

State Council Agenda

4 December 2019

NOTICE OF MEETING

Meeting No. 7 of 2019 of the Western Australian Local Government Association State Council to be held at WALGA on Wednesday 4 December 2019 commencing at 4pm.

1. ATTENDANCE, APOLOGIES & ANNOUNCEMENTS

1.1 Attendance

Members	President of WALGA Chair Deputy President of WALGA, Avon-Midland Country Zone Central Country Zone Central Metropolitan Zone Central Metropolitan Zone East Metropolitan Zone East Metropolitan Zone Goldfields Esperance Country Zone Gascoyne Country Zone Great Eastern Country Zone Great Southern Country Zone Kimberley Country Zone Murchison Country Zone North Metropolitan Zone North Metropolitan Zone North Metropolitan Zone Northern Country Zone Peel Country Zone Pilbara Country Zone South East Metropolitan Zone South East Metropolitan Zone South Metropolitan Zone South Metropolitan Zone South Metropolitan Zone South West Country Zone	President Cr Lynne Craigie OAM
Ex Officio	Local Government Professionals WA Chair Commissioners, City of Perth	Mr Jamie Parry Mr Andrew Hammond
Guests	Minister for Local Government; Heritage; Culture and the Arts Chief of Staff, Minister for Local Government	Hon David Templeman MLA Mr Gary Hamley
Secretariat	Chief Executive Officer EM Environment & Waste EM Governance & Organisational Services EM Finance & Marketing EM People and Place EM Infrastructure EM Business Solutions Manager Strategy & Association Governance Executive Officer Governance	Mr Nick Sloan Mr Mark Batty Mr Tony Brown Mr Zac Donovan Ms Joanne Burges Mr Ian Duncan Mr John Filippone Mr Tim Lane Ms Margaret Degebrodt

1.2 Apologies

1.3 Announcements

- 1.3.1 WALGA acknowledges the Whadjuk Nyoongar people who are the Traditional Custodians of this land we meet on today and pays respects to their Elders past, present and future.
- 1.3.2 Welcome to the Honourable David Templeman MLA, Minister for Local Government; Heritage; Culture and the Arts together with Mr Gary Hamley, Chief of Staff.

2. MINUTES

2.1 Minutes of Meeting Held 6 September 2019

Recommendation

That the Minutes of the Western Australian Local Government Association (WALGA) State Council Meeting held on Friday 6 September 2019 be confirmed as a true and correct record of proceedings.

2.2 Flying Minute of WALGA Comments on DWER Environmental Offsets Framework Review – 1 October 2019

Recommendation

That the Flying Minute of the WALGA Comments on DWER Environmental Offsets Framework Review dated 1 October 2019, be confirmed as a true and correct record of proceedings.

2.3 Flying Minute of WALGA Draft State Planning Policy 7.2 – Precinct Design Submission

Recommendation

That the Flying Minute of the WALGA Comments on Draft State Planning Policy 7.2 – Precinct Design Submission dated 25 October 2019, be confirmed as a true and correct record of proceedings.

2.4 Flying Minute of WALGA Managing Public Health Risks Associated with Pesticides in WA.

Recommendation

That the Flying Minute of the WALGA Comments on Managing Public Health Risks Associated with Pesticides in WA dated 25 October 2019, be confirmed as a true and correct record of proceedings.

2.5 Flying Minute of WALGA's Submission to the Inquiry into 5G in Australia

Recommendation

That the Flying Minute of the WALGA's Comments on the Submission to the Inquiry into 5G in Australia dated 31 October 2019, be confirmed as a true and correct record of proceedings.

3. DECLARATIONS OF INTEREST

Pursuant to our Code of Conduct, State Councillors must declare to the Chair any potential conflict of interest they have in a matter before State Council as soon as they become aware of it.

4. EMERGING ISSUES

Notification of emerging issues must be provided to the Chair no later than 24 hours prior to the meeting.

5. MATTERS FOR DECISION

- As per matters listed
- Items Under Separate Cover to State Council only

6. MATTERS FOR NOTING / INFORMATION

- As per matters listed.

7. ORGANISATIONAL REPORTS

7.1 Key Activity Report

- 7.1.1 Environment and Waste
- 7.1.2 Governance and Organisational Services
- 7.1.3 Infrastructure
- 7.1.4 People and Place

7.2 Policy Forum Reports

- 7.2.1 Policy Forum Reports

7.3 President's Report

Recommendation

That the President's Report for December 2019 be received.

7.4 CEO's Report

Recommendation

That the CEO's Report for December 2019 be received.

7.5 LG Professionals Report

Recommendation

That the LG Professionals Report be received.

8. ADDITIONAL ZONE RESOLUTIONS

To be advised following Zone meetings.

9. MEETING ASSESSMENT

A State Councillor will be requested to provide feedback as to the effectiveness of the meeting.

10. DATE OF NEXT MEETING

Recommendation

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5. MATTERS FOR DECISION

5.1 2020-21 State Budget Submission (05-001-03-0006 NF)

By Nebojsa Franich, Policy Manager - Economics

Recommendation

That WALGA's submission to the State Government in advance of the 2020-21 Budget be endorsed.

In Brief

- Each year, WALGA prepares a submission to the State Government outlining the sector's priorities for the upcoming budget.
- WALGA's strategy for the 2020-21 Budget Submission is to:
 1. Recognise the challenging economic context the State is in
 2. Align the sector's asks with State Government priorities and KPIs
 3. Demonstrate value for money for anything that we ask for
 4. Be as specific as possible in our asks
 5. Stand out from the crowd by being targeted and succinct
 6. Establish relationships and united voices with other advocacy bodies and within Government wherever possible.
- The following four strategic themes form the basis of WALGA's Submission and highlight the key areas the sector is seeking funding or policy change in the 2020-21 State Budget.
 - Empowering Local Governments to contribute to the State's priorities
 - Establishing a Strategic Approach to Economic Development in WA
 - Investing in Important Local Government Infrastructure
 - Ensuring a Sustainable Environment for our Communities
- Across the identified four strategic themes, WALGA has put forward 18 initiatives in its 2020-21 State Budget Submission that total \$287 million across the four year forward estimates period. Some 90 per cent of the total funding ask is contained within just six initiatives – demonstrating that WALGA's funding asks are targeted and are not extensive. In addition, WALGA has suggested a reprioritisation of expenditure from specific existing sources of funding for the majority of the initiatives put forward, in order to ensure future budget surpluses are maintained.
- In developing the Submission, WALGA has sought feedback from State Council at the Strategic Forum in September and from members throughout September and October.
- Once it has been endorsed by State Council and submitted to the State Government in mid-December, each Elected Member will be provided with a copy of the Submission to assist them as they advocate to Members of Parliament in their own regions.

Attachment

WALGA 2020-21 State Budget Submission: <https://walga.asn.au/getattachment/Documents/State-Budget-Submission-Draft.pdf?lang=en-AU>

In addition, please find attached separate to the Agenda a hard copy of the WALGA 2020/21 State Budget Submission.

Relevance to Strategic Plan

Key Strategies

Sustainable Local Government

- Continue to build capacity to deliver sustainable Local Government;
- Provide support to all members, according to need;
- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia;
- Foster economic and regional development in Local Government.

Enhanced Reputation and Relationships

- Communicate and market the profile and reputation of Local Government and WALGA;
- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government;
- Develop simple and consistent messages that are effectively articulated;

Policy Implications

The submission reflects related WALGA policy positions.

Budgetary Implications

Nil.

Background

Each year, WALGA prepares a submission to the State Government outlining the sector's priorities for the upcoming budget.

WALGA began planning its 2020-21 State Budget Submission in August 2019, with a meeting of Executive Managers and Senior Managers across the organisation. From this meeting, it was proposed that a strategy based on the below key points would provide WALGA the best opportunity to successfully advocate on behalf of the sector.

- Recognise the challenging economic context the State is in, which necessitates a focus on fiscal repair, the funding of productivity enhancing initiatives and empowering other stakeholders to help the State Government achieve its economic objectives.
- Align the sector's asks with State Government priorities and KPIs and demonstrate how Local Government can contribute to their achievement.
- Demonstrate value for money, which includes outlining the benefits and costs of the initiatives we ask for.
- Be as specific as possible in our asks, which includes clearly outlining our requests, our rationale, how it should be funded and who within Government should have responsibility for it.
- Stand out from the crowd by being targeted and succinct
- Establish relationships and united voices with other advocacy bodies and within Government wherever possible.

From further collaboration across WALGA Executive Managers and Senior Managers, the following four strategic themes emerged that form the basis of the Submission. These themes highlight the key areas the sector is seeking funding or policy change in the 2020-21 State Budget.

