WA continues to suffer following the mining downturn, but a collaborative approach between State and Local Government can help transition WA back to economic health again.

The Productivity Commission is investigating ways to diversify the economy and encourage growth after the mining boom.

WALGA has made a submission to the study, calling for all levels of Government to work together to support the sustainable growth and development of the economy.

With a presence across the entire State, as well as responsibility for key regulatory activities and significant public assets, Local Government can help to ensure WA’s continued economic success.

An important way to encourage economic and productivity growth is investment in infrastructure.

Local Governments play an important role in the provision of infrastructure; particularly building and maintaining roads, public lighting and community buildings.

Despite record levels of investment by the State Government during the mining boom, infrastructure constraints still remain. The Local Government infrastructure backlog is estimated to be more than $5 billion, and closing this gap is increasingly difficult with post-boom funding reductions to the sector from both State and Commonwealth governments.

Rural and regional Local Governments are particularly affected by the shortfall. Many of their rural roads are also important state freight routes for mining, agriculture and tourism. Both Federal and State Governments need to revise spending priorities to help to address this shortfall and boost economic growth in the regions.

Besides a funding injection, the State Government needs to remove over-burdensome regulations which restrict Local Governments’ ability to manage their resources in the best interests of the community.

The Commission has prioritised removing regulatory obstacles to encourage business growth in the report. This approach should apply to Local Government as well.

Whilst there are many restrictive regulations affecting the sector’s efficiency, WALGA is currently seeking the removal of regulations on fees and charges.

For example, the State Government sets the fees for dog registrations, town planning approvals and building permits. Local Government in other states do not face these restrictions.

Once set, these fees and charges cannot be changed without State approval. This means they are soon insufficient to recover costs, and without indexation this gap only increases over time. As a result Local Governments are forced to recover the shortfall from rate revenue.

This gap in cost recovery can be an unfair community outcome, as all ratepayers end up subsidising services only used by a few. It also prevents Local Governments from raising adequate revenue to invest in community services and infrastructure.

There is no easy solution or a one-size-fits-all approach to help the economy to adjust following the mining boom. This can only be achieved if all spheres of government work together to create an environment that encourages the next phase of economic growth.