334	26.9		33.2
Separated or divorced	142	12.1	465	14.9	783	11.0	123	12.8	1,513	12.2		11.3
Widowed	78	6.7	186	6.0	415	5.8	47	4.9	726	5.9		5.9

12.5 Findings Population Characteristics

The Tables on population characteristics show that within the Warren Blackwood region, contrary to the Australian average, there are more males to females. The percentage of 15 to 24 year olds is less than the percentage for the Australian population but the percentage of 55 year olds and above is greater. The median age of the population is 43 compared to the median Australian age of 37.

Statistics show that the estimated population in Bridgetown-Greenbushes and Nannup has increased since the 2006 census but the long term population projections show a decline in the population of the four Shires.

The percentage of the population born in Australia is 77% compared to 71% for the Australian population.

The percentages reflect the percentages in other rural areas where males outnumber females, the population is projected to decline, the current population is older and there is a lesser percentage of younger people and that recent arrivals to Australia do not leave the capital cities.

13. LABOUR FORCE, OCCUPATION AND INDUSTRY OF EMPLOYMENT

13.1 Labour Force

The following Table sets out the 2006 census labour force for the four Shires and as a combined total compared to the Australian averages. The full time labour force percentage is only very slightly below that of the Australian percentage with Boyup Brook the only Shire having a percentage greater than the Australian percentage. The Shires generally have a greater percentage of part time workers in the labour force and the unemployed percentage is less than the Australian percentage.

The total labour force changes for the respective Shires between 2001 and 2006 are:

Boyup Brook	752	increased to	764
Bridgetown-Greenbushes	1,853	increased to	1,863
Manjimup	4,953	decreased to	4,388
Nannup	572	decreased to	568

Labour Force – 15yrs and over

	Boyup Brook		Bridgetown-Greenbushes		Manjimup		Nannup		Combined		Australia	
	2006	%	2006	%	2006	%	2006	%	2006	%	2006	%
<i>Labour Force - 15yrs & over</i>												
Total labour force	764		1,863		4,388		568		7,583			
Employed full time	481	63.0	1,060	56.9	2,593	59.1	331	58.3	4,465	58.9		60.7
Employed part time	204	26.7	617	33.1	1,279	29.1	177	31.2	2,277	30.0		27.9
Employed away from work	35	4.6	79	4.2	228	5.2	27	4.8	369	4.9		3.5
Employed hours not stated	23	3.0	38	2.0	131	3.0	13	2.3	205	2.7		2.6
Unemployed	21	2.7	69	3.7	157	3.6	20	3.5	267	3.5		5.2
Not in the labour force	374		1,106		336				1,816			

ABS Census Data

13.2 Occupations

The following Table lists the main occupations listed in the 2006 census as a percentage of the total number of occupations listed by respondents. The percentages are compared to the total for the four Shires combined and against the percentages for Australia.

The Table shows that the Shires district has a higher percentage of Managers than the Australian percentage with 60% of the Managers employed in the Agriculture, Forestry and Fishing Industries. The Shires have a higher percentage of Labourers but a significantly lower

percentage of Professional and Technicians/Trades when compared to the Australian percentage. This is also reflected in the weekly incomes addressed later in this Chapter.

Occupations

	Boyup Brook		Bridgetown-Greenbushes		Manjimup		Nannup		Combined		Australia	
	2006	%	2006	%	2006	%	2006	%	2006	%	2006	%
<i>Occupation:</i>									0			
Managers	326	43.9	306	17.1	888	21.0	155	28.3	1,675	27.6		13.2
Labourers	100	13.5	283	15.8	857	20.3	104	19.0	1,344	17.2		10.5
Professionals	63	8.5	237	13.2	493	11.7	71	13.0	864	11.6		19.8
Technicians and Trade	83	11.2	289	16.1	516	12.2	62	11.3	950	12.7		14.4
Machinery Operators and Drivers	52	7.0	192	10.7	351	8.3	50	9.1	645	8.8		6.6
Clerical and administrative	53	7.1	182	10.1	407	9.6	39	7.1	681	8.5		15.0
Community and Personal Service	33	4.4	154	8.6	305	7.2	35	6.4	527	6.7		8.8
Sales	29	3.9	138	7.7	345	8.2	22	4.0	534	6.0		9.8

ABS Census Data

13.3 Industry of Employment

The Table below sets out the main industries of employment as identified by respondents in the 2006 census. The Table compares the percentages of persons employed in particular industries with those percentages of the combined Shires and the Australian percentages. As would be expected the Table shows that the main industries in the Shires are Sheep, Beef Cattle and Grain Farming followed by Log Sawmilling and Timber Dressing.

It is interesting to note that Local Government Administration is a significant industry of employment in Boyup Brook being greater than Agriculture and Fishing Support Industries.

The changes between the 2001 and 2006 census show the following for industries of employment in the four Shires. Industry of Employment was recoded by the Australian Bureau of Statistics in 2006 making comparisons of some industries difficult.

Boyup Brook

Sheep, Beef Cattle and Grain Farming	343(30.1%)	297(40.0%)
Agriculture & Fishing Support Services	21(1.8%)	20(2.7%)

Bridgetown-Greenbushes

Sheep, Beef Cattle and Grain Farming

200(6.7%)

131(7.3%)

Metal Ore Mining

104(3.5%)

108(6.0%)

School education

114(3.8%)

141(7.9%)

Manjimup

Sheep, Beef Cattle and Grain Farming

861(11.7%)

223(5.3%)

Forestry and Logging

312(4.2%)

60(1.4%)

Wood and Paper Products

317(4.3%)

244(5.8%)

School Education

302(4.1%)

293(6.9%)

Fruit & Nut Tree Growing

0

241(5.7%)

Nannup

Sheep, Beef Cattle and Grain Farming

85(9.2%)

62(11.3%)

Accommodation

55(6.0%)

26(4.7%)

Industry of Employment

	Boyup Brook		Bridgetown-Greenbushes		Manjimup		Nannup		Combined		Australia	
	2006	%	2006	%	2006	%	2006	%	2006	%	2006	%
<i>Industry of employment:</i>												
Sheep, Beef Cattle and Grain Farming	297	40.0	131	7.3	223	5.3	62	11.3	713	16.0		1.5
Log sawmilling and timber dressing			89	5.0	244	5.8	46	8.4	379	6.4		0.1
Agriculture & Fishing Support Services	20	2.7							20	2.7		0.1
Metal Ore Mining			108	6.0					108	6.0		0.4
Fruit & Nut Tree Growing	21	2.8			241	5.7			262	4.3		0.3
Accommodation							26	4.7	26	4.7		1.3
Beverage manufacturing							26	4.7	26	4.7		0.3
School education	41	5.5	141	7.9	293	6.9	25	4.6	500	6.2		4.5
Local Gov't Administration	24	3.2							24	3.2		1.4
State Gov't Administration					191	4.5			191	4.5		1.4
Hospital			62	3.5					62	3.5		3.3

13.4 Agricultural Production

The following Table set out the agricultural production for the four Shires in the years 2001/02 and 2005/06

Agricultural Production

	2001/2002	2005/2006
Boyup Brook	\$49,569,383	\$51,865,008
Bridgetown-Greenbushes	\$12,820,494	\$15,481,440
Manjimup	\$108,168,131	\$96,046,599
Nannup	\$14,622,518	\$15,145,563

South West Development Commission

13.5 Household Income

The following Table shows the median incomes for individuals, households and families in the four Shires. The incomes in each category are below the median for Australia and would reflect the occupations and industries for employment with the traditional higher paid occupations having a percentage well below that for Australia. This is demonstrated with the professionals and trades and technicians being below the Australian average.

Low incomes coupled with high home ownership would make the imposition of rates a greater burden on home owners in the four Shires. The percentage of occupied homes in the Shires fully owned or being purchased in 2006 compared to the Australian percentage of 64.8% is Boyup Brook 75.5%, Bridgetown-Greenbushes 73.1%, Manjimup 67.0% and Nannup 65.8%.

Incomes

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup	Australia
	2006	2006	2006	2006	2006
<i>Income: (\$/weekly)</i>					
Median individual income	\$411	\$400	\$407	\$400	\$466
Median household income	\$764	\$781	\$792	\$736	\$1,027
Median family income	\$1,021	\$1,022	\$1,005	\$924	\$1,171

ABS Census Statistics

13.6 Dwellings Average Sale Value 2000 to 2007

The following Table sets out the average sale value of dwellings in the four Shires between the years 2000 to 2007.

Dwellings Average Sale Value (\$)

	2000	2001	2002	2003	2004	2005	2006	2007
Boyup Brook	64,450	56,436	65,205	81,328	78,310	120,155	164,231	221,395
Bridgetown-Greenbushes	94,151	87,446	110,732	111,234	139,478	197,289	281,492	311,151
Manjimup	102,434	100,231	100,705	101,591	118,995	147,412	207,161	272,462
Nannup	88,375	96,833	117,625	132,125	148,818	190,188	280,000	292,071

South West Development Commission

13.7 Value of Building Approvals 2006/07 & 2007/08

The following Table sets out the value of residential and non-residential building approvals for the 2006/07 and 2007/08 years.