- Empowering Local Governments to contribute to the State's priorities
- Establishing a Strategic Approach to Economic Development in WA
- Investing in Important Local Government Infrastructure
- Ensuring a Sustainable Environment for our Communities

The proposed strategy for the Submission, the Strategic themes, and the initiatives underpinning each strategic theme were shared with the Strategic Forum in September, and WALGA's membership base throughout September and October.

Comment

Across the identified four strategic themes, WALGA has put forward 18 initiatives in its 2020-21 State Budget Submission that total \$287 million across the four year forward estimates period. Some 90 per cent of the total funding ask is contained within just six initiatives – demonstrating that WALGA's funding asks are targeted and are not extensive. In addition, WALGA has suggested a reprioritisation of expenditure from specific existing sources of funding for the majority of the initiatives put forward, in order to ensure future budget surpluses are maintained.

Many of the high spend initiatives recommended by WALGA in its Submission can be implemented relatively quickly, and would provide significant support to the domestic economy and domestic jobs in the immediate term. Given the unexpected economic softness that has been experienced over the past 12 months in the construction and services sectors, and in household consumption, this should be a priority for the WA Government.

Once the State Budget Submission has been submitted to the State Government in mid-December 2019, WALGA will continue to meet with Government officials and Members of Parliament in early 2019, to discuss its Submission. Even if initiatives that WALGA asks for are not included in the State Government's 2020-21 Budget, it is intended that WALGA will continue to advocate for them in the lead up to the 2021 State Election.

Once it has been endorsed by State Council and submitted to the State Government in mid-December, each Elected Member will be provided with a copy of the Submission to assist them as they advocate to Members of Parliament in their own regions.

5.2 Interim Submission - Remote Area Tax Concessions (05-001-03-0006 NF)

By Nebojsa Franich, Policy Manager Economics

Recommendation

That WALGA's interim submission to the Productivity Commission's Draft Report into Remote Area Tax Concessions and Payments be endorsed.

In Brief

- In late 2018, Treasurer Josh Frydenberg provided the Productivity Commission with a terms of reference to undertake a study into the zone tax offset and related remote area tax concessions and payments.
- In September 2019, the Productivity Commission released its Draft Report, which recommended:
 - the abolition of the Zone Tax Offset;
 - a review of remote area assistance payments and boundaries;
 - a tightening of fringe benefits tax treatment related to employer provided and employee sourced housing;
 - a tightening of fringe benefits tax treatment for concessions and exemptions relating to residential fuel, meals and holiday transport, and no changes to existing fringe benefit tax exemptions and concessions for FIFO arrangements.
- In October 2019, WALGA provided an Interim Submission to the draft report. WALGA's Submission was based on member feedback and was in alignment with its original Submission to the Issues Paper. In brief, WALGA's Submission:
 - highlighted some of the challenges that make it difficult for regional and remote communities to secure sustained population and workforce growth;
 - maintained that the rationale for retaining remote area tax concessions and payments of regional development still exists;
 - outlined concerns that some of the recommendations contained in the Draft Report go directly against regional development objectives and will have a considerable negative impact on the WA Local Government sector; and
 - outlined concerns that the Draft Report fails to adequately assess the employment and economic impacts of the proposed changes, and also doesn't provide a realistic view of alternative, better mechanisms to support regional development.
- It is anticipated that the Productivity Commission will release its Final Report in February 2020.

Attachment

WALGA Submission to the Productivity Commission's Draft Report into Remote Area Tax Concessions and Payments can be found here:

[https://walga.asn.au/getattachment/Documents/WALGA-s-Response-The-Productivity-Commission%E2%80%99s-Draft-Report-on-Remote-\(1\).pdf?lang=en-AU](https://walga.asn.au/getattachment/Documents/WALGA-s-Response-The-Productivity-Commission%E2%80%99s-Draft-Report-on-Remote-(1).pdf?lang=en-AU)

Relevance to Strategic Plan

Key Strategies

Sustainable Local Government

- Continue to build capacity to deliver sustainable Local Government;
- Provide support to all members, according to need;
- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia;
- Foster economic and regional development in Local Government.

Enhanced Reputation and Relationships

- Communicate and market the profile and reputation of Local Government and WALGA;
- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government;
- Develop simple and consistent messages that are effectively articulated;

Policy Implications

The submission reflects related WALGA policy positions.

Budgetary Implications

Nil.

Background

- The Australian Government provides assistance to Australians who reside in specified geographic areas through the zone tax offset, the fringe benefits tax (FBT) remote area concessions and the Remote Area Allowance.
- In late 2018, Treasurer Josh Frydenberg provided the Productivity Commission with a terms of reference to undertake a study into the zone tax offset and related remote area tax concessions and payments.
- In March 2019, the Productivity Commission released an Issues Paper and sought information from stakeholders on the objectives and economic and employment effects of remote area tax concessions and payments and options for revising current arrangements. WALGA made a Submission to this Issues Paper in April 2019.
- In September 2019, the Productivity Commission released its Draft Report, which recommended:
 - the abolition of the Zone Tax Offset;
 - a review of remote area assistance payments and boundaries;
 - a tightening of fringe benefits tax treatment related to employer provided and employee sourced housing;
 - a tightening of fringe benefits tax treatment for concessions and exemptions relating to residential fuel, meals and holiday transport, and
 - no changes to existing fringe benefit tax exemptions and concessions for FIFO arrangements.
- In October 2019, WALGA provided an Interim Submission to the draft report. WALGA's Submission was based on member feedback and was in alignment with its original Submission to the Issues Paper. WALGA and some members met face-to-face with the Productivity Commission in mid-October to discuss its Submission.
- It is anticipated that the Productivity Commission will release its Final Report in February 2020.

Comment

WALGA's Submission to the Draft report highlights some of the challenges that make it difficult for regional and remote communities to secure sustained population and workforce growth. Within this context, the Submission maintained that the rationale for retaining remote area tax concessions and payments – to lessen the impact on residents and businesses from living or operating in remote areas, in order to encourage people to locate to these areas – still exists.

The Submission outlined concerns that some of the recommendations contained in the Productivity Commission's Draft Report, particularly those in relation to FBT exemptions and concessions, go directly against regional development objectives and will have a considerable negative impact on the WA Local Government sector and regional communities. WALGA provided some examples of these

potential impacts in the submission and noted that the Productivity Commission's Draft report fails to adequately assess the employment and economic impacts of the proposed changes. In addition, WALGA's Submission noted that the Draft Report also doesn't provide a realistic view of alternative, better mechanisms to support regional development.

In its Submission and subsequent face-to-face meeting with the Commission, WALGA welcomed the opportunity for the Association and its members to work more closely with the Productivity Commission to understand and consider the impacts of its recommendations prior to the Commission releasing its Final Report.

5.3 Mandatory Code of Conduct for Council Member, Committee Members and Candidates – Sector Feedback (05-034-01-0001JMc)

By James McGovern, Manager Governance

Recommendation

That WALGA:

- 1. Request the Mandatory Code of Conduct Working Group be reconvened by the Department of Local Government, Sport and Cultural Industries;**
- 2. Refer the following matters to the Working Group for further consideration:**
 - (a) Part B – Behaviours**
 - i. ensuring principles of natural justice can be adequately upheld in all circumstances;**
 - ii. training opportunities that will assist Council Members determine complaint outcomes under Part B;**
 - iii. development of a template Complaints Management Policy;**
 - iv. reconsider the purpose of allowing ‘any person’ to make a complaint;**
 - v. ensuring Committee Members and Candidates are included in Part B; and**
 - vi. re-naming ‘Rules’ to an appropriate term throughout Part B.**
 - (b) Part C – Rules of Conduct**
 - i. review the rationale for creating a new Rule of Conduct breach where three or more breaches of Part B – Behaviours are found and the Local Government resolves to refer the matter to the Local Government Standards Panel; and**
 - ii. review the proposal to amend the definition of an ‘interest’ relating to Impartiality Interests from the present definition in Regulation 11 of the Local Government (Rules of Conduct) Regulations.**
- 3. Recommend the Working Group develop an endorsed Mandatory Code of Conduct for further consultation with the Local Government sector.**

In Brief

- The *Local Government Legislation Amendment Act 2019* was assented to in July 2019 and introduced a range of Act amendments, including provision by future amendment to Section 5.103, for a mandatory Code of Conduct for Council Members, Committee Members and Election Candidates.
- In preparation for the new Code, the Department formed a Working Group that included WALGA, to consider the content of a future Code.
- Prior to endorsement by the Working Group, the Department of Local Government, Sport and Cultural Industries released a Consultation Paper in September requesting sector feedback by the amended date of 6 December 2019.
- WALGA provided a Draft Submission to Member Local Governments and feedback received by 25 October is incorporated in this report; additional commentary is anticipated as part of the WALGA Zone process.

