



Better Government Stronger Communities

Local Government's Plan
for Western Australia
2017 State Election

President's Foreword



Improving the quality of life of citizens across the length and breadth of Western Australia remains the most important goal of both the State Government and Local Governments all over Western Australia.

The maintenance of our quality of life is contingent on a growing economy, improving productivity, workforce participation, social inclusion and a healthy environment. All spheres of government working together is a necessary precondition for these outcomes.

Local Government, with a presence in all communities across the state, is well placed to deliver mutually beneficial goals of the State. With a workforce of approximately 22,000 people, and a significant proportion of public assets under management including 88 percent of the road network, Local Government is a major player in the local and State economy.

The priorities outlined in this document, which are key strategic goals of the Local Government sector, represent a suite of straightforward yet important program or policy goals that will deliver significant value to communities across Western Australia.

A handwritten signature in black ink that reads "Lynne Craigie".

Cr Lynne Craigie
President



The WA Local Government Association (WALGA) is working for Local Government in Western Australia. As the peak industry body, WALGA advocates on behalf of 139 WA Local Governments and negotiates service agreements for the sector.

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Guiding Principles

The Local Government sector's electoral advocacy campaign in advance of the 2017 State Election is based upon the following guiding principles and advancing our vision for the Local Government sector.

SIMPLICITY

The Local Government sector's requests are simple, straightforward and easy to understand, while at the same time, they are strategic in nature and are designed to deliver better Government and stronger communities.

SIGNIFICANCE

The requests contained in this document are also significant and will have a material impact on people's quality of life.

ACKNOWLEDGEMENT OF THE FISCAL CLIMATE

The Local Government sector's election priorities have been developed with cognisance of the State's fiscal position.

The 2016-17 State Budget outlined a deficit of \$3.9 billion. In these circumstances, new or additional spending commitments are unlikely and, accordingly, Local Government has focused its election priorities on matters that do not require significant spending commitments, such as legislative reform or efficiency gains.

VALUE TO THE STATE OF WESTERN AUSTRALIA

In acknowledging the challenges of the current fiscal climate, Local Government has put forward requests that have a benefit to Western Australia far in excess of the government expenditure required.

OUR VISION FOR LOCAL GOVERNMENT IN WESTERN AUSTRALIA

WALGA is committed to advancing the vision for Local Government in Western Australia where:

- Local Governments will be built on good governance, autonomy, local leadership, democracy, community engagement and diversity; and,
- Local Governments will have the capacity to provide economically, socially and environmentally sustainable services and infrastructure that meets the needs of their communities.

Policy Priorities

| Key Issue | Local Government is Seeking... |
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| Partnership Agreement and Consultation Protocol | A commitment to sign a Partnership Agreement with the sector with an accompanying Communication and Consultation Protocol. |
| Road Funding Agreement | A commitment to provide 27 percent of revenue from motor vehicle license fees in WA for Local Government roads under a new State Roads Fund to Local Government Agreement to apply from July 2018. |
| Rate Capping | A commitment not to introduce any cap on rates. |
| Container Deposit Scheme | The immediate introduction of a Container Deposit Scheme. |
| Restructuring of Library Arrangements | The continuation of the Public Library Services Working Group and implement a Public Libraries Strategic Plan in line with the <i>Vision 2025 and Framework for Strategic Action for Public Library Services in Western Australia</i> . |
| Local Government Act Review | A commitment to comprehensively review the Local Government Act. |
| Community Sporting and Recreation Facilities Funding | Restoration of the Community Sporting and Recreation Facilities Fund to \$20m per annum beyond 2018-19. |
| Deregulation of Fees and Charges | The deregulation of all Local Government Fees and Charges. |
| Country Local Government Fund | Restoration of the Local Infrastructure Asset Renewal and New Assets component of the Country Local Government Fund to fund community infrastructure in non-metropolitan Local Governments. |
| Commitment to Poll Provisions | A commitment to extend the poll provisions contained in Schedule 2.1 of the Local Government Act 1995 to provide any community whose Local Government is undergoing a boundary change or amalgamation with the opportunity to demand a binding poll of electors. |

PARTNERSHIP AGREEMENT AND CONSULTATION PROTOCOL

Local Government is seeking a commitment to sign a Partnership Agreement with the sector with an accompanying Communication and Consultation Protocol.