Building Approvals - Residential Vs Non-Residential – Warren Blackwood Region (\$'000)

	2006/07			2007/08		
	Residential	Non-Residential	Total	Residential	Non-Residential	Total
	\$	\$	\$	\$	\$	\$
Boyup Brook	2,267	569	2,836	2,933	58	2,991
Bridgetown-Greenbushes	13,164	783	13,947	12,246	448	12,694
Manjimup	14,697	540	15,237	13,948	1,937	15,885
Nannup	2,809	1,775	4,584	3,699	250	3,949
Total	32,937	3,667	36,604	32,826	2,693	35,519

South West Development Commission

13.8 Residential Lot Subdivisions

The Table below shows the number of residential subdivisions that have taken place in the four Shires over the last eight years.

Subdivision Residential Lots

	2000	2001	2002	2003	2004	2005	2006	2007	Totals
Boyup Brook	2	2	0	0	1	0	0	0	5
Bridgetown-Greenbushes	1	6	3	3	0	5	68	2	88
Manjimup	1	6	48	1	0	2	1	5	64
Nannup	4	0	0	2	2	1	2	27	38
Totals	8	14	51	6	3	8	71	34	195

South West Development Commission

13.9 Findings of Labour Force, Occupation and Industry of Employment

The Tables in this area show that in both Manjimup and Nannup the labour force decreased between the 2001 and the 2006 census with Manjimup's labour force declining by 565 from 4,953 to 4,388 while Nannup's decline was only four, 572 to 568.

The Table show that the Shires have a percentage of managers that is greater than the Australia's percentage presumably reflecting farm management while the percentages of professionals (11.6% - 20.8%) and technicians and trades (12.7% - 14.4%) are both under the Australian percentages. The lack of opportunity in these occupations is reflected in the below average household incomes in the Shires.

Bridgetown-Greenbushes shows a greater percentage for technicians and trades than the Australian percentage.

A sharp decline is shown in employment in sheep, beef cattle and grain farming and forestry and logging with the decrease in Manjimup being severe. The total amount earned fro agriculture in the Shire of Manjimup has also declined significantly while it has increased marginally in the other three Shires.

14. ASSESSMENT OF THE ROAD NETWORKS

As part of the assessment of the amalgamation of the four Shires an assessment of the amalgamation of the four road networks was undertaken by Cardno (WA) Pty Ltd. The Cardno Report is attached as Appendix A.

It is not the intention of Cardno in its report to produce an accurate figure that can be used for actual network management and investment decisions, but rather indicative figures based on maintaining the individual networks at a common level and to identify any disparities across the four networks. The costs associated with the works have been generated using a common set of unit cost rates for comparison. Whilst these unit rates have been checked to ensure they are a logical indication of construction costs, they should not be taken to be accurate, but be interpreted as indicative only.

The objective of Cardno's analysis was to compare at a network level the four individual road networks to identify any significant disparities in network composition, condition, value and investment requirements. The subject data across the four shires was of varying degrees of accuracy and relevancy which only allow a general comparison at a network level.

The conclusion of Cardno's assessment is that the network composition, although varied when comparing the four networks, has no significant disparities identified which would prevent the successful amalgamation of the four networks. The key condition indicators for network pavement and seal are considered comparable and do not indicate any significant disparity. It should be noted however that the Shire of Boyup Brook does not have what would be considered contemporary data and therefore assumptions have been made for the purposes of this analysis

The following Table set out some general Transport expenditure comparisons.

General Transport Expenditure Statistics

	Boyup Brook	Bridgetown-Greenbushes	Manjimup	Nannup
Unsealed Roads (kms)	841.81	591.03	930.65	393.82
Sealed Roads (kms)	212.62	214.64	521.51	197.73
Total (kms)	1054.43	805.67	1452.16	591.55
Transport Expenditure	\$2,608,808	\$2,470,994	\$8,466,790	\$1,819,397
Transport % Operating	52.40%	33.40%	48.00%	48.30%
Transport Exp per KM	\$2,474.14	\$3,067.01	\$5,830.48	\$3,075.64
Rates Levied 08/09	\$1,693,063	\$2,835,448	\$5,658,477	\$853,629
Rate \$ per Km	\$1,605.67	\$3,519.37	\$3,896.59	\$1,443.04

15. ADMINISTRATION CENTRE AND LOCATION OF WORK CREWS

15.1 Administrative Centre

The Shire created from the amalgamation of the four Shires will have over two hundred administrative and works staff. It is acknowledged by the CEOs of the four Shires that current administrative offices do not have the capacity to house the full administrative staff. Although in the short term the individual offices could continue to function at their current capacity eventually a new administrative centre would have to be built that has the capacity to hold the full administrative staff and suitable facilities for both Council and Civic functions.

The location of the centre will be for a decision of the Council of the created Shire, however, the town of Bridgetown could be a preferred option as it is central to the four larger towns, has the commercial, medical and educational facilities to support a large administrative centre and is closer to Bunbury and Perth. There are also compelling reasons for the central office to be located in Manjimup as it has the support infrastructure, the State planning framework considers it to be the Regional Centre, some State Government Departments have offices there, however, it has the disadvantage of being less central and further from Bunbury and Perth. Neither of the other towns have the required support facilities.

The location of the central office would be a contentious issue and the cost of construction a new office or upgrading an existing would play a part in the decision as well as numerous other factors. The cost of a new administrative centre cannot be definitively stated but the Shire of Mundaring in 2007/2008 stripped and then doubled the size of its centre for the cost of \$7m. It could be said that a new centre if built in three to five years would be significantly more.

The newly created Shire would have an annual revenue of nearing \$30m and could well support borrowings to build a new centre. Income could be received by the sale of existing Shire Offices, however, selling may be limited where the office is attached to the Town Hall or other civic building. Renting could be an alternative that generates income.

Any existing staff housing could be utilised in the short term with staff commuting to work. Such a commuting arrangement would make it more difficult to attract staff in the long term.

15.2 Location of Works Crews

To avoid diseconomies of scale incurred with travel, the limited annual road construction time, town and recreation facilities maintenance the bringing together of the works crews in one centre should not be undertaken. There may be opportunities with other facets such as plant and equipment maintenance where centralisation would be a benefit.

If amalgamation is to proceed a detailed assessment would need to be undertaken to determine what economies of scale are available throughout the overall outside workforce. Such an assessment is not part of the scope of developing this Report.

16. IMPACT ON THE SMALLER SHIRES.

The Shires of Boyup Brook and Nannup are smaller than the other two in the Warren Blackwood Alliance and have the most at stake in any amalgamation of the four Shires. Unfortunately the Shires do not have a common boundary as an amalgamation between the two would benefit them and allow them to retain equal representation.

The communities of the two Shires will gain the advantage of being part of a larger local government which has an increased capacity to provide the level of services and facilities and attract government funding that smaller Shires do not have.

They may however be disadvantaged by the centralisation of services and facilities in the larger towns and by the loss of staff out of their communities. The Shire of Boyup Brook advises that currently twenty of its staff are involved in community activities within the town in a voluntary capacity. This does not count for their family involvement. The Shire of Nannup also sites similar involvement. Although the loss of Shire staff from a town will not in itself cause the end of some community activities it does have the impact of restricting the sustainability and growth of some activities. Volunteerism in the emergency services is historically one area of involvement by Shire staff.

The Shire of Boyup Brook calculates from its ordinary expenditure 28.6% or \$192,440 is spent with local suppliers within the Shire. Nannup is similar with its expenditure with local suppliers estimated at \$250,000. This expenditure coupled with the salaries paid to staff and the percentage spent locally makes a significant contribution to the local economy. If 25% of staff salaries was spent locally this would contribute \$360,000 and \$200,000 to the Boyup Brook and Nannup local economies respectively. Contractors also are employed by the Shires to undertake specific works.

Should an amalgamation occur there would still be a staff presence in both towns and the newly created Shire would continue to spend locally. The concern would be for businesses and schools where the numbers are marginal and any reduction could be restrictions on the business or loss of teachers.

The Shire of Nannup supports local event such as the Music Festival and Flower and Garden Week with in kind assistance through logistic help over a prolonged period of time.

There are towns throughout Western Australia that exist without a Shire located in the town and these continue to exist. It cannot be said that an amalgamation will cause either town to die. Although there will be an impact, what is unknown is the level of the impact on the growth, increase or decrease, of a town that an amalgamation may have.

Shires have supported the economies of their towns in tough economic times and the removal of that support will take some time for the local businesses to adapt. The support offer by Shires extends beyond the town businesses as support for agricultural industries has also been given. Such support is more readily achievable through local control over the decision making when considered the support to be offered.

It is considered unlikely that there will be a noticeable impact on the towns of Bridgetown and Manjimup should an amalgamation be implemented.

17. OPTIONS

17.1 Amalgamating the four Shires into one Shire

The information up to this stage in the Report is provided to allow conclusions on the probabilities of amalgamating the four Shires into one Shire. The information demonstrates the advantages of such an amalgamation and also the disadvantages.