Attachments

- Mandatory Code of Conduct – Draft for Consultation:
<https://walga.asn.au/getattachment/Documents/Item-5-3-attachment-draft-code-of-conduct-with-guidelines.docx?lang=en-AU>
- WALGA Mandatory Code of Conduct Draft:
<https://walga.asn.au/getattachment/Documents/Item-5-3-attachment-link-Draft-Submission-on-Code-of-Conduct-October-2.pdf?lang=en-AU>

Relevance to Strategic Plan

Key Strategies

Engagement with Members

- Deliver a broad range of benefits and services that enhance the capacity of member Local Governments;
- Improve communication and build relationships at all levels of member Local Governments;
- Provide ongoing professional development and interactive opportunities for Elected Members to contribute to debate on sector issues;
- Build a strong sense of WALGA ownership and alignment.

Sustainable Local Government

- Continue to build capacity to deliver sustainable Local Government;
- Provide support to all members, according to need;
- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia;
- Foster economic and regional development in Local Government.

Enhanced Reputation and Relationships

- Communicate and market the profile and reputation of Local Government and WALGA;
- Promote WALGA's advocacy successes with the sector and the wider community;
- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government;
- Develop simple and consistent messages that are effectively articulated;
- Promote WALGA's supplier agreements to assist Local Governments.

Policy Implications

This process will establish WALGA's advocacy position on the Mandatory Code of Conduct.

Budgetary Implications

Nil.

Background

The *Local Government Legislation Amendment Act 2019* will introduce new requirements in relation to Mandatory Codes of Conduct for Council Members, Committee Members and Candidates for Local Government Elections under Section 5.103 as amended by the *Local Government Legislation Amendment Act 2019*).

The Department of Local Government, Sport and Cultural Industries released the *Mandatory Code of Conduct for Council Members, Committee Members and Candidates* ('Mandatory Code') for consultation in September 2019, seeking a response by the amended date of 6 December 2019.

WALGA and other invited parties participated in the Mandatory Code of Conduct Working Group to develop the document, however the Draft for Consultation was released prior to endorsement by the Working Group, and there are a number of unresolved issues previously raised by WALGA's representatives that will be expanded upon in this submission.

WALGA's Draft Submission drew attention to matters of concern and inconsistency with the Mandatory Code, including anomalies in how the legislative amendments are translated into the Code. Members were asked to provide a response by 25 October 2019 and were informed that in the absence of comment by this date, there would be additional opportunity to provide commentary as part of the WALGA Zone process. By the close of submissions, 13 Local Governments were able to provide responses that are reflected in the following report.

SECTOR FEEDBACK ON WALGA DRAFT SUBMISSION

The Mandatory Code is constructed in three Parts:

- **Part A** – Principles [Section 5.103(2)(a)]
- **Part B** – Behaviours [Section 5.103(2)(b)]
- **Part C** – Rules of Conduct [Section 5.103(2)(c)]

Part A - Principles

Part A sets out the general Principles that will be contained in the Mandatory Code. Both WALGA and the respondent Local Governments support the content.

Recommendation

Part A – Principles are supported.

Part B - Behaviours

Part B contains the standards of behaviour that are expected of Council Members and it is notable that Committee Members and Candidates are excluded from this Part of the Mandatory Code with no reason given provided in the Department's draft.

The principle focus and intent of Part B is to create a local complaints handling process for allegations of a breach of one or more of the range of behaviours identified in Rule 2.1 through 2.16.

Draft Submission responses to Part B focused on complaints that are to be dealt with under a process set out in a Council policy in accordance with Rule 2.17 through 2.22.

Findings of a breach may result in recommendations for apology, training, counselling and mediation – Rule 2.23 through 2.29 and Attachment 1. Understandably, Councils will not be empowered to apply punitive measures under Part B of the Mandatory Code.

Respondents agreed that, as the majority of Local Government Council Members do not currently monitor one another's behavior, and few operate a local complaints process under the current Code of Conduct, the sector has limited experienced managing a task of this nature and may therefore be inadequately prepared. The Mandatory Code, under 'Guidelines', refers to standards and resources that are generally available to guide development of a policy, but there is no contemplation of training and educating Council Members. The *Council Member Essentials* universal training requirements in Regulation 35 of the *Local Government (Administration) Regulations* are currently silent on complaints management processes.

Local Governments currently operating a Code of Conduct complaints process noted that it can be easily bypassed by the non-participation of the Council Member who is subject of a complaint. The Mandatory Code offers no insight on how this simple avoidance tactic may be overcome.

WALGA Draft Submission responses are summarized in the following observations:

- (a) The Mandatory Code informs that the complaints handling process must observe the principles of natural justice (the hearing rule; the bias rule; the evidence rule). A number of respondents commented that if a Council became factionalised, whether actual or perceived, it may hinder application of natural justice (e.g. the bias rule) when dealing with complaints or lead to a rash of complaint upon complaint. The latter issue has already been identified in reviews of the Local Government Standards Panel. Involvement of an independent mediator/arbitrator may assist but comes at a cost to the Local Government;
- (b) The Mandatory Code references a number of resources to assist each Local Government develop a complaints policy, however a standard template developed by the Department of Local Government, Sport and Cultural Industries is preferred as it will ensure consistency;

- (c) the ability for 'any person' to make a complaint is questioned, as the purpose of the Mandatory Code (as with the current Code) is to promote appropriate collegiate behaviours among Council Members. Allowing uninvolved third parties to become involved by making a complaint mirrors the Rules of Conduct Regulations but appears an overreach in terms of Part B – Behaviours;
- (d) There is broad agreement with WALGA's commentary that the Department's Draft for Consultation was released prematurely, prior to the established Working Group reaching consensus on an appropriate draft;
- (e) Clarification is required on why Part B excludes reference to Committee Members and Candidates; and
- (f) the phrase 'Rules' is already associated with the current Rules of Conduct Regulations and Part C of the Mandatory Code, therefore an alternative nomenclature is recommended.

Part B Recommendations

That 'Part B – Behaviours' be referred back to the Mandatory Code of Conduct Working Group to consider Local Government responses and observations on the following:

- i. ensuring principles of natural justice can be adequately upheld in all circumstances;
- ii. training opportunities that will assist Council Members determine complaint outcomes under Part B;
- iii. development of a template Complaints Management Policy;
- iv. reconsider the purpose of allowing 'any person' to make a complaint;
- v. ensuring Committee Members and Candidates are included in Part B; and
- vi. re-naming 'Rules' to an appropriate term throughout Part B.

Part C – Rules of Conduct

The current Rules of Conduct will essentially be transferred to the Part C of the Mandatory Code and the Local Government Standards Panel will remain responsible for dealing with allegations of a minor breach.

Part C of the Mandatory Code includes the addition of a table of contents headed 'Elements of Rule of Conduct' relevant to each Rule. The Consultation Paper contains no explanation for the Elements and there is support for WALGA's proposal to seek comment on their purpose and intent i.e. is it intended to assist the Local Government Standards Panel in their deliberations?

In addition to the existing Rules, a new Rule is proposed to deal with repeated breaches of Part B of the Mandatory Code. WALGA's Draft Submission notes this concept was not considered by the Mandatory Code Working Group and respondents agreed to seek further comment on this proposal.

The Mandatory Code proposes to change the definition of 'interest', in relation to impartiality interests. Regulation 11 of the Local Government (Rules of Conduct) Regulations currently define 'interest' as:

*'**interest** means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association'*

The Mandatory Code reads:

*'**interest** means a material interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest'*

The use of the phrase 'material' in the context of an impartiality interest is more than likely to confuse this interest with one required to be declared under Section 5.60 of the Local Government Act. For example, there already exists in legislative and case law references to 'material'; in the context of a personal interest, in Section 191 of the Corporations Act 2001; and in case law where it is found a duty exists to declare a 'material' interest where it has capacity to affect a vote (*Grand Enterprises Pty Ltd v Aurium Resources Ltd* (2009) 256 ALR 1). No explanation has been provided for this

proposed change and respondents agree with WALGA's view that the alteration is unwarranted and potentially confuses an already well understood and applied definition relating to impartiality interests.

Part C Recommendations

That 'Part C – Rules of Conduct' be referred back to the Mandatory Code of Conduct Working Group to consider Local Government responses and observations on the following:

- i. review the rationale for creating a new Rule of Conduct breach where three or more breaches of Part B – Behaviours are found and the Local Government resolves to refer the matter to the Local Government Standards Panel;
- ii. review the proposal to amend the definition of an 'interest' relating to Impartiality Interests from the current definition in Regulation 11 of the Local Government (Rules of Conduct) Regulations.

Summary

WALGA has expressed disappointment that the Mandatory Code was released for sector comment prior to endorsement by the Working Group established to facilitate its development. It is therefore proposed that WALGA adopt a principle advocacy position that the Working Group be reconvened by the Department of Local Government, Sport and Cultural Industries to consider the matters raised in response to the Department's Draft for Consultation.