It has been a consistent goal of WALGA to formally sign a partnership agreement and consultation protocol with the State Government.

State Council's position is as follows:

WALGA supports the establishment and signing of a Partnership Agreement between the Western Australian Government and the Local Government sector that documents a commitment to improving cooperation between the two sectors at strategic and project levels.

The Partnership Agreement should also incorporate a communication and consultation protocol that guides communication and consultation between the State Government and the Local Government sector with a minimum of twelve weeks of collaboration for legislative proposals that will impact Local Government operations and eight weeks of consultation for regulatory or compliance changes that will affect Local Government.

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| Funding | No funding is required. |
| Benefit to the State | A productive relationship between the State Government and the Local Government sector will benefit both parties, and ultimately, the State of Western Australia, particularly if Local Government is able to work with the State in the pursuit of shared and mutually beneficial outcomes. |

ROAD FUNDING AGREEMENT

Local Government is seeking a commitment to provide 27 percent of revenue from motor vehicle licence fees in WA for Local Government roads under a new State Road Funds to Local Government Agreement to apply from July 2018.

Local Government is responsible for almost 128,000 km of roads which represent 88 percent of the State road network (excluding roads on forestry and Department of Parks and Wildlife managed lands). In 2014-15, expenditure on Local Government roads was over \$753 million and the share of funding provided by the State Government has fallen over the past few years. In 2014-15 there was an estimated shortfall of \$116 million between expenditure on road preservation and that required to maintain the network in its current condition.

Providing transport infrastructure such as roads, paths and cycleways accounts for the largest single expenditure item across most Local Governments. Historically Local Governments, or Roads Boards, collected motor vehicle registration fees and used this money to fund road maintenance and improvement. More recently, motor vehicle licence fees have been collected by the State Government, with funding for roads under the care and control of Local Government provided from the revenue collected.



Recent State Road Funds to Local Government Agreements provided for 27 percent of motor vehicle licence fee revenue to be used to maintain and improve the local road network. As a result of changes in the past three years, and recent decisions regarding funding for 2016-17 and 2017-18 this has now fallen below 20 percent of motor vehicle licence fee revenue. The impact is most acutely seen when the funding split between metropolitan and non-metropolitan areas is revealed. In non-metropolitan areas where, even after the funding reduction, the State Government contributed 28 percent of expenditure on local roads in 2014/15. In comparison the State Government contributed just 12 percent of expenditure on local roads in the Metropolitan area. The demands on the local road network continues to grow strongly as a result of rapid growth in mobility and freight.

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| Funding | \$1.1 billion in total (additional \$228 million) over four years to June 2022. |
| Benefit to the State | Timely, efficient maintenance of roads and bridges delivers the most cost effective, safe and sustainable road network for WA. Costs and risk of failure increase exponentially when maintenance is delayed beyond the optimal time. Almost 75% of expenditure on Local Government roads is for maintenance and renewal, as many roads constructed during periods of rapid growth in WA approach the end of their design life. The freight task is growing significantly more quickly than population, and an increasing proportion of freight is being carried by road, including local roads. Providing certainty of funding for the Local Government sector would allow Local Governments to efficiently and effectively plan their road maintenance programs, minimising the impact on road users and the State's freight task. |

RATE CAPPING

Local Government is seeking a commitment not to introduce any cap on rates.

The concept of ‘capping’ Local Government rate increases has gained some attention in recent months.

New South Wales has had a rate capping regime for many years and rate capping is a recent addition to the Local Government landscape in Victoria.