An amalgamation of the four Shires will allow the newly created Shire to concentrate on the economic and social advancement of the Warren Blackwood Region as a whole and alleviate some of the hindrances such as parochialism, divided political will and the divide and conquer strategy practiced by other levels of government and developers. The created Shire will have a greater political voice and have the capacity to achieve objectives for the region that could not be achieved with the current Shires acting independently.

The created Shire will also have the capacity through savings and economies of scale to provide the community of the Warren Blackwood Region with improvement in the provision of current services and facilities and the introduction of services and facilities not currently provided.

The savings will come from a reduction of \$221,330 in the cost of supporting an eight member governing body. An increase of one member to make it a nine member governing body would reduce the savings by \$18,700.

Savings in the elimination of three CEO positions would in the initial year cost \$480,000 for the redundancy of four CEOs and a salary of \$200,000 for the appointed CEO. This cost of \$680,000 would be reduced if one of the CEO from the four Shires was appointed without a redundancy payment. Savings of \$280,000 per annum would be made in subsequent years.

The elimination of five senior management positions would cost \$360,000 in the first year to fund redundancies and annual savings of that amount in each subsequent year.

Immediate savings in employee costs would only eventuate if the State Government was to provide funding for the payment of redundancies.

Savings in future changeover costs and income from the sale of surplus plant, equipment and could be made once the organisational structure is bedded down and the created Shire has reviewed its operations. For example the vehicle currently driven by three of the CEOs could be sold.

Unfortunately the current level of general purpose grants will only apply for a period of five years after amalgamation when the created Shire will be assessed as an individual local government. Although the amount of any decrease cannot be stated with any certainty a heavily qualified estimate by the WA Grants Commission is for a decrease of between \$500,000 and \$900,000.

The assessment found that provided the State Government was to contribute at least \$750,000 to \$1m in transitional assistance with an amalgamation there is good economic and strength of regional influence grounds to amalgamate. An amalgamated local government would certainly have the capacity to provide improved and new services and be able to attract grants that would not be available for the individual Shires. An amalgamated Shire would be in a better position to advance the Warren Blackwood Region.

There are however barriers to amalgamation, the lack of a true community of interests, different strategic visions, differences in financial capacity and provision of service levels and the removal of the existing level of identity and local decision making power. The level of community representation on the created Council would be reduced, there would be less opportunity for community members to approach their elected representative on a personal basis and an increased workload on the elected members. Although adding to the workload of a single elected member a Community Advisory Committee would provide an avenue for input for the community.

Timeline

The timeline for an amalgamation would be for the new Shire to be created on 1 July 2011. Elections for the members of the new Council would occur in October 2011.

For the initial two years the four Wards of the new Shire, the former Shire boundaries, would be entitled to equal representation of two members each. At the elections in October 2013, one vote one value would have to be introduced. If the four ward system based on the current Shire boundaries was maintained representation would be one member for the Boyup Brook Ward, two members for the Bridgetown-Greenbushes Ward, four members for the Manjimup Ward and one member for the Nannup Ward.

An alternative Ward system could be introduced centred on the towns within the district of the created Shires which would spread representation more evenly.

17.2 Amalgamation of the four Shires into two Shires – one comprising the Shires of Boyup Brook, Bridgetown-Greenbushes and Nannup and Manjimup retaining the status quo.

Because of their financial capacity to provide a greater range of services and facilities and their smaller populations the two Shires that have the most to gain and the most to lose from amalgamating are the Shires of Boyup Brook and Nannup. A concern with communities is the perception that an amalgamation with the larger Shire in effect becomes a takeover. Although based on other factors this Report is suggesting as an option that the Shires of Boyup Brook, Bridgetown-Greenbushes and Nannup amalgamate and Manjimup retain its status quo.

Such an amalgamation would improve the capacity of Boyup Brook and Nannup and provide for the formation of two Shires of equal size in the Warren Blackwood Region as can be seen in the following Table.

Comparative Statistics

	Boyup Brook	Bridgetown-Greenbushes	Nannup	New Shire	Manjimup
Distance from Perth	270	269	288		306
Area (sq kms)	2,838	1,691	2,953	7,482	7,028
Sealed Roads (kms)	212.62	214.64	197.73	624.99	521.51
Unsealed Roads (kms)	841.81	591.03	393.82	1,826.66	930.65
Population	1,594	4,339	1,325	7,258	9,995
Number of Electors	1,160	2,942	904	5,006	6,458
Number of Elected Members	9	11	8	9	11
Number of Electors per Elected Member	129	267	113	556	587
Number of Dwellings	296	323			
Total rates	\$1,693,063	\$2,835,448	\$ 853,629	\$5,382,140	\$5,658,477
Total GP Grant (08/09)	\$ 267,047	\$ 777,490	\$ 564,285	\$1,608,822	\$1,670,010
Total Road Grant (08/09)	\$ 541,639	\$ 546,256	\$ 361,418	\$1,449,313	\$1,411,904
Total Op Revenue	\$4,036,424	\$8,657,804	\$2,541,064	\$15,235,292	\$14,379,220
Employees	31	75	28		103

The financial assessment and comparison of the four Shires found that Manjimup has the largest debt liability and the lowest percentage of unrestricted reserve funds. The HR assessment found that Manjimup has an Enterprise Agreement that covers all employees and therefore would be the most difficult of the four to assimilate into a common salaries and conditions agreement.

The WA Grants Commission has provided a heavily qualified estimate in the likely reduction in general purpose grants after five years of approx \$580,000. This estimate has been provided using current available data. It is also to be taken into account the impending review of the methodology for allocation the grants and the unknown number of local governments that amalgamate within the five year period.

Rates raised using average rate in the dollar

The following Table calculates the rates that would be raised using an average of the rates in the dollar of the three Shires. It shows that the total raised would be \$143,000 more than budgeted to be raised in 2008/09 by the three Shires.

The Table shows that there would be a decrease in GRV and UV rates raised in Boyup Brook but an increase in both in Bridgetown-Greenbushes and Nannup.

Rates raised using average rate in the dollar

	Boyup Brook	Bridgetown Greenbushes	Nannup	Totals
Rates levied 2008/09 Budget				
GRV	\$283,061	\$1,029,088	\$283,531	
GRV Minimums	\$15,120	\$759,528	\$162,240	
Mining	\$5,040	\$53,102		
UV	\$1,274,163	\$543,818	\$308,347	
UV Minimums	\$110,880	\$175,560	\$99,511	
	\$1,688,264	\$2,561,096	\$853,629	\$5,102,989
Rates raised using Averages				
GRV	\$218,003	\$1,333,560	\$303,712	
GRV Minimum	\$15,147	\$691,713	\$179,520	
Mining	\$5,040	\$53,102		
UV	\$905,347	\$586,027	\$454,872	
UV Minimum	\$117,093	\$174,791	\$108,042	
	\$1,260,630	\$2,839,193	\$1,046,146	\$5,145,969

Loan Repayments

The following Table out a schedule of the annual repayment of principal and interest of loans taken out by the Shires of Boyup Brook, Bridgetown-Greenbushes and Nannup.

The Table shows that the combined loan repayments of the three Shires as a percentage of combined rate revenue is 4.8%. As shown earlier in the Report when the four Shires are combined the percentage increases to 9.8%.

Loan Repayments - Boyup Brook, Bridgetown-Greenbushes and Nannup

	Boyup Brook	Bridgetown- Greenbushes	Nannup	Three Shires Combined	Manjimup
	\$	\$	\$		\$
2009/10	125,572	103,748	29,020	258,340	837,865
% of rate revenue	7.4%	3.6%	3.4%	4.8%	14.6%
2010/11	125,572	103,748	21,846	251,166	813,885
2011/12	125,572	103,748	14,251	243,571	728,247
2012/13	124,817	103,748		228,565	637,674
2013/14	109,908	88,367		198,275	628,739
2014/15	109,908	88,367		198,275	616,160
2015/16	109,908	52,707		162,615	590,828
2016/17	109,908	52,707		162,615	576,098
2017/18	110,977	52,707		163,684	525,456
2018/19	85,613	52,707		138,320	452,248
Total	1,137,755	802,554	65,117	2,005,426	6,407,200

Elected Members

Elected members and representation would not have such a dramatic effect on the community representation of the smaller Shires as can be seen from the following Table.

Elected Member Representation

	Boyup Brook	Bridgetown-Greenbushes	Nannup	New Shire
Population (30/6/08)	1,594	4,339	1,325	7,258
Electors (WAEC 31/12/2008)	1,160	2,942	904	5,006
Elected Members	9	11	8	
Representation (Electors per Member)	129	267	113	556
Population per Member	177	394	165	806
Wards	4	4	3	
Amalgamated Shires				
Elected members				9
Wards (Old Shire Districts)				3
% electors per ward	23.17%	58.77%	18.06%	
Elected member per Ward	2.09	5.29	1.63	
	(2)	(5)	(2)	

The following Table shows the current costs of supporting the elected members of the three Shires and the combined cost. The Table also shows estimated costs of supporting the nine elected members of the Shire formed by the amalgamation of the Shires of Boyup Brook, Bridgetown-Greenbushes and Nannup. The amounts are calculated using the maximum allowances provided for in legislation. Savings are estimated at \$86,210.