5.4 Standards and Guidelines for CEO Recruitment and Selection, Performance Review and Termination – Sector Feedback (05-034-01-0001 JMC)

By James McGovern, Manager Governance

Recommendation

That WALGA:

- 1. Request the CEO Recruitment and Selection, Performance Review and Termination Working Group be reconvened by the Department of Local Government, Sport and Cultural Industries; and**
- 2. Refer the following matters to the Working Group for consideration:**
 - (a) Removal from the Model Standards the requirement to readvertise CEO positions after 10 years of continuous service;**
 - (b) Encouraging, rather than mandating, the involvement of an independent person in the CEO Recruitment and Selection Process;**
 - (c) Reconsideration of the proposal for independent review of the recruitment process;**
 - (d) Support the role of the Department of Local Government, Sport and Cultural Industries as the regulator for monitoring and compliance; and**
 - (e) Further investigate a role for a Local Government Commissioner.**
- 3. Recommend the Working Group develop endorsed Model Standards for further consultation with the Local Government sector.**

In Brief

- The *Local Government Legislation Amendment Act 2019* was assented to in July 2019 and introduced a range of Act amendments, including provision by future commencement of new Section 5.39A 'Model standards for CEO recruitment, performance and termination.'
- The Department of Local Government, Sport and Cultural Industries formed a Working Group that included WALGA, to consider the content of future Model Standards.
- Prior to endorsement by the Working Group, the Department of Local Government, Sport and Cultural Industries released a Consultation Paper in September requesting sector feedback by the amended date of 6 December 2019.
- WALGA provided a Draft Submission to Member Local Governments and feedback received by 25 October is incorporated in this report; additional commentary is anticipated as part of the WALGA Zone process.

Attachments

- Standards and Guidelines for CEO Recruitment, Performance Review and Termination – Draft for Consultation:

<https://walga.asn.au/getattachment/Documents/Item-5-4-attachment-draft-ceo-standards-and-guidelines.docx?lang=en-AU>

- WALGA Model CEO Standards Draft Submission:

<https://walga.asn.au/getattachment/Documents/Item-5-4-attachment-Draft-Submission-on-CEO-Standards-and-Guidelines-O.pdf?lang=en-AU>

Relevance to Strategic Plan

Key Strategies

Engagement with Members

- Deliver a broad range of benefits and services that enhance the capacity of member Local Governments;
- Improve communication and build relationships at all levels of member Local Governments;
- Provide ongoing professional development and interactive opportunities for Elected Members to contribute to debate on sector issues;
- Build a strong sense of WALGA ownership and alignment.

Sustainable Local Government

- Continue to build capacity to deliver sustainable Local Government;
- Provide support to all members, according to need;
- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia;
- Foster economic and regional development in Local Government.

Enhanced Reputation and Relationships

- Communicate and market the profile and reputation of Local Government and WALGA;
- Promote WALGA's advocacy successes with the sector and the wider community;
- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government;
- Develop simple and consistent messages that are effectively articulated;
- Promote WALGA's supplier agreements to assist Local Governments.

Policy Implications

This process will establish WALGA's advocacy position on the Model Standards.

Budgetary Implications

Nil.

Background

The *Local Government Legislation Amendment Act 2019* will introduce new requirements in relation to CEO Recruitment, Performance Review and Termination under new Section 5.39A of the *Local Government Legislation Amendment Act 2019*.

The Department of Local Government, Sport and Cultural Industries released the Standards and Guidelines for CEO Recruitment, Performance Review and Termination Draft for Consultation in September 2019, seeking a response by the amended date of 6 December 2019.

WALGA and other invited parties participated in the CEO Recruitment, Performance Review and Termination Working Group to develop Model Standards, however the Draft for Consultation was released prior to endorsement by the Working Group. There are a number of unresolved issues previously raised by WALGA's representatives that will be expanded upon in this submission.

WALGA's Draft Submission drew attention to matters of concern and Members were asked to provide a response by 25 October 2019. In the absence of comment by this date, there would be additional opportunity to provide commentary as part of the WALGA Zone process. By the close of submissions, 10 Local Governments were able to provide responses that are reflected in the following report.

SECTOR FEEDBACK ON WALGA DRAFT SUBMISSION

Specific Feedback

Re-advertising the Position after 10 Years

The Model Standards proposes the introduction of a mandatory requirement to advertise the CEO position once the incumbent has achieved 10 years of continuous service. Early versions of the Model Standards provided to the Working Group prefaced this proposal with the now-deleted statement *"In order to avoid 'contracts for life' and place a focus on continued performance..."*

Section 5.39(2)(b) of the Local Government Act already limits CEO contracts to a maximum of 5 years and Councils have general competence powers to consider whether to renew the incumbent's contract or advertise the position. Suggesting that a Council must re-advertise the position of a CEO after 10 years is likely to prove unworkable or counterproductive in any case as:

- Councils cannot provide reassurances to incumbent CEO's as to the outcome of the process and risk the departure of high performing individuals;
- Councils conducting a selection process known to involve an incumbent CEO will risk allegations of non-compliance with Section 5.40 of the Local Government Act *'Principles affecting Local Government employees'* due to actual or perceived bias, nepotism and lack of merit and equity in relation to other applicants; and
- reappointment of an incumbent CEO in whose performance, competence and capacity the Council has faith will only further entrench perceptions that contracts are for life, thus negating the very purpose of this proposal.

Respondents agreed unanimously with WALGA's view that the imposition of this requirement, net of any commentary or justification other than to assuage undisclosed perceptions of 'contracts for life', is unwarranted and should be removed from the Model Standards and not be included in regulations.

Selection Panel – Independent Person

The Model Standards states at Item S1.3 that at least one independent person must be appointed to the CEO selection panel. The associated commentary suggests that the independent person may include:

- former elected member or former staff member
- former or current elected member of another local government
- a prominent or highly regarded member of the community
- a person with experience in recruitment and selection of CEO's

Respondents agreed with WALGA's submission that mandating an independent person's involvement is impractical and risks creating uncertainty and ambiguity in the both the recruitment process and the employment relationship. A Local Government can never guarantee that an independent person is truly impartial, understands recruitment or adds value to the selection and recruitment process. WALGA's submission supports the ongoing use of an independent qualified and licensed recruitment consultant to provide guidance (as opposed to active participation) in both the recruitment process and to assist with Local Government Act obligations to finalise the employment of a CEO.

Creating Diversity

Respondents generally supported the Model Standards proposal, and raising awareness of unconscious bias as a factor in the recruitment and selection decision-making is supported.

Independent Review of Termination Report

WALGA acknowledges and supports that Councils should seek advice from a suitably qualified person to assist in a termination process to minimize exposure to risk. It is less clear what benefit, if any, would result from having an independent review following a termination process. This can be summarized by stating that the former point obviates the need for the latter.

Feedback on Consultation Questions

Respondents supported WALGA's Draft Submission in relation to the following consultation survey questions:

Recruitment and Selection

Questions 13: The 'blind CV recruitment' proposal is not supported, due to the inevitability that disclosure of applicants' past employment history will be identifiable, and may trigger an element of unconscious bias toward certain individuals.

Performance Review

Question 18: Annual performance reviews are viewed as satisfactory.

Termination

Questions 22 and 23: Termination notice periods must comply with National Employment Standards.

Monitoring and Enforcement

Questions 24 – 30: Respondents support WALGA's commentary, that a minimal approach to enforcement of the Model Standards is required as Local Government Councils, as employing authorities of the CEO, have obligations to observe employment law when undertaking its responsibilities.

Local Government Commissioner

Question 25: Respondents do not support the establishment of a Local Government Commissioner on the basis of the information provided in the Model Standards. The paper introduced the item as an afterthought and it is suggested this matter requires further consideration.

Summary

WALGA has expressed disappointment that the Model Standards Draft for Consultation was released for sector comment prior to the endorsement of the Working Group established to facilitate its development. It is therefore proposed that WALGA adopt a principle advocacy position that the Working Group be reconvened by the Department of Local Government, Sport and Cultural Industries to consider the matters raised in response to the Department's Draft for Consultation.