State Council adopted a rate setting statement that outlines the rationale against rate capping:

- I. Local Government is a legitimate and essential sphere of Government with the democratically enshrined mandate to raise revenue through rates to fund infrastructure and services for the benefit of their community.*
- II. Councils’ deliberative rate setting processes reference their Integrated Planning Framework – a thorough strategic, financial and asset management planning process – and draw upon the community’s willingness and capacity to pay.*
- III. Rate-capping prejudices Local Government’s long-term financial management and can, as experienced in other jurisdictions, have detrimental long-term effects on Local Government asset management, with chronic under-rating leading to significant infrastructure maintenance and renewal backlogs.*
- IV. Rate capping places undue pressure on sound financial management at a time when Local Governments are subjected to increasing costs beyond their control, often imposed by other spheres of Government.*
- V. Local Government rates have remained steady for many years at approximately 3.7 percent of GDP in Australia; meaningful tax reform would require thorough investigation of the total taxation burden, not an external cap on Local Government rates.*

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| Funding | No funding is required. |
| Benefit to the State | A commitment to not implement rate capping would provide certainty for Local Government in its ability to raise revenue to fund services and infrastructure on behalf of its community. In the longer term, a rate capping regime would have significant negative impacts on the community and the State as the Local Government infrastructure backlog worsened, ultimately hampering productivity. Further, rate capping would increase demands on the State to fund services and infrastructure that could not be supported by a restricted rating regime. |

CONTAINER DEPOSIT SCHEME

Local Government is seeking the immediate introduction of a Container Deposit Scheme.

The Local Government sector has sought the introduction of a Container Deposit Scheme for many years.

The benefits of such a Scheme include: increased resource recovery, a reduction in litter, a more appropriate distribution of waste management costs, and an increase in community awareness and involvement in waste management. Local Government prefers that a nationally consistent Scheme is introduced, but only if this can occur in a timely manner. Container Deposit Legislation has successfully operated in South Australia since the late 1970's. South Australia now has the highest recycling rates for beverage containers in Australia, at over 80 percent.

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| Funding | Waste Levy utilised to develop scheme, then self-funded scheme (market driven). Actual cost dependant on type of Scheme implemented. |
| Benefit to the State | Benefits to the State include reduced litter, increased rates of recycling and a more appropriate distribution of waste management costs. |





Photo credit: Element Margaret River.

RESTRUCTURING OF LIBRARY ARRANGEMENTS

Local Government is seeking the continuation of the Public Library Services Working Group to develop and implement a Public Libraries Strategic Plan in line with the *Vision 2025 and Framework for Strategic Action for Public Library Services in Western Australia*.

Research and consultation in late 2014 and early 2015 have highlighted the need for significant transformational change at both state and local levels to deliver more efficient and flexible public library services that meet diverse community needs. No longer repositories for books, libraries have grown to reflect broader needs of their communities and have adapted their services accordingly. Public libraries are hubs of the community. Historically, the financial partnership between the WA State Government and Local Government for public library services was an equal one of 50/50 investment. However, today the average investment from the State Government is 12 percent, with Local Governments picking up the balance of 88 percent.

The key issues Government will need to consider over the next decade will be:

- What will the relationship be between State and Local Government going forward?
- What is the public library service offer to be provided in the future?
- How will it be provided?
- How will the infrastructure and services be delivered in a climate of increase financial constraint?
- How will identified community outcomes be met in the most cost effective way?

In September 2015 State Council endorsed the Vision 2025 and Framework for Strategic Action for Public Library Services in Western Australia which would guide public library reform around four key pillars:

- Integrated planning
- Good governance
- Best value
- Strategic positioning

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| Funding | Minimal investment required initially, estimated at \$1.5m over two years. |
| Benefit to the State | Restructuring library arrangements to reposition libraries as community hubs will benefit the State in a number of ways through more efficient service delivery and centralised multi-purpose facilities. Further, the provision of facilities for disenfranchised members of the community enhances community connectedness. |

LOCAL GOVERNMENT ACT REVIEW

Local Government is seeking a commitment to comprehensively review the Local Government Act.