Current Cost of Elected Members

	Boyup Brook	Bridgetown-Greenbushes	Nannup	Totals	New Shire
Meeting Fees (Members)	\$50,000	\$70,000	\$17,760	\$137,760	\$70,000
President's Allowance	\$5,000	\$14,000	\$8,000	\$27,000	\$30,000
Pres Entertainment Allow		\$3,550		\$3,550	
D/President's Allowance	\$1,250	\$3,500	\$2,000	\$6,750	\$7,500
Travelling Expenses	\$8,000		\$2,400	\$10,400	\$21,000
Travelling Exp (vehicle use)		\$5,000		\$5,000	
Telecommunications Allow	\$1,500	\$11,000	\$12,840	\$25,340	
Conferences	\$11,500	\$16,000	\$11,000	\$38,500	\$36,000
Election Expenses	\$1,000	\$15,500	\$1,000	\$17,500	\$15,000
Refreshment & Entertainment	\$18,000		\$16,300	\$34,300	\$20,000
Training	\$2,500	\$11,000	\$4,000	\$17,500	\$10,000
Insurance	\$8,500	\$6,300	\$10,000	\$24,800	\$8,500
Other Expenses		\$3,000	\$1,000	\$4,000	\$5,000
General Legal Advice		\$2,000		\$2,000	\$2,000
Subscriptions	\$10,900	\$8,910	\$6,200	\$26,010	\$12,000
All Allowances					\$27,200
Presidents Vehicle					\$30,000
	\$118,150	\$169,760	\$92,500	\$380,410	\$294,200

Senior Staff Positions

The following Table sets out the senior staff position currently existing in the three Shires and a suggested senior staff structure needed to properly manage an organisation of the size that will be created by an amalgamation.

The Table shows that there will be no reduction in the number of senior position. There will be a reduction in the number of Chief Executive Officers but because of the size of the created Shire the establishment of Directorates and senior positions in Human Resources and Information Technology should be considered. Reductions in other staff would only be possible when the administration comes together in the one building.

The savings in eliminating two of the three CEO positions, a D/CEOs position and three other senior positions that exist in the three Shires would be \$510,000. However, those savings would be absorbed in an increase in salary for the CEO position in the created Shire to the Salaries and Allowances salary band of \$149,000 to \$200,000 and the creation of three Director position, and two management positions and the annual cost of approx \$520,000. There would be no long term savings and the initial cost of redundancies for two CEOs of \$240,000.

Senior Staff Positions

	Boyup Brook	Bridgetown-Greenbushes	Nannup	Combined	Amalgamated Shire
Senior Positions					
Chief Executive Officer	1	1	1	3	1
Deputy CEO		1		1	
Director Corporate & Community Services					1
Manager Corporate Services			1	1	1
Manager Financial Services	1			1	1
Accountant		1		1	
Senior Finance Officer		1		1	
Manager Information Technology					1
Human Resource Co-ordinator					1
Manager Community Services		1		1	1
Manager Library & Information Services				1	1
Director Works					1
Manager Works & Services	1	1	1	3	1
Supervisor Maintenance					1
Works Supervisor		1		1	
Senior Engineering Technical Officer		1		1	1
Manager Parks					1
Director Planning & Environment					1
Manager Development Services			1	1	
Manager Planning		1		1	1
Manager Building Services				1	1
EHO/Building Surveyor		1		1	1
Building Surveyor		1		1	1
Regional Environmental Off		1		1	1
	3	12	4	19	19

Timeline

The timeline for an amalgamation would be for the new Shire to be created on 1 July 2011. Elections for the members of the new Council would occur in October 2011. For the initial two years the three Wards of the new Shire, the former Shire boundaries, would be entitled to equal representation of three members each. At the elections in October 2013, one vote one value would have to be introduced requiring two members for the Boyup Brook Ward, five members for the Bridgetown-Greenbushes Ward and two members for the Nannup Ward.

17.3 Amalgamation of the Shires of Boyup Brook and Bridgetown-Greenbushes

A further option for reform is the amalgamation of the Shires of Boyup Brook and Bridgetown-Greenbushes. The Shires have a strong community of interest through sheep, beef cattle and grain farming, climate, topography and the Blackwood River.

The amalgamation of these two Shire will create a medium sized local government that will have an increased capacity to provide services and facilities commensurate with the communities needs. The two Shires, as can be seen from the financial assessment in this Report, are financially stable and have relatively small loan liabilities. Their financial ratios show no adverse trends.

The Table below sets out some general comparatives and the figures for a Shire created by the amalgamation of the Shires of Boyup Brook and Bridgetown-Greenbushes.

General Comparisons

	Boyup Brook	Bridgetown-Greenbushes	Combined
Distance from Perth	270	269	
Area (sq kms)	2,838	1,691	4,529
Sealed Roads (kms)	212.62	214.64	427.26
Unsealed Roads (kms)	841.81	591.03	1432.84
Population	1,594	4,339	5,933
Number of Electors	1,160	2,942	4,102
Number of Elected Members	9	11	
Number of Electors per Elected Member	129	267	
Number of Dwellings	749	2,000	2749
Total rates	\$1,693,063	\$2,835,448	\$4,528,511
Total GP Grant (08/09)	\$267,047	\$777,490	\$1,044,537
Total Road Grant (08/09)	\$541,639	\$546,256	\$1,087,895
Total Op Revenue	\$4,036,424	\$8,657,804	\$12,694,228
Employees	31	75	

The WA Grants Commission has provided a heavily qualified estimate in the likely reduction in general purpose grants after five years of approx \$280,000. This estimate has been provided using current available data. It is also to being taken into account the impending review of the methodology for allocation the grants and the unknown number of local governments that amalgamate within the five year period.

Rates raised using average rate in the dollar.

The following Table calculates the rates that would be raised using an average of the rates in the dollar of the two Shires. It shows that the total raised would be \$198,000 more than that budgeted to be raised by the two Shires in 2008/09.

The Table shows that there would be a decrease in GRV and UV rates raised in Boyup Brook but an increase in both in Bridgetown-Greenbushes. The total GRV rates raised in Bridgetown-Greenbushes would be approx \$350,000 and the UV rates \$150,000.

Rates raised using average rate in the dollar

	Boyup Brook	Bridgetown Greenbushes	Totals
Rates levied 2008/09 Budget			
GRV	\$283,061	\$1,029,088	
GRV Minimums	\$15,120	\$759,528	
Mining	\$5,040	\$53,102	
UV	\$1,274,163	\$543,818	
UV Minimums	\$110,880	\$175,560	
	\$1,688,264	\$2,561,096	\$4,249,360
Rates raised using Averages			
GRV	\$225,605	\$1,380,061	
GRV Minimum	\$15,876	\$725,004	
Mining	\$5,040	\$53,102	
UV	\$1,052,036	\$680,978	
UV Minimum	\$121,716	\$181,692	
UV Urban farm		\$6,621	
	\$1,420,273	\$3,027,459	\$4,447,732

Senior Staff Positions

The following Table sets out the current senior staff positions within the organisational structures of the two Shires with a combined total and a list of the proposed senior positions that would be established in the organisational structure of a Shire created by the amalgamation of the two Shires.

It can be seen from the Table that no senior positions will be lost in an amalgamation. The savings on one CEO salary will be absorbed by the additional salary to be paid to the CEO of the larger Shire (\$135,000 - \$185,000) and the increased salary paid to the Deputy CEO a Director position and additional Manager positions.

Senior Staff Positions

Senior Positions	Boyup Brook	Bridgetown- Greenbushes	Combined	Created Shire
Chief Executive Officer	1	1	2	1
Deputy CEO		1	1	1
Director Corporate & Community Services				1
Manager Financial Services	1		1	1
Manager Administration Services				1
Accountant		1	1	
Senior Finance Officer		1	1	
Manager Community Services		1	1	1
Director Works & Planning				1
Manager Works & Services	1	1	2	1

Works Supervisor		1	1	1
Senior Engineering Technical Officer		1	1	1
Manager Parks				1
Manager Planning		1	1	1
Manager Building Services				1
Manager Environmental Services				1
EHO/Building Surveyor		1	1	
Building Surveyor		1	1	
Regional Environmental Officer		1	1	1
	3	12	15	15

Outside Workforces

With the amalgamation of only two Shires the opportunities for saving in the merger of the two workforces are greater due to the lesser area that needs to be covered. It would require a detailed assessment of the work that needs to be undertaken, the staff and plant and machinery that is available to do the work and economies of scale that could be introduced. Such an analysis is outside the scope of works for this assessment.

Elected Members

One deterrent to an amalgamation would be the inequality of the elected member representation with Bridgetown Ward being entitled to six members of an eight member Council and Boyup Brook Ward two members. If the newly created Shire was established with nine elected members the electors per ward would be Boyup Brook 2.54 (3 members) and Bridgetown-Greenbushes 6.45 (6 members).

The Table below sets out calculation for elected member representation.