5.5 Local Government Financial Ratios (05-034-01-0001 TB)

By Tony Brown, Executive Manager Governance and Organisational Services

Recommendation

- 1) That WALGA advocate to the Minister for Local Government to amend the Local Government Financial Management Regulations to provide for the following ratios;
 - a. Operating Surplus Ratio
 - b. Debt Service Coverage Ratio
 - c. Asset Sustainability Ratio
 - d. Current Ratio
 - e. Net Financial Liabilities Ratio
- 2) The recommended indicators to the financial ratios be referred to the Department of Local Government, Sport and Cultural Industries and the Office of the Auditor General for consideration;
 - a) Operating Surplus Ratio
A key indicator of a Local Government's financial performance is the Operating Surplus relative to the operating revenues. A benchmark result of 0% or greater is considered acceptable. Advanced is 15% or above.
 - b) Debt Service Coverage Ratio
A Local Government's ability to service debt is measured by the "Debt Service Cover Ratio". This is the measurement of a local government's ability to produce enough cash to cover its debt payments. A Basic standard is achieved if the ratio is greater than or equal to 2. An Advanced standard is achieved if the ratio is greater than 5
 - c) Asset Sustainability Ratio
Measures capital expenditure on renewal or replacement of assets, relative to depreciation expense. Standard is met if the ratio can be measured and is 90% (or 0.90) Standard is improving if this ratio is between 90% and 110% (or 0.90 and 1.10)
 - d) Current Ratio
Liquidity refers to how quickly and cheaply an asset can be converted into cash. A Local Government's liquidity is measured by the "Current Ratio". This ratio provides information on the ability of a Local Government to meet its short-term financial obligations out of unrestricted current assets. Standard is met if the ratio can be measured and is at least 90%. Standard is improving if this ratio is between 90% and 110%.
 - e) Net Financial Liabilities Ratio
An indicator of the extent to which the net financial liabilities of a Local Government can be serviced by its operating revenues. Target < 60% per annum.

In Brief

- Currently, there are seven financial performance indicators which are required to be included in the annual financial report of a Local Government under section 6.4(2) of the Local Government Act 1995 and Regulation 50 of the Local Government (Financial Management) Regulations 1996.
- Over a number of years there has been mounting concern as to the appropriateness of these indicators in providing a reasonable benchmark and measure of the financial performance of all local governments in WA.

- WALGA has contracted a Local Government Financial consultant to provide recommendations on meaningful ratios and what the recommended indicators are for each ratio.
- This agenda item recommends the 7 ratios be replaced with 5 more meaningful and relevant ratios

Attachment

Financial Performance Indicators Discussion Paper – RJ Back and Associates:

<https://walga.asn.au/getattachment/Documents/Financial-Performance-Indicators-Discussion-Paper-2019-Version-2.pdf?lang=en-AU>

Relevance to Strategic Plan

Key Strategies

Engagement with Members

- Deliver a broad range of benefits and services that enhance the capacity of member Local Governments;
- Improve communication and build relationships at all levels of member Local Governments;

Sustainable Local Government

- Continue to build capacity to deliver sustainable Local Government;
- Provide support to all members, according to need;
- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia;

Enhanced Reputation and Relationships

- Communicate and market the profile and reputation of Local Government and WALGA;
- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government;
- Develop simple and consistent messages that are effectively articulated;

Policy Implications

WALGA's current position on financial ratios is as follows;

That Regulation 50 of the Local Government (Financial Management) Regulations be reduced and amended to the following financial ratios:

- *Operating Surplus ratio*
- *Net Financial Liabilities ratio*
- *Asset Renewal Funding Ratio*

Target ratios for Local Governments be considered in line with the size and scale principle. A review of the formulas for the ratios be undertaken.

State Council Resolution

March 2019 – 06.3/2019

Budgetary Implications

Nil.

Background

Currently, there are seven financial performance indicators which are required to be included in the annual financial report of a local government under section 6.4(2) of the Local Government Act 1995 and Regulation 50 of the Local Government (Financial Management) Regulations 1996.

It should be noted that only five of these indicators require audit verification.

The annual financial report is to include, for the financial year covered by the annual financial report and the 2 preceding financial years —

- (a) the current ratio; and
- (b) the asset consumption ratio; and
- (c) the asset renewal funding ratio; and
- (d) the asset sustainability ratio; and
- (e) the debt service cover ratio; and
- (f) the operating surplus ratio; and
- (g) the own source revenue coverage ratio.

These ratios are then used to calculate the Financial Health Indicator which is published on the MyCouncil website. The notation on the site states –

“The Financial Health Indicator (FHI) is a measurement of a local government’s overall financial health. It is calculated from the seven financial ratios that local governments are required to calculate annually. An FHI result of 70 and above indicates sound financial health. The maximum result achievable is 100. The FHI is one factor to consider in assessing overall performance. Other factors include: the range of services offered; efficiency of services delivered; and community satisfaction. A very high or low FHI may be a prompt for questions to be asked by the community about a local government’s revenue, expenses and service delivery. The FHI is best viewed as a trend over time. When interpreting FHI data on the radar charts below, a larger rounder shape is better than a smaller shape. Ratio results that are closer to the centre indicate areas where attention may be required and improvement can be made.”

Over a number of years there has been mounting concern as to the appropriateness of these indicators in providing a reasonable benchmark and measure of the financial performance of all local governments in WA.

There have been a number of accounting treatments and processes that have led to “misleading” outcomes and in due course suspect Financial Health Indicator scores published on the MyCouncil website.

In addition, the Department of Local Government guideline for ratios provides standards that are hard for the majority of Local Governments to meet.

WALGA contracted senior Local Government Financial Management consultant, RJ Back and Associates to review the ratios and suggest appropriate indicators.

This agenda item provides recommendations on meaningful ratios and what the recommended indicators are for each ratio.

Comment

Defining Financial Performance Indicators

Financial Indicators need to be readily communicable to ratepayers and the Community in such a way that will enhance their understanding of the financial performance of their local government.

The following objectives are considered important in defining key financial indicators –

- ✓ Indicators need to be transparent, demonstrable and measurable,
- ✓ allow ratepayers and the community to gain a better understanding of a Local Government’s financial performance,
- ✓ measure a Local Government’s annual financial performance for the current year and the prior two financial years,
- ✓ included Industry benchmarks, definitions and outcomes,

- ✓ sufficiently robust to provide meaningful trends, and
- ✓ be able to be embedded into a consolidated score system such as the Financial Health Indicator.

There are many financial performance indicators that can be considered. Each has a use for Local Government comparisons and/or assessment. Too few and they become volatile, whilst too many becomes confusing or and fail to communicate a message. This is where financial health indicators, properly constructed become useful.

Issues of consistency in presentation and calculation could be addressed by the application of a model set of annual financial accounts prepared for the industry. Unlike other States, Western Australia does not have a model Financial Report which requires all local governments to prepare.

The model would need to be endorsed by the Department and the Office of the Auditor General.

1. What do we want to use the indicators for?

Financial Ratios measure financial performance and do not measure a Local Government's efficiency or effectiveness in delivering its programs and services.

Apart from providing comparisons with industry benchmarks the ratios need to be sufficiently robust to provide meaningful trends which can enable the user to gain an idea of the direction the Local Government is moving.

In Western Australia, the State has used the Financial Health Indicator (FHI) as a means of measuring the financial health of a local government and is published on the MyCouncil website.

A result of 70 and above indicates sound financial health. The maximum result achievable is 100. The FHI is one factor to consider in assessing overall performance.

In presenting this information the integrity of the base indicators and the weighting between indicators plays a critical role. The current calculation suffers from the flaws in the existing data and construction of the raw scores.

Any key financial indicators must be robust enough to –

- Provide meaningful trending,
- Able to be embedded into a consolidated score system, and
- Readily communicable to ratepayers
- To enhance the understanding of the financial performance of the local government.

Key Financial Indicators

In considering indicators the following areas have been addressed.

- Operating Performance
- Debt Management
- Liquidity
- Asset Management

The following five ratios are recommended –

1. Operating Surplus Ratio
2. Debt Service Coverage Ratio
3. Net Financial Liabilities Ratio
4. Current Ratio
5. Asset Sustainability Ratio

In defining these ratios financial data to calculate these ratios is modified to –

- ✓ Define underlying operating revenues and expenses as transactions of a continuing nature and exclude all transactions of a “capital nature”,
- ✓ Make adjusted for advances and subsequent adjustments in the Federal Assistance Grant.

Of the current seven prescribed ratios one has been maintained, three have been modified and three have been discontinued.

- current ratio; (modified)
- asset consumption ratio; (discontinued)
- asset renewal funding ratio; (discontinued)
- asset sustainability ratio; (retained)
- debt service cover ratio; (modified)
- operating surplus ratio; (modified)
- own source revenue coverage ratio (discontinued)

1) OPERATING PERFORMANCE

It is recommended that an **Operating Surplus Ratio** be used that is based on the underlying (recurrent) operating revenues and expenses which are adjusted for advances and subsequent adjustments in the Federal Assistance Grant.

Underlying Operating Surplus* (Underlying operating revenue* LESS Underlying operating expenses*)
Underlying operating revenue*.

*Adjusted for advances and subsequent adjustments in the Federal Assistance Grant.

The underlying revenues and expenses are transactions of a continuing nature and exclude all transactions of a “capital nature”.

The prescribed Operating Surplus Ratio under Finance Regulation 50 in its current configuration be discontinued.

The use of an Operating Surplus Ratio is used by a number of other States.

Indicator

An indicator of the extent to which normal revenue raised not only covers normal operational expenses, but also provides for capital funding.