The *Local Government Act 1995* was drafted over 20 years ago and while most aspects of governance and administration of the sector remain consistent, there have been dramatic changes in technology since 1995 and some parts of the Act are now outdated. Further, there have been many amendments to the Act since its inception, some of which have added layers of complexity to the original legislative intent.

Reviewing the Local Government Act would provide the opportunity for the Local Government Act to be contextually relevant to 21st Century technology. Further, there would be opportunities for Local Government compliance costs to be reduced resulting in greater efficiencies, the benefits of which would be realised by residents and ratepayers.

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| Funding | No additional funding is required - within Department budget. |
| Benefit to the State | A comprehensive review of the Local Government Act could reduce unnecessary compliance from the Local Government sector, leading to enhanced efficiencies and savings re-invested into community services and infrastructure. |



Commencement of works on the Singleton Sports and Community Centre in the city of Rockingham, a \$4.8m project for which the city received \$350,000 in CSRFF funding.



The Kwinana Recquatic Centre upgrade project received \$900,000 in CSRFF funding.

COMMUNITY SPORTING AND RECREATION FACILITIES FUNDING

Local Government is seeking restoration of the Community Sporting and Recreation Facilities Fund to \$20m per annum beyond 2018-19.

WALGA is seeking restoration of the Community Sporting and Recreation Facilities Fund (CSRFF) in the order of \$20m per annum for five years beyond 2018-19. While this Fund was reduced to \$7m per annum in the 2015-16 State Budget, it was increased to \$20m for 2016-17 and 2018-19 before being reduced to \$12m per annum in 2019-2020.

Local Government is committed to working with the State Government to support active living through the development of good quality, well designed, facilities. The sector values the financial assistance provided by the State through the CSRFF as it enables facilities to be developed in a timely manner to meet community demand.

State and Local Governments recognise that access to sport and recreation infrastructure is critical to improve the health and wellbeing of communities. Research has consistently shown that obesity, stress depression, mental illness, and associated medical conditions are increasing and forecast to affect up to a third of the population within the next 20 years. The significant costs imposed on health and welfare systems can be reduced by facilitating and encouraging increased physical activity.

Typically, the State's investment in the CSRFF is more than matched by Local Government spending on the applicable projects (on average, each dollar of CSRFF spending is matched by more than four dollars of investment by Local Governments and others). There is also unmet demand for the CSRFF – every year the CSRFF program is oversubscribed by several million dollars in bids for sport and recreation infrastructure.

The population of Western Australia has grown by 13.5 percent (an extra 308,000 people) over the past five years. There is a clear need to reinstate the \$20m allocation in order to meet the growing demands of the community.

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| Funding | Additional \$8m per annum from 2019-2020. |
| Benefit to the State | Reinstating the CSRFF creates significant benefits to the State as a preventative health measure. As the population of Western Australia continues to grow, this funding will be required to manage increased demand for sporting and recreation facilities. |

DEREGULATION OF LOCAL GOVERNMENT FEES AND CHARGES

Local Government is seeking the deregulation of all Local Government Fees and Charges.

Local Governments are able to impose fees and charges on users of specific, often incidental, services. Examples include dog registration fees, swimming pool entrance fees, and fees for building and planning approvals.

Many of these fees are determined by State Government legislation and are of particular concern to Local Governments as they represent significant revenue leakage due to a lack of indexation, a lack of regular reviews and a lack of transparent methodology.

Since Local Governments do not have direct control over the determination of fees set by legislation, this revenue leakage is recovered from rate revenue. This means all ratepayers end up subsidising the activities of some ratepayers.

When fees and charges are restricted by legislation, rather than being set at cost recovery levels, this sends inappropriate signals to users of Local Government services, particularly when the consumption of those services is discretionary. The inability of the State to regularly index or update fees and charges leads to an inappropriate cost transfer to other ratepayers.

Under the principle of 'general competence' there is no reason why Local Governments should not be empowered to make decisions regarding the setting of fees and charges for specific services.