Elected Member Representation

	Boyup Brook	Bridgetown-Greenbushes	Created Shire
Population (30/6/08)	1,594	4,339	5,933
Electors (WAEC 31/12/2008)	1,160	2,942	4,102
Elected Members	9	11	
Representation (Electors per Member)	129	267	
Population per Member	177	394	
Wards	4	4	
Amalgamated Shires			
Elected members			8
Wards (Old Shire Districts)			2
% electors per ward	28.28%	71.72%	
Elected member per Ward	2.26	5.74	
	(2)	(6)	

The following Table sets out the current costs of supporting the elected members of the two Shires, the combined cost and the estimated costs of supporting eight offices of councillor in the newly created Shire. There are estimated savings of \$75,800.

Cost of Elected Members

	Boyup Brook	Bridgetown-Greenbushes	Combined	Created Shire
Meeting Fees (President)				\$14,000
Meeting Fees (Members)	\$50,000	\$70,000	\$120,000	\$56,000
President's Allowance	\$5,000	\$14,000	\$19,000	\$30,000
Pres Entertainment Allow		\$3,550	\$3,550	
D/President's Allowance	\$1,250	\$3,500	\$4,750	\$7,500
Travelling Expenses	\$8,000		\$8,000	\$12,000
Travelling Exp (vehicle use)		\$5,000	\$5,000	
Telecommunications Allow	\$1,500	\$11,000	\$12,500	\$9,600
Conferences	\$11,500	\$16,000	\$27,500	\$16,000
Election Expenses	\$1,000	\$15,500	\$16,500	\$15,000
Refreshment & Entertainment	\$18,000		\$18,000	\$20,000
Training	\$2,500	\$11,000	\$13,500	\$8,000
Insurance	\$8,500	\$6,300	\$14,800	\$9,000
Other Expenses		\$3,000	\$3,000	\$3,000
General Legal Advice		\$2,000	\$2,000	\$2,000
Subscriptions	\$10,900	\$8,910	\$19,810	\$10,000
	\$118,150	\$169,760	\$287,910	\$212,100

17.4 An amalgamation of the Shires of Manjimup and Nannup

The amalgamation of the Shires of Manjimup and Nannup would create a medium sized Shire that would have the capacity to provide services and facilities commensurate with the needs of the communities.

The Shires have a community of interest with beef cattle and grain farming, forestry, logging, wood products, State Forests and National Parks and tourism,. The Shires both have a length of coastline within the Shire boundaries.

The following Table sets out some general comparatives and the statistics for the Shire created by the amalgamation.

General comparisons

	Manjimup	Nannup	Combined
Distance from Perth	306	288	
Area (sq kms)	7,028	2,953	9,981
Sealed Roads (kms)	521.51	197.73	719.24
Unsealed Roads (kms)	930.65	393.82	1324.47
Population	9,995	1,325	11,320
Number of Electors	6,458	904	7,362
Number of Elected Members	11	8	
Number of Electors per Elected Member	587	113	
Number of Dwellings	4,546	747	5,293
Total rates	\$5,658,477	\$853,629	\$6,512,106
Total GP Grant (08/09)	\$1,670,010	\$564,285	\$2,234,295
Total Road Grant (08/09)	\$1,411,904	\$361,418	\$1,773,322
Total Op Revenue	\$14,379,220	\$2,541,064	\$16,920,284
Employees	101	28	

The WA Grants Commission has provided a heavily qualified estimate in the likely reduction in general purpose grants after five years of approx \$620,000. This estimate has been provided using current available data. It is also to be taken into account the impending review of the methodology for allocation of the grants and the unknown number of local governments that amalgamate within the five year period.

Elected Member Representation

An impediment to the amalgamation is the inequality of elected member representation with the eight member Council of the amalgamated Shire having seven representatives from the former Manjimup Shire and one from the former Nannup Shire area.

The Table below sets out the calculations for elected member representation.

Elected member Representation

	Manjimup	Nannup	Combined
Population (30/6/08)	9,995	1,325	11,320
Electors (WAEC 31/12/2008)	6,458	904	7,362
Elected Members	11	8	
Representation (Electors per Member)	587	113	
Population per Member	908	165	
Wards	6	3	
Amalgamated Shires			
Elected members			8
Wards (Old Shire Districts)			2
% electors per ward	87.72%	12.28%	
Elected member per Ward	7.02	0.98	
	(7)	(1)	

The following Table sets out the current costs of supporting the elected members of the two Shires, the combined cost and the estimated costs of supporting eight offices of councillor in the newly created Shire. There are estimated savings of \$24,020.

Cost elected members

	Manjimup	Nannup	Total	Created Shire
Meeting Fees (President)	\$7,000		\$7,000	\$14,000
Meeting Fees (Members)	\$35,000	\$17,760	\$52,760	\$56,000
President's Allowance	\$14,936	\$8,000	\$22,936	\$30,000
D/President's Allowance	\$3,734	\$2,000	\$5,734	\$7,500
Travelling Expenses	\$14,500	\$2,400	\$16,900	\$12,000
Telecommunications Allow	\$13,200	\$12,840	\$26,040	\$9,600
Conferences	\$8,000	\$11,000	\$19,000	\$16,000
Election Expenses	\$12,600	\$1,000	\$13,600	\$15,000
Refreshment & Entertainment	\$18,000	\$16,300	\$34,300	\$20,000
Civic Receptions	\$13,650		\$13,650	\$10,000
Training		\$4,000	\$4,000	\$8,000
Insurance		\$10,000	\$10,000	\$10,000
Other Expenses	\$3,000	\$1,000	\$4,000	\$3,000
General Legal Advice				\$2,000
Subscriptions	\$11,000	\$6,200	\$17,200	\$10,000
	\$154,620	\$92,500	\$247,120	\$223,100

Senior Staff Positions

The following Table sets out the current senior staff positions within the organisational structures of the two Shires with a combined total and a list of the proposed senior positions that would be established in the organisational structure of a Shire created by the amalgamation of the two Shires.

The savings that would be achieved would be through one of the two CEO positions being made redundant at a cost of \$120,000 per annum. An initial cost in the first year would be the redundancy payment to the CEO of 12 months salary totalling \$120,000.

The organisation structure in place in Manjimup would be sufficient to cope with an amalgamation with Nannup.

Senior Positions	Manjimup	Nannup	Combined	Created Shire
Chief Executive Officer	1	1	2	1
Director Statutory Services	1		1	1
Manager Corporate Services		1	1	1
Manager Administration Services	1		1	1
Manager Information Technology	1		1	1
Human Resource Co-ordinator	1		1	1
Director Community Services & Services	1		1	1
Manager Community Development				1
Manager Library & Information Services	1		1	1
Director Works	1		1	1
Manager Works & Services	1	1	2	1
Supervisor Maintenance	1		1	1
Construction Supervisor				1
Team Leader Projects	1		1	
Manager Parks	1		1	1
Supervisor Mechanical Workshop	1		1	1
Manager Technical Services	1		1	1
Manager Development Services		1	1	1
Manager Planning	1		1	1
Manager Building Services	1		1	1
Manager Environmental Services	1		1	1
	17	4	21	20

Outside Workforce

The area of the amalgamated Shire is too large for centralisation of the outside workforces although savings could be made through fleet management.

Rates Raised Using Average rate in the Dollar

The following Table calculates the rates that would be raised using an average rate in the dollar. It is shown that there is little impact when using an average for GRV but a significant impact when using an average for UV resulting in a overall reduction in Manjimup and an increase in Nannup. Because of the differences in the total UV valuations, a reduction in the rate in the dollar for Manjimup from .003949 to .003035 results in an overall reduction of approx \$500,000 while an increase for Nannup from .002120 to .003035 only relates in an increase of approx \$132,000. The result being an overall deficient in the total rates raised of approx \$360,000.

An adjustment to the UV average rate in the dollar would mean a significant rate increase for rural properties in Nannup.

Rates Raised Using Average Rate in the Dollar

	Manjimup	Nannup	Total
Rates levied 2008/09 Budget			
GRV	\$2,211,880	\$283,531	
GRV Minimums	\$1,070,850	\$162,240	
	\$1,294		
UV	\$2,191,806	\$308,347	
UV Minimums	\$186,440	\$99,511	
	\$5,662,270	\$853,629	\$6,515,899
Rates raised using Averages			
GRV	\$2,305,894	\$271,463	
GRV Minimum	\$995,528	\$175,520	
DEC Leases & Minimums	\$1,294		
UV	\$1,684,232	\$440,103	
UV Minimum	\$175,538	\$106,101	
	\$5,162,486	\$993,186	\$6,155,672

17.5 Amalgamation of the Shires of Bridgetown-Greenbushes and Nannup

The amalgamation of these two Shire will create a medium sized local government that will have an increased capacity to provide services and facilities commensurate with the communities needs. The two Shires, as can be seen from the financial assessment in this Report, are financially stable and have small loan liabilities relative to their annual revenue. Their financial ratios show no adverse trends.

The Shires do have community of interests through cattle, farming and forest products.