A positive ratio indicates that surplus revenue is available. This may be used to support the funding of capital expenditure or used to offset past or future operating deficits. If the surplus is not required for this purpose in a particular year, it can be held to support future capital expenditure funding as a financial asset, used to offset past deficit funding or, where possible, used to reduce current debt levels.

A benchmark result of .0% or greater is considered acceptable. Advanced is 15% or above. A breakeven point would mean a Local Governments underlying revenues meet the underlying expenses, including depreciation. The value of the depreciation expense is then available for reinvestment in the assets of the Local Government.

2) DEBT MANAGEMENT

It is recommended that a Debt Service ratio be used to measure the ability of a local government to meet its debt servicing obligations (principal and interest).

A) Debt Service Coverage Ratio

Underlying operating revenue* LESS Underlying operating expenses* (excl depreciation and interest)
Debt Service Costs (principal and interest)

Indicator

A Local Government's ability to service debt is measured by the "Debt Service Cover Ratio". This is the measurement of a local government's ability to produce enough cash to cover its debt payments. A Basic standard is achieved if the ratio is greater than or equal to 2. An Advanced standard is achieved if the ratio is greater than 5

B) Net Financial Liabilities Ratio

An indicator of the extent to which the net financial liabilities of a Local Government can be serviced by its operating revenues

$$\frac{\text{Net financial liabilities}}{\text{Underlying operating Revenue}^*}$$

*Adjusted for advances and subsequent adjustments in the Federal Assistance Grant.

The use of a Net Financial Liabilities Ratio is used by a number of other States.

Indicator

An indicator of the extent to which the net financial liabilities of a Local Government can be serviced by its operating revenues. Target < 60% per annum.

3) LIQUIDITY

It is recommended that a modified **Current Ratio** be used. The same construction used in the prescribed current ratio under Finance Regulation 50 be applied with the following modifications –

- Current assets be adjusted for advances in the Federal Assistance Grant, and
- Long-term debt be excluded from the current liabilities.

Current Ratio

$$\frac{(\text{Current assets LESS restricted assets Less FAG's advances})}{(\text{Current liabilities LESS Borrowings LESS liabilities associated with restricted assets})}$$

If measuring the short-term liquidity (ability to pay immediate creditors) of a Local Government is an issue, then consideration should be given to including the **Untied cash to trade creditors/accruals Ratio**. This measures the unrestricted cash assets available to meet immediate current liabilities for trade creditors, accrued expenses etc

$$\frac{\text{Unrestricted cash}^*}{\text{Creditors and Accruals}}$$

*Adjusted for advances in the Federal Assistance Grant.

The standard is not met if the ratio is lower than 1:1 (less than 100%). The standard is met if the ratio is greater than 1:1 (100% or greater)

The prescribed current ratio under Finance Regulation 50 in its current configuration be discontinued.

The use of a Current Ratio is used by a number of other States.

Indicator

Liquidity refers to how quickly and cheaply an asset can be converted into cash. A Local Government's liquidity is measured by the "Current Ratio". This ratio provides information on the ability of a local government to meet its short-term financial obligations out of unrestricted current

assets. Standard is met if the ratio can be measured and is at least 90%. Standard is improving if this ratio is between 90% and 110%.

4) ASSET MANAGEMENT

It is recommended that the current **Asset Sustainability Ratio** be used as an indicator of the extent to which assets managed by a Local Government are being renewed or replaced as they reach the end of their useful lives.

$$\frac{\text{Capital renewal and replacement}}{\text{Depreciation expense;}}$$

The prescribed asset consumption ratio and asset renewal funding ratio under Finance Regulation 50 be discontinued

The use of an Asset Sustainability Ratio is used by a number of other States.

Indicator

Measures capital expenditure on renewal or replacement of assets, relative to depreciation expense. Standard is met if the ratio can be measured and is 90% (or 0.90) Standard is improving if this ratio is between 90% and 110% (or 0.90 and 1.10)

Summary

The ratios and recommended indicators suggested in this report are seen as being more meaningful and likely to assist the Local Government and the Community in understanding how well a Local Government is functioning financially.

Although WALGA's previous policy recommended reducing the ratios to 3, this report has identified that there is 5 ratios that would be of more assistance.

The recommended ratios and indicators are;

- a) Operating Surplus Ratio
A benchmark result of .0% or greater is considered acceptable. Advanced is 15.0% or above.
- b) Debt Service Coverage Ratio
A Basic standard is achieved if the ratio is greater than or equal to 2. An Advanced standard is achieved if the ratio is greater than 5
- c) Asset Sustainability Ratio
Standard is met if the ratio can be measured and is 90% Standard is improving if this ratio is between 90% and 110%
- d) Current Ratio
Standard is met if the ratio can be measured and is at least 90%. Standard is improving if this ratio is between 90% and 110%.
- e) Net Financial Liabilities Ratio
Target < 60% per annum

5.6 Local Government Audits (05-034-01-0001 TB)

By Tony Brown, Executive Manager Governance and Organisational Services

Recommendation

That WALGA;

- 1) Write to the Office of the Auditor General (OAG) advising of the cost increases to the Local Government sector in respect to financial audits over the first 2 years of OAG audits and request constraint on audit cost increases in the future.**
- 2) Write to the Minister for Local Government seeking formal commitment that Performance Audits carried out by the Office of the Auditor General are the responsibility of the State Government.**

In Brief

- In 2017 the Local Government Amendment (Auditing) Act 2017 was proclaimed, giving the Auditor General the mandate to audit Western Australia's Local Governments.
- Feedback from Local Governments indicates that audit costs have increased by 92% across the first two year period since introduced.
- Local Government staff time for providing evidence of financial transactions has also increased significantly.
- Performance Audits of Local Governments are seen as beneficial for the sector, although the cost of performance audits needs to remain as the responsibility of the State Government.
- Advocacy to the Auditor General on constraining further audit cost increases has been requested by the Local Government sector.

Attachment

Nil

Relevance to Strategic Plan

Key Strategies

Engagement with Members

- Deliver a broad range of benefits and services that enhance the capacity of member Local Governments;
- Improve communication and build relationships at all levels of member Local Governments;

Sustainable Local Government

- Continue to build capacity to deliver sustainable Local Government;
- Provide support to all members, according to need;
- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia;

Enhanced Reputation and Relationships

- Communicate and market the profile and reputation of Local Government and WALGA;

- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government;
- Develop simple and consistent messages that are effectively articulated;

Policy Implications

Budgetary Implications

Nil.

Background

On 28 October 2017, the Local Government Amendment (Auditing) Act 2017 was proclaimed, giving the Auditor General the mandate to audit Western Australia's Local Government and Regional Councils. The Act allows the Auditor General to conduct performance audits of Local Governments, as well as assuming responsibility for the annual financial audits of Local Governments as their existing audit contracts expire.

WALGA has been receiving feedback from Member Local Governments that the financial audit requirements on Local Government staff for evidence of financial transactions has increased significantly. Local Governments expected the scope of the audit to increase however the cost of the audits has increased above what was anticipated.

To fully understand the impact these changes have had on the sector to date, WALGA conducted a survey of its members during May and June 2019.

Some 77 Local Governments responded to the survey, representing Local Governments of all sizes and from across both metropolitan and regional WA. The composition of respondents by the size of their rates base is shown in Table 1 below.

Table 1

Rates base	Survey respondents	All Local Governments in WA
\$0 - \$2.5m	28%	35%
\$2.5m - \$5m	26%	22%
\$5m - \$15m	21%	16%
Above \$15m	25%	27%

A summary of the survey results is provided below.

Financial Audits

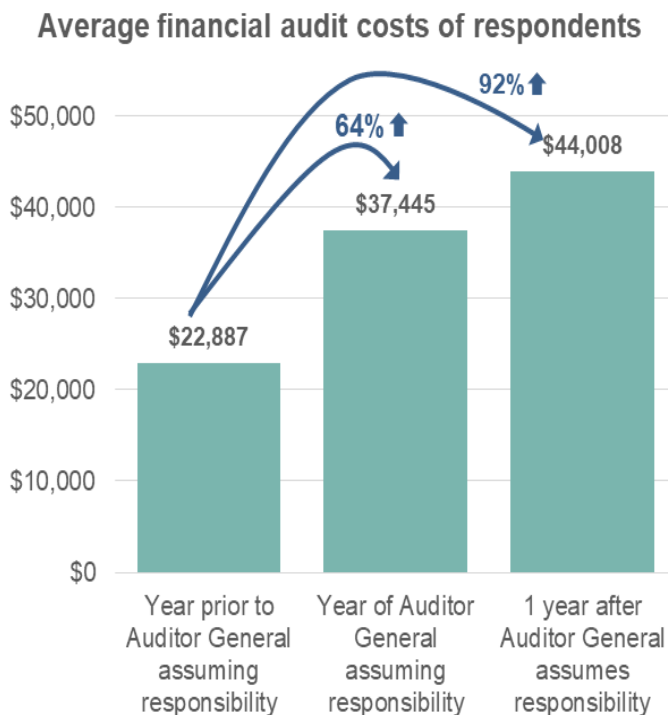
- The average financial audit costs of respondents was just under \$23,000 in the year prior to the Auditor General assuming responsibility for financial audits. In the year that the Auditor General assumed responsibility, the average financial audit costs across respondents increased by 64% to \$37,445. In the second year of the Auditor General assuming responsibility, the average financial