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| Funding | No additional funding is required. |
| Benefit to the State | Allowing Local Governments to set fees would increase efficiency, as fees could be set to 'cost recovery' or Councils could subsidise activities that provide a social benefit. Further, deregulation of fees would lead to efficiencies due to inter-Local Government competition as members of the community would be able to compare fees across Local Governments. |

COUNTRY LOCAL GOVERNMENT FUND

Local Government is seeking the restoration of the Local Infrastructure Asset Renewal and New Assets component of the Country Local Government Fund to fund community infrastructure in non-metropolitan Local Governments.

Since its launch in December 2008, the Country Local Government Fund (CLGF) has been highly valued as an integral component of the Royalties for Regions program, particularly by communities in country Western Australia. The CLGF has represented the most significant investment into country Local Government infrastructure in this current era and has changed the landscape of regional Western Australian communities through the provision of renewed and new infrastructure. The 'Local Infrastructure Asset Renewal and New Assets' initiative within the CLGF has been instrumental in achieving this. Nonetheless, there is a substantial backlog still to be addressed.

The Western Australian Regional Development Trust (WARDT) recommended in the 2012 review of the CLGF, that the State Government 'continue the CLGF at least at the current level of budget allocation' and further 'that WALGA's previous estimate of Local Government's infrastructure backlog at \$1.75 billion is 'potentially very conservative'.

The effectiveness of the CLGF for achieving regional development goals was recognised in the WARDT review of the program, which stated: 'the CLGF has been and is an innovative and practical program addressing essential upgrades in the social and economic infrastructure that is needed, used and appreciated by country WA'. Furthermore, the WARDT review found that the program's expenditure has been well targeted: '...to a large degree the CLGF had got it right and "what should be funded" is what is funded now'.



Royalties for Regions funding has allowed the Shires of Gingin and Dandaragan to pilot a bus service to improve transport options for older residents living in the Wheatbelt.



The Shire of Harvey's Leschenault Recreation Park Pavilion was part funded by the Royalties for Regions program.

WALGA has acknowledged the importance of the CLGF by continuing its advocacy for the reinstatement of the fund at a level commensurate with its original intent of addressing the country Local Government infrastructure backlog in non-metropolitan Western Australia.

It is recommended that \$50m per annum is allocated to the 'Local Infrastructure Asset Renewal and New Assets' component of the CLGF. In subsequent years the funding should be reviewed in line with the Local Government Integrated Planning Framework to ensure its goal of addressing the infrastructure backlog is achieved.

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| Funding | \$50 million per annum. |
| Benefit to the State | The Country Local Government Fund represents an effective vehicle for delivering regional development goals in non-metropolitan Western Australia while reducing a significant infrastructure backlog that, if not addressed, would represent a large liability for the broader Western Australian community. |

COMMITMENT TO POLL PROVISIONS

Local Government is seeking a commitment to extend the poll provisions contained in Schedule 2.1 of the *Local Government Act 1995* to provide any community whose Local Government is undergoing a boundary change or amalgamation with the opportunity to demand a binding poll of electors.

During the Local Government Metropolitan Reform process there was considerable discussion in the Local Government sector regarding the poll provisions contained in Schedule 2.1 of the *Local Government Act 1995*.

The poll provisions provide the opportunity for the community, whose Local Government is involved in an amalgamation, to demand a poll of electors the result of which, if turnout is 50 percent or greater, is binding on the Minister for Local Government.

WALGA's position on the poll provisions is that they should be extended to include communities whose Local Government is undergoing a boundary change as well as an amalgamation:

Schedule 2.1 of the Local Government Act 1995 should be amended so that the electors of a Local Government affected by any boundary change or amalgamation proposal are entitled to petition the Minister for a binding poll.

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| Funding | No funding is required. |
| Benefit to the State | A commitment to the poll provisions would provide certainty to Local Governments that their communities would have a say on any boundary change or amalgamation proposal. Further, with confidence that the community would have a say, Local Governments will be incentivised to ensure that they are exceeding the expectations of their community in terms of service delivery, provision of infrastructure and community representation. |

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