The Table below shows such general comparative statistics and the combined total of the two Shires

General Comparative Statistics

	Bridgetown-Greenbushes	Nannup	Combined
Distance from Perth	269	288	
Area (sq kms)	1,691	2,953	4,644
Sealed Roads (kms)	214.64	197.73	412.37
Unsealed Roads (kms)	591.03	393.82	984.85
Population	4,339	1,325	5,664
Number of Electors	2,942	904	3,846
Number of Elected Members	11	8	
Number of Electors per Elected Member	267	113	
Number of Dwellings	2,000	747	2,747
Total rates	\$2,835,448	\$853,629	\$3,689,077
Total GP Grant (08/09)	\$777,490	\$564,285	\$1,341,775
Total Road Grant (08/09)	\$546,256	\$361,418	\$907,674
Total Op Revenue	\$8,657,804	\$2,541,064	\$11,198,868
Employees	75	28	

Elected Member Representation

The following Table shows the elected member ratio that exists between the two Shires and the elected member representation that would have to be put in place in the 2013 election when the one-vote one-value principle will apply

		Bridgetown-Greenbushes	Nannup	Two Shires combined
Population (30/6/08)		4,339	1,325	5,664
Electors (WAEC 31/12/2008)		2,942	904	3,846
Elected Members		11	8	
Representation (Electors per Member)		267	113	
Population per Member		394	165	
Wards		4	3	
Amalgamated Shires				
Elected members				8
Wards (Old Shire Districts)				2
% electors per ward		76.50%	23.50%	
Elected member per Ward		6.12	1.88	
		(6)	(2)	

Cost of Elected Members

The following Table sets out the current costs of supporting the elected members of the two Shires, the combined cost and the estimated costs of supporting eight offices of councillor in the newly created Shire. There are estimated savings of \$50,100.

Cost of Elected Members

Cost elected members	Bridgetown-Greenbushes	Nannup	Two Shires combined	Created Shire
Meeting Fees (President)				\$14,000.00
Meeting Fees (Members)	\$70,000	\$17,760	\$87,760	\$56,000.00
President's Allowance	\$14,000	\$8,000	\$22,000	\$30,000.00
Pres Entertainment Allow	\$3,550		\$3,550	
D/President's Allowance	\$3,500	\$2,000	\$5,500	\$7,500.00
Travelling Expenses		\$2,400	\$2,400	\$12,000.00
Travelling Exp (vehicle use)	\$5,000		\$5,000	
Telecommunications Allow	\$11,000	\$12,840	\$23,840	\$9,600.00
Conferences	\$16,000	\$11,000	\$27,000	\$16,000.00
Election Expenses	\$15,500	\$1,000	\$16,500	\$15,000.00
Refreshment & Entertainment		\$16,300	\$16,300	\$20,000.00
Training	\$11,000	\$4,000	\$15,000	\$8,000.00
Insurance	\$6,300	\$10,000	\$16,300	\$9,000.00
Other Expenses	\$3,000	\$1,000	\$4,000	\$3,000.00
General Legal Advice	\$2,000		\$2,000	\$2,000.00
Subscriptions	\$8,910	\$6,200	\$15,110	\$10,000.00
	\$169,760	\$92,500	\$262,260	\$212,100.00

Senior Staff Positions

The organisation structure in place in Bridgetown-Greenbushes would be sufficient to cope with an amalgamation with Nannup.

The only savings that would be achieved would be through one of the two CEO positions being made redundant at a cost of \$120,000 per annum. An initial cost in the first year would be the redundancy payment to the CEO of 12 months salary totalling \$120,000.

Savings from reduction in staff numbers and operational costs will only be achieved when the administration is brought together in one administrative building and outside workforces are also brought together. It would be beneficial for the administrative centre to be established in Bridgetown however its current office location has limited room for expansion.

Rates Raised Using Average Rate in the Dollar

The following Table sets out the rates that would be raised using an average rate in the dollar. The Table shows that using an average rate in the dollar would raise a similar total amount but there would be an increase in rates raised from UV rates in Nannup and a similar decrease in UV rates in Bridgetown-Greenbushes. The increase in Nannup UVs would be 17%.

Rates Raised Using Average Rate in the Dollar

	Bridgetown-Greenbushes	Nannup	Totals
Rates levied 2008/09 Budget			
GRV	\$1,029,088	\$283,531	
GRV Minimums	\$759,528	\$162,240	
Mining	\$53,102		
UV	\$543,818	\$308,347	
UV Minimums	\$175,560	\$99,511	
UV Urban Farm	\$6,621		
	\$2,567,717	\$853,629	\$3,421,346
Rates raised using Averages			
GRV	\$1,134,573	\$258,393	
GRV Minimum	\$692,330	\$179,680	
Mining	\$53,102		
UV	\$466,660	\$362,220	
UV Minimum	\$175,667	\$108,584	
UV Urban Farm	\$6,621		
	\$2,528,953	\$908,877	\$3,437,830

17.6 Amalgamation of the Shires of Boyup Brook and Manjimup

An assessment of an amalgamation of the Shires of Boyup Brook and Manjimup has not been undertaken because limited common boundary between the Shires.

17.7 Formation of a Regional Local Government with the four Shires retaining their individual identity

The establishment of a regional local government under the provisions of the Local Government Act 1995 is an option that would provide the four Shires with a corporate body to undertake resource sharing and projects on their behalf.

A Regional Local Government is established by the Minister approving an Establishment Agreement that sets out the powers and duties of the Local Government. A Regional Local Government is a formal local government that must comply with all the requirements of a local government under the Local Government Act and other legislation. The Local Government is a corporate body that can own property, employ staff and can sue or be sued.

The Regional Local Government must employ a Chief Executive Officer, conduct meetings and prepare agendas and minutes as required by the Act. There are administrative and compliance costs associated with the establishment of a Regional Local Government. Those costs relate to the employment of a Chief Executive Officer, provision of an office, one administrative staff member, office equipment, stationary and a vehicle at an estimated cost of \$350,000 per annum. In addition there is the cost of supporting the members of the Council at an estimated cost of \$120,000 per annum.

The formation of a Regional Local Government would not inhibit reform between the participating Shires and reform such as the sharing of a Chief Executive Officer would free up funds to pay for the administrative and compliance costs of the Regional Local Government.

The establishment of a Regional Local Government adds a bureaucratic layer and instead of reducing the number of local governments actually increases the number from four to five. However, there is the advantage of having a Council that can speak and negotiate on behalf of the four Shires on regional matters.

A Regional Local Government could be established as soon as agreement can be reached on the Establishment Agreement.

The establishment of a Regional Local Government for the undertaking of task such as waste collection and tip management, environmental health, planning, rates, payroll, rangers, road construction and economic development on a regional basis would take advantage of economies of scale and provide savings that could be applied to improved current services or new services. The Regional Local Government could attract funding for regional projects through Royalties for Regions and Federal Government funding.

This option may not be attractive to the Minister for Local Government who is seeking less local governments but it has the advantage that the four Shire have a population above the quoted 1,000.

17.8 Retain the Status Quo.

The assessment identified significant savings can be made by the amalgamation of the four Shires with a reduction in those savings for other amalgamations. Unfortunately those savings may be eroded after five years when the general purpose grants allocated to the created Shire decreases. Projections show the population of the Shires either remaining stable or declining over the next twenty years, however, the Shires are showing signs of positive growth with new subdivisions and new industries. It is therefore an option that the Shires retain the status quo and look toward resource sharing through the Warren Blackwood Strategic Alliance.

18. COMMUNITY CONSULTATION

Community consultation is an essential part of the assessment for local government reform required by the Minister for Local Government. The Warren Blackwood Strategic Alliance in undertaking an assessment of reform for the Shires of Boyup Brook, Bridgetown-Greenbushes, Manjimup and Nannup decided that a draft Report would be compiled and the findings of that Report be presented to communities so they would be more informed when expressing their views.

The following schedule of forums was agreed to by the Shires.

Bridgetown	Monday 7 September 2009
Nannup	Tuesday 8 September 2009
Boyup Brook	Wednesday 9 September 2009
Manjimup	Monday 14 September 2009
Pemberton	Tuesday 15 September 2009
Northcliffe	Wednesday 16 September 2009
Walpole	Thursday 17 September 2009

It was organised with WALGA that it would provide officers to facilitate the forums and the Alliance consultant would attend to present the findings of the Report.

18.1 Bridgetown

A community forum was conducted in Bridgetown Town Hall on Monday 7 September 2009 at 7pm. Attendees were given a handout on the advantages and disadvantages of amalgamation for the Shire of Bridgetown-Greenbushes and a brief explanation of the options identified in the draft Report.

Thirty five people attended the Forum which included elected members from the Shire of Boyup Brook and representatives from the Balingup Progress Association.

The Shire President Cr Brian Moore welcomed the attendees. Mr Tony Brown from WALGA facilitated the Forum. Mr Brown outlined the progress of the reform process since the Minister for Local Government announcement in February 2009.

Mr John Gilfellon outlined the findings of the assessment and answered questions on those findings.

Questions were raised on:

- What consideration has been given to the impact of staff made redundant who have families and mortgages?
- Will Offices be retained in the towns for the paying of bills etc?
- Will Shire Depots be retained in each of the towns were they currently are located?
- Why does a Shire created by amalgamation loss grant funding after five years?

There was general discussion on what makes a good amalgamation and if there are no financial benefits it must relate to community of interests. Concern was expressed about loss of identity and a reduction of services when Shire operations are centralised in another town.

Concern was expressed about the extra workload on elected members if the numbers are reduced especially with the possibility of a reduction from 11 to 2 if the four Shires amalgamated.

Balingup residents attending expressed the view that Balingup would be better served by being excised from Donnybrook-Balingup and included in an amalgamated Shire with Bridgetown-Greenbushes. Another resident expressed the view that Shire boundaries should be adjusted and an amalgamated Shires including sections of Boyup Brook, Bridgetown-Greenbushes and Nannup with Balingup should be formed using the boundaries of the Blackwood River Catchment.

There was discussion on the amalgamation of Boyup Brook, Bridgetown-Greenbushes and Nannup without the coastal strip and including Balingup.

The attendees were asked to vote on the following options:

There was significant support for the Shire to remain as an individual local government.

About half of the Bridgetown residents were in favour of an amalgamation of the Shires of Boyup Brook and Bridgetown-Greenbushes.

Just over half of the residents were in favour of Council making a submission for the amalgamation of the Shires of Boyup Brook, Bridgetown-Greenbushes and Nannup (with the transfer of the coastal area to either Manjimup or Augusta Margaret River) and the inclusion of Balingup.

Only one resident was in favour of an amalgamation with Manjimup.

18.2 Nannup

A community forum was conducted in the Nannup Shire Offices Function Room on Tuesday 8 September 2009 at 5.30pm. Forty five people attended with representatives of the Balingup Progress Association. Attendees were given a handout on the advantages and disadvantages of amalgamation for the Shire of Nannup and a brief explanation of the options identified in the draft Report.

The Deputy Shire President welcomed the attendees and introduced Tony Brown from WALGA who is to facilitate the Forum.

Tony gave a presentation on the process to date and the process local governments needed to follow for submissions to be with the Minister by 30 September.

John Gilfellon the Consultant engaged by the Warren Blackwood Strategic Alliance gave a presentation on the findings of the assessment undertaken on local government reform with the member Shires of the Alliance.

The following questions were asked, concerns expressed and statements made:

- Can see no advantages in amalgamation: small is beautiful.
- What will happen to the town of Nannup if the Shire is amalgamated?
- Need the works crews in town, will lose people if the Depot is shifted elsewhere.

- Nannup has been successful in attracting grants, does not need to be in a regional government.

Representatives of the Balingup Progress Association addressed the forum on the problems of being a town distant from the local government centre and their preference to move over to an amalgamated Shire made up of Blackwood Alliance Shires.

The community very strongly voted to retain the status quo.

The community, as a back up position, voted strongly to amalgamate with the Shires of Bridgetown-Greenbushes and Boyup Brook, with the inclusion of Balingup to form a Blackwood River Valley Shire.

18.3 Boyup Brook

A community consultation forum was undertaken with the Shire of Boyup Brook community on Wednesday 9 September 2009 at 7pm in the Boyup Brook Town Hall. Attendees were given a handout on the advantages and disadvantages of amalgamation for the Shire of Boyup Brook and a brief explanation of the options identified in the draft Report.

The forum was attended by 140 community members. In addition representative of the Balingup Progress Association also attended the forum.

The Shire President welcomed the attendees and introduced Joanne Burges from WALGA and the Warren Blackwood Strategic Alliance consultant John Gilfellow.

Joanne Burges outlined what had transpired since the Minister for Local Government's announcement on reform and the process that will be followed when local governments present their submissions to the Minister.

John Gilfellow presented the findings of the report prepared for the Warren Blackwood Alliance and the impacts on the Shire of Boyup Brook and the town of Boyup Brook if an amalgamation of the Shires of Boyup Brook, Bridgetown-Greenbushes, Manjimup and Nannup was to occur. He also outlined the benefits that could occur by having a large amalgamated Shire. The various amalgamation options identified in the Report were presented and explained.

The attendees asked many questions and expressed the following concerns;

- Is this another penny pinching exercise by the State Government?
- What is the financial position of the Shire and can it support itself?
- Why can't we take a stand like the Shire of Williams?
- What will happen to the schools, hospital etc if the town loses Shire workers?
- Concern about amalgamating Shires with different debt levels, reserves and rating levels.
- If community gets smaller it will lose services.
- If government amalgamates Shires it will have to improve roads to allow for safe travel.

The following options were put to the forum to assist the Council with its decision making:

That the Shire remain as an individual Shire – All except two attendees in favour.

That the Shire amalgamate with the other Shires in the Blackwood Strategic Alliance – No one in favour.

That the Shire amalgamate with the Shire of Donnybrook-Balingup – Very little support.

That the Shire amalgamate with the Shires of Bridgetown-Greenbushes and Nannup with the inclusion of Balingup – Very little support.

That the Shire participate in a formal Regional Local Government with the Shires in Blackwood Strategic Alliance. – approx 50% support.

18.4 Manjimup

A community consultation forum was undertaken with the town of Manjimup community on Monday 14 September 2009 at 7pm in the Manjimup Town Hall. The forum was attended by 25 community members. Attendees were given a handout on the advantages and disadvantages of amalgamation for the Shire of Manjimup and a brief explanation of the options identified in the draft Report.

Joanne Burges of WALGA welcomed the attendees and outlined what had transpired since the Minister for Local Government's announcement on reform and the process that will be followed when local governments present their submissions to the Minister.

The Warren Blackwood Strategic Alliance consultant John Gilfellow presented the findings of the report prepared for the Alliance and the impacts on the Shire of Manjimup if an amalgamation of the Shires of Boyup Brook, Bridgetown-Greenbushes, Manjimup and Nannup was to occur. He also outlined the benefits that could occur by having a large amalgamated Shire. The various amalgamation options identified in the Report were presented and explained.

The attendees asked questions, made statements and expressed concerns which are represented below;

- Why amalgamate, small Shires can be more efficient, they support their towns and are a training ground for local government officers.
- The Shire of Manjimup is large enough as it is.
- As there will be less councillors in an amalgamated Shire represent a larger community will they have to get paid more?
- Could councillor representation in an amalgamated Shire be based on towns and not one-vote one-value?
- If a formal Regional Local Government is created do the individual Shires retain their councillors?
- If Shire does not amalgamate will it be disadvantaged in the allocation of Royalties for Regions funding?
- If the Shire of Manjimup is open to amalgamation and no other Shire wants to amalgamate with it why should it be disadvantaged.

- The Walpole area must not be transferred to the Shire of Denmark.
- Local government needs to stay local as there are plenty of examples of government agencies amalgamate and local service is reduced.
- Is there any accurate research on savings made from amalgamations in other States?
- The town of Manjimup residents want to receive adequate services and retain the Manjimup identity.

No vote was taken on the community view as it was considered that an opposition to amalgamation had been expressed plainly during the Forum.

18.5 Pemberton

A Community consultation forum was conducted with the Pemberton community on Tuesday 15 September 2009 at 7pm in the Pemberton Sporting Club Function Room. Attendees were given a handout on the advantages and disadvantages of amalgamation for the Shire of Manjimup and a brief explanation of the options identified in the draft Report.

Five Pemberton residents attended the Forum. The Shire President, CEO and Director Community Services attended.

In an informal forum Joanne Burges of WALGA welcomed the attendees and outlined what had transpired since the Minister for Local Government's announcement on reform and the process that will be followed when local governments present their submissions to the Minister.

The Warren Blackwood Strategic Alliance consultant John Gilfellow presented the findings of the report prepared for the Alliance and the impacts on the Shire of Manjimup if an amalgamation of the Shires of Boyup Brook, Bridgetown-Greenbushes, Manjimup and Nannup was to occur. He also outlined the benefits that could occur by having a large amalgamated Shire. The various amalgamation options identified in the Report were presented and explained.

The following questions were asked, concerns expressed and statements made:

- Is this about the State Government paying less to local government?
- Need all of government reform, not just amalgamation of local governments.
- With amalgamation councillor representation from Pemberton will be reduced.
- Western Australian local government different and should not be compared to eastern states.

There was general discussion on the benefits of regional government in comparison to local government.

Although the status quo was preferred there was some acceptance of the Shire of Manjimup amalgamating with the Shire of Nannup.

It was generally agreed that with amalgamation Pemberton would continue to receive the same level of services it currently receives and that Walpole must remain in the Shire of Manjimup.

18.6 Northcliffe

A Community consultation forum was conducted with the Northcliffe community on Wednesday 16 September 2009 at 7pm in the Northcliffe Town Hall. Attendees were given a handout on the advantages and disadvantages of amalgamation for the Shire of Manjimup and a brief explanation of the options identified in the draft Report.

Five Northcliffe residents attended the Forum. A Pemberton Councillor, the CEO and Director Community Services attended.

Tony Goode, CEO of the Warren Blackwood Strategic Alliance welcomed the attendees and outlined what had transpired since the Minister for Local Government's announcement on reform and the process that will be followed when local governments present their submissions to the Minister.

The Warren Blackwood Strategic Alliance consultant John Gilfellow presented the findings of the report prepared for the Alliance and the impacts on the Shire of Manjimup if an amalgamation of the Shires of Boyup Brook, Bridgetown-Greenbushes, Manjimup and Nannup was to occur. He also outlined the benefits that could occur by having a large amalgamated Shire. The various amalgamation options identified in the Report were presented and explained.

The following questions were asked, concerns expressed and statements made:
Is the reform process being driven by the Minister?

- The practical effect on Northcliffe would be minimal.
- Northcliffe would not like to lose its representation on Council.
- What is the actual benefit of undertaking amalgamations?
- Manjimup is already a big local government in country local government terms.
- Can't see a benefit for Manjimup in any amalgamation although amalgamation with Nannup may have benefits in coastal and land management.
- Residents have the view that the government will do what it wants to do anyway no matter what they say.

General feeling of the meeting that Manjimup not amalgamate but seek to preserve representation for Northcliffe and Walpole.

18.7 Walpole

A Community consultation forum was conducted with the Walpole community on Thursday 16 September 2009 at 7pm in the Walpole Community Centre. Attendees were given a handout on the advantages and disadvantages of amalgamation for the Shire of Manjimup and a brief explanation of the options identified in the draft Report.

Thirty four Walpole residents attended the Forum plus a small number of residents from other areas. The Shire President, the CEO and Director Statutory Services attended.

Tony Goode, CEO of the Warren Blackwood Strategic Alliance welcomed the attendees and outlined what had transpired since the Minister for Local Government's announcement on reform and the process that will be followed when local governments present their submissions to the Minister.

The Warren Blackwood Strategic Alliance consultant John Gilfellon presented the findings of the report prepared for the Alliance and the impacts on the Shire of Manjimup if an amalgamation of the Shires of Boyup Brook, Bridgetown-Greenbushes, Manjimup and Nannup was to occur. He also outlined the benefits that could occur by having a large amalgamated Shire. The various amalgamation options identified in the Report were presented and explained.

The following questions were asked, concerns expressed and statements made:

- Who pays for staff redundancies?
- Councillors should be paid \$40,000 for the works they do now.
- With less representation councillors would need to work full time to give representation to a larger area.
- Savings from amalgamation seem insignificant.
- An amalgamation with Nannup would make the new Shire the most tourism orientated Shire in the State.
- Denmark want to take over Walpole.
- What about resource sharing?
- Manjimup needs to retain the number of councillors it has at the moment?
- What is the cost difference between 9 councillors and 11 councillors?
- We shouldn't dismiss Denmark, services for Walpole come from Denmark.

The following options were put to the forum for a decision.

Overwhelming vote in favour of Walpole remaining part of the Shire of Manjimup.

Two attendees favoured Walpole leaving the Shire of Manjimup.

Overwhelming vote in favour of the Shire of Manjimup retaining 11 councillors.

A significant majority voted in favour of an amalgamation of the Shire of Manjimup and the Shire of Nannup with an increase in the number of councillors to 13 to retain a high level of representation.

A significant majority voted in favour of a boundary change to include Nornalup and Peaceful Bay in the Shire of Manjimup.

19. REVIEW OF THE “STRUCTURAL REFORM IN THE WARREN BLACKWOOD SUB-REGION REPORT” - OCTOBER 2001

The scope of works for this assessment required a review of the report undertaken in 2001 “structural Reform in the Warren Blackwood Sub-Region”. The 2001 Report recommends the amalgamation of the four Shires based on the findings of the Report. The findings are not dissimilar to the findings of this Report however justification for some of the findings was lacking and the amalgamation never went ahead. A more detailed assessment of the 2001 Report follows.

As part of the 2001 review a feasibility study was conducted into establishing one local government Warren Blackwood Region or options for amalgamations of the Shires in the Region. The Shires of Boyup Brook, Bridgetown-Greenbushes, Denmark, Manjimup and Nannup were the subject Councils. The study concluded the Local Governments of the sub-region should embrace structural reform.

The report stated that annual operational savings of approx \$1m had been identified and that the amalgamation recommendations were expected to result in limited social impacts. It also stated that if total amalgamation was embraced nine management positions would be made redundant. The report recommended the adoption of 9 councillors with the introduction of Community Advisory Committees in Walpole, Pemberton, Nannup, Greenbushes, Manjimup, Bridgetown, and Boyup Brook.

The Report outlined a large amount of demographic and social indicators, employment and labour force and economic indicators for each of the five Shires (Denmark included) copied from the Australian Bureau of Statistics from the census of 1991 and 1996. These statistics give some background information on the make up the communities and gives some indication of communities of interest. The same statistics were used in the Warren Blackwood Strategic Alliance assessment report, however, they are only part of what constitutes communities of interest.

The Report identified that the coordination of the four Shires workforce, plant and equipment would result in enhanced levels of plant utilisation, real savings in plant replacement and a reduction in operating costs with savings ranging from \$400,000 to \$700,000.

The savings identified in the 2001 Report are summarised as:

- Amalgamation of the four Shires results in savings of \$156,000 in the first year and \$683,000 in each subsequent year.
- Amalgamation of the Shires of Boyup Brook, Bridgetown-Greenbushes and Manjimup incurs an increase in costs of \$41,000 in the first year and savings of \$411,000 in each subsequent year.
- Amalgamation of Bridgetown-Greenbushes, Manjimup and Nannup results in savings of \$21,000 in the first year and \$496,000 in each subsequent year.
- Amalgamation of Boyup Brook and Bridgetown-Greenbushes would incur a cost of \$111,000 in the first year and \$40,000 savings in each subsequent year.

- Amalgamation of Manjimup and Nannup would result in savings of \$115,000 in the first year and \$280,000 in each subsequent year.
- Amalgamation of Bridgetown-Greenbushes and Nannup would incur costs of \$29,000 in the first year and savings of \$113,000 in each subsequent year.
- Amalgamation of Bridgetown-Greenbushes and Manjimup would result in savings of \$20,000 in the first year and \$299,000 in each subsequent year.
- A coordination of the workforces, plant and equipment and plant replacement of the four Shires would result in savings of \$400,000 to \$700,000 annually.

The 2001 Report identified indicative reductions in general purpose grants for each of the options but these are less than the highly qualified estimates that have been supplied for the current assessment.

The 2001 Report identified that on average the rates coverage for the four Shires was 10-15% below the region and state averages. With the exception of Manjimup this is still the case in 2009.

The Report recommended that:

In light of the principal findings relating to a financial analysis of the above amalgamation options, it is the recommendation of the Consultants that:

- The four Shires of Boyup Brook, Bridgetown-Greenbushes, Manjimup and Nannup be amalgamated to form a new single local government authority.
- The number of elected members this new municipality be reduced to 9 Councillors supplemented with a effective system of electronic communication support and a series of appropriately resourced Community Advisory Committees.
- A Structural Reform Management Committee be established to oversee and facilitate the implementation of these recommendations.

The Report recognised that while a reduction of 9 persons in management staff would have a potentially adverse social impact, especially on smaller communities, its high level of attractiveness rests on the fact that it provides immediate savings as well as substantial second year and subsequent year operational cost savings.

The Report stated that inherent in the amalgamation is the retention of current Shire Offices as shop fronts and libraries. The Report recognises a central office but does not consider the cost of establishing the office or where it would be located. The Report allows for a six months redundancy payment for the nine management staff however with the advent of contracts redundancy payments will relate to contract conditions and for non contract staff a need for them to accept six months payment in lieu of a guaranteed two years employment.

In relation to the operational or outside workforce the Report recognises that *“A relatively large proportion of the workforce will continue to be committed to remaining in each of the numerous towns within the four Shires in order to adequately service each townsite and be able to respond to emergencies.”*

The Report suggests that a specialist service be engaged under contract for 6-12 months to establish a fleet management system and a fleet management position be established within the organisational structure. The Report suggests that the reduction in some items of plant could be supplemented using private contractors. No costings were provided. The Report suggests that a reduction in 2-3 personnel should be achievable through better plant utilisation.

The Report recognises the need to increase the technical staff in the amalgamated organisation and that the cost of these staff would be offset by other staff reductions, albeit occurring over time.

The Report has made some assumptions on savings that will be available through improved fleet management and a small reduction in plant and equipment. Without a thorough assessment of the operations of the four Shires and the future needs for road works and bridge maintenance these assumptions cannot be supported as immediate savings although in the long term reductions must be achievable

The 2001 Report identified the advantages and disadvantages of annexation of Walpole from the Shire of Manjimup to the Shire of Denmark and Balingup from the Shire of Donnybrook-Balingup to the Shire of Bridgetown-Greenbushes. The Report identified that the rate income from Walpole was \$223,000 while expenditure was \$650,000 and additionally it was estimated that general purpose grants to the Shire of Manjimup would reduce by \$84,000.

Similarly the Report identified that the rates from Balingup was \$225,000 while expenditures totalled \$950,000 and it was estimated that general purpose grants to Donnybrook-Balingup of \$258,000.

The Report recommended that neither annexation occur.