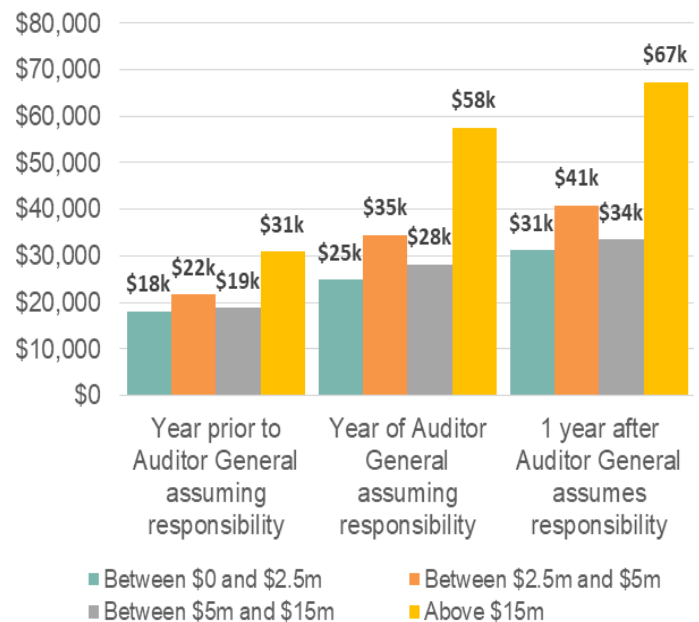
WALGA

audit costs across respondents was even higher at \$44,008. This represents an increase of 92% across the two year period.

- Local Governments with rate bases above \$15 million experienced the greatest increase in financial audit costs (in total dollar and percentage terms) – from an average of \$31,000 in the year prior to the Auditor General assuming responsibility to \$58,000 in the year that the Auditor General assumed responsibility, and then \$67,000 in the second year of the Auditor General assuming responsibility. This represents an increase of 118% over the two year period.
- Local Governments with rate bases less than \$2.5 million experienced the lowest increase in financial audit costs (in total dollar and percentage terms) – from an average of \$18,000 in the year prior to the Auditor General assuming responsibility to \$25,000 in the year that the Auditor General assumed responsibility, and then \$31,000 in the second year of the



Average financial audit costs of respondents, by size of respondent rates base



Financial audit costs represented 0.09% of the respondent rates base (on average) in the year prior to the Auditor General assuming responsibility for financial audits. This increased to 0.18% in the year that the Auditor General assumed responsibility for financial audits, and then 0.19% in the second year of the Auditor General assuming responsibility.

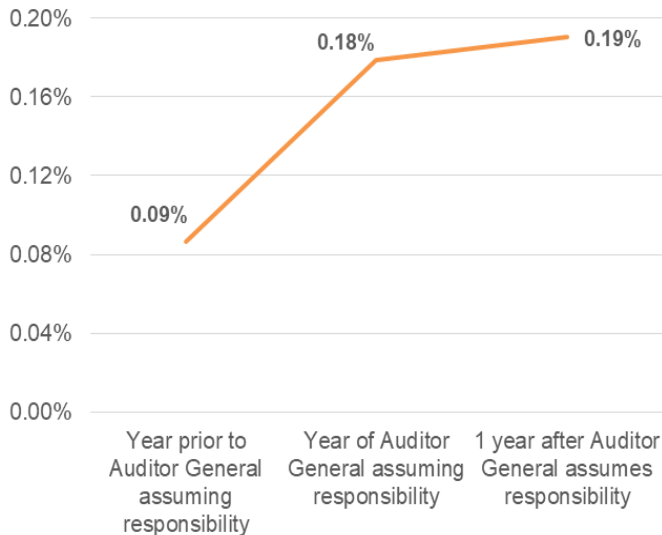
- Respondents with rates bases below \$2.5 million have seen financial audit costs as a proportion of their rates base increase from 0.83% in the year prior to the Auditor General assuming responsibility, to 1.53% in the year that the Auditor General assumed responsibility and then 1.87% in the second year of the Auditor General assuming



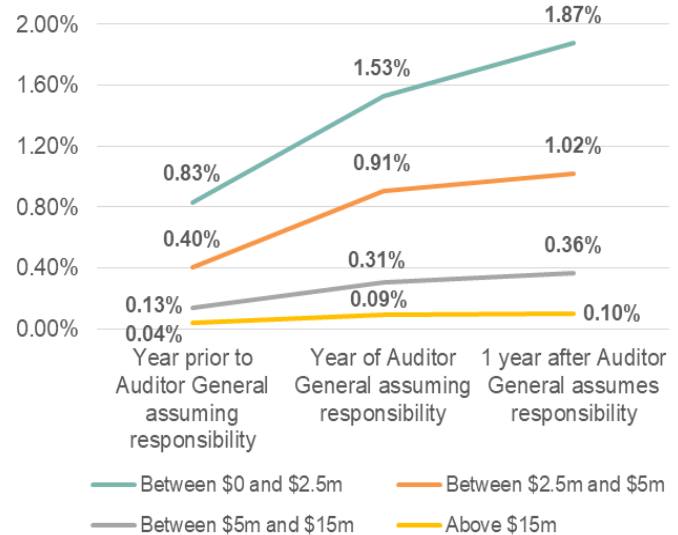
WALGA

responsibility. This compares unfavourably to larger Local Governments, with financial audit costs representing just 0.1% of their rates base in the second year of the Auditor General assuming responsibility.

Average financial audit costs of respondents as a proportion of their rates base, by year



Average financial audit costs of respondents as a proportion of their rates base, by year



- The majority of respondents (61% or 47) indicated that the Auditor General assuming responsibility for financial audits has required them to supply more evidence and information in order to substantiate their financial audit. There were, however, 21% of respondents (or 16) who thought the level of evidence and information required has been the same since the Auditor General assumed responsibility, while 18% (or 14) were unsure.
- Some 88% of respondents indicated that the Auditor General had contracted out the responsibility for their financial audit to a private sector organisation. The majority of these contracted out audits (62%) were performed by the same company that previously conducted their financial audits.
- Some respondents believed there were benefits associated with the Auditor General assuming responsibility for their financial audits, including:
 - staff development (12% of respondents selecting this option);
 - a better perception from rate payers (14% of respondents selecting this option)
 - systems improvement (26% of respondents selecting this option); and
 - other types of procedural improvements.

There were 29% of respondents, however, who did not think that the Auditor General assuming responsibility for their financial audits had led to any benefits. These respondents were typically those with a rates base less than \$2.5 million.

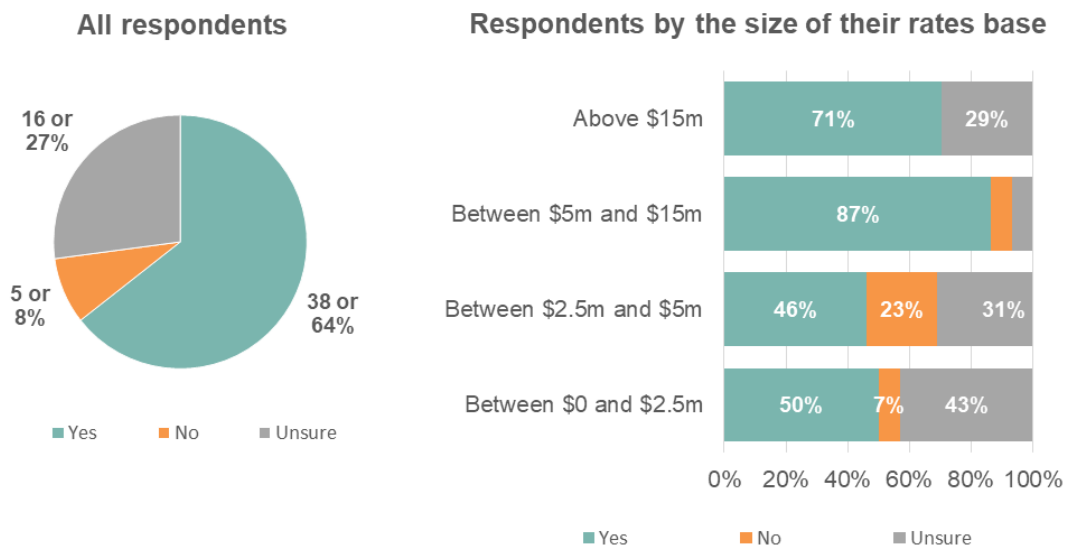
A number of respondents also commented that it was too early to tell whether the changes made will lead to any benefits.

Performance Audits

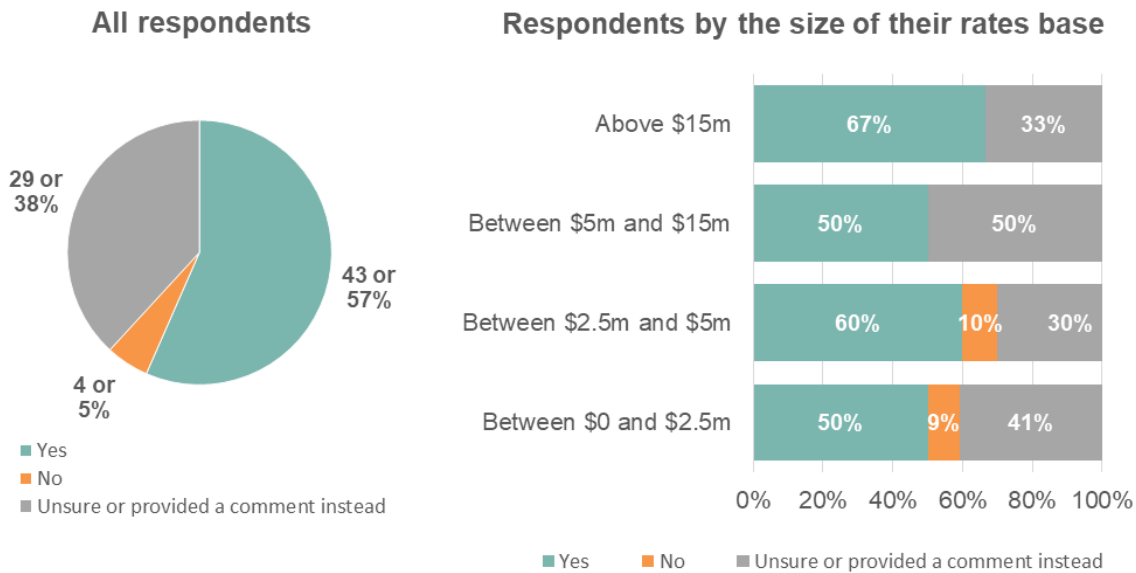
- Just 30% of respondents (or 23) had been subject to a performance audit from the Auditor General. In terms of the type of performance audits undertaken, most were in relation to the timely payment of suppliers. The majority of respondents (64% or 38) who had been subject to a performance audit saw them as beneficial for their Local Government, with the type of benefits identified including the development of best practice go-to-guides and the development of appropriate benchmarks that Local Governments can refer to in the future.

A comment made by numerous respondents, however, was that while the performance audits were potentially beneficial, the auditors didn't seem to have knowledge of the diversity of the Local Government sector, and the challenges that regional and smaller Local Governments faced.

Respondents who believe performance audits are beneficial for their Local Government



- In addition to being beneficial for their own individual Local Governments, the majority of respondents (57% or 43) also believed that performance audits were beneficial for the broader sector as well. Nevertheless, a common theme reported across respondents was that while performance audits could provide benefits, there needs to be more understanding and support in terms of:
 - there being acceptable and realistic timeframes for the implementation of any recommended changes; and
 - support being provided to implement any recommended changes, which includes financial assistance.



Comment

Further to the information in the survey feedback from the sector has been that Local Government staff have spent considerable amount of time educating auditors from the Office of the Auditor General on the workings of Local Government. This would be expected to lessen in future years.

In respect to financial audits, the sector acknowledges that the scope of audits increased however the cost increase seems to be considerably more than expected. The Auditor General needs to be cognizant of the financial impost on Local Governments and look to contain further cost increases.

In respect to Performance Audits, when the legislation was introduced the State Government committed to funding performance audits. The Local Government sector is concerned that the State Government may look to transfer this cost to Local Governments and are looking to WALGA to strongly advocate against this as it was a firm commitment from the State when introducing performance audits for the sector.

5.7 Review of State Council and Zone Structure and Processes – Working Group Report and Recommendations (01-004-05-0002 TL)

By Tony Brown, Executive Manager Governance and Organisational Services and Tim Lane, Manager Strategy and Association Governance

Recommendation

That:

- 1. The Working Group's Final Report, and State Council's prior endorsement of Recommendations 5, 6, 7, and 8 from the Working Group's Final Report, be noted; and,**
- 2. Recommendations 1, 2, 3, 4, 9, and 10, from the Working Group's Final Report be endorsed.**

In Brief

- State Council, at its 27 March 2019 meeting, established a Working Group to develop options to revise State Council's structure and processes;
- The Working Group, comprised of the WALGA President, Deputy President, eight State Councillors, a representative from the Regional Cities Alliance, two Local Government Chief Executive Officers supported by senior WALGA staff, had a brief to consider all aspects of WALGA's governance structures and processes and report back to State Council with recommendations;
- The Working Group met three times and considered outcomes of previous reviews, arrangements of other associations of Local Government, strengths and weaknesses of the current model and options for change;
- The Working Group's final report and recommendations were presented for State Council consideration at the September 2019 State Council meeting;
- Recommendations 5, 6, 7, and 8 were endorsed by State Council at the September 2019 meeting, with the balance of the recommendations endorsed in principle subject to sector consultation;
- The Final Report was then distributed to the Local Government sector for comment and a number of submissions were received;
- As per the report below, it is recommended that recommendations 1, 2, 3, 4, 9, and 10 from the Final Report be endorsed.

Attachments

- [Final Report – State Council and Zone Structure and Process Working Group](#)
- [Elected Member Prospectus](#)

Relevance to Strategic Plan

Key Strategies

Engagement with Members

- Deliver a broad range of benefits and services that enhance the capacity of member Local Governments;
- Improve communication and build relationships at all levels of member Local Governments;
- Provide ongoing professional development and interactive opportunities for Elected Members to contribute to debate on sector issues;
- Build a strong sense of WALGA ownership and alignment.

Sustainable Local Government

- Continue to build capacity to deliver sustainable Local Government;
- Provide support to all members, according to need;
- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia;
- Foster economic and regional development in Local Government.

Enhanced Reputation and Relationships

- Communicate and market the profile and reputation of Local Government and WALGA;
- Promote WALGA's advocacy successes with the sector and the wider community;
- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government;
- Develop simple and consistent messages that are effectively articulated;
- Promote WALGA's supplier agreements to assist Local Governments.

Policy Implications

Nil.

Budgetary Implications

Endorsement of recommendation 10, relating to the cessation of printing and distribution of hard copy State Council agendas will save approximately \$25,000 in the 2019-20 financial year and approximately \$50,000 in subsequent years.

Background

In March 2019, State Council established a Working Group to develop options to revise State Council's structure and processes.

Membership of the Working Group was as follows:

WALGA President	President Cr Lynne Craigie OAM (Chair)
WALGA Deputy President	Mayor Tracey Roberts JP
State Councillor	President Cr Phil Blight
State Councillor	President Cr Karen Chappel JP
State Councillor	Cr Jan Court JP
State Councillor	President Cr Tony Dean
State Councillor	Cr Russ Fishwick JP
State Councillor	Mayor Logan Howlett JP

State Councillor	Cr Paul Kelly
State Councillor	President Cr Stephen Strange
WA Regional Cities Alliance	President Cr Harold Tracey, Shire of Broome (Meetings one and two)
	Mayor Dennis Wellington, City of Albany (Meeting three)
Country Local Government Chief Executive Officer	Annie Riordan, Shire of Harvey
Metropolitan Local Government Chief Executive Officer	Michael Parker, City of Rockingham
WALGA Chief Executive Officer	Nick Sloan
WALGA Executive Manager Governance and Organisational Services	Tony Brown
WALGA Manager Strategy and Association Governance	Tim Lane

The Working Group met three times and considered outcomes of previous reviews, arrangements of other associations of Local Government, strengths and weaknesses of the current model and options for change.

State Council considered the Working Group's final report at their September 2019 meeting. State Council endorsed recommendations 5, 6, 7, and 8 for immediate implementation and endorsed the balance of the recommendations in principle subject to the Working Group's final report being distributed to WALGA members for sector consultations.

The Working Group's Final Recommendations are as follows:

1	That the existing composition and representational arrangements of State Council be retained.	<i>Endorsed in principle.</i>
2	That the role of Deputy State Councillor be retained.	<i>Endorsed in principle.</i>
3	That no term limits be introduced for the role of State Councillor.	<i>Endorsed in principle.</i>
4	That a Panel of Member Advisors be established comprising of State Councillors and other Elected Members appointed by the President.	<i>Endorsed in principle.</i>
5	<p>That a Prospectus be prepared and distributed to all Local Governments and all Elected Members following the Local Government elections every two years highlighting the following information, with the aim of promoting the key role of Zone delegates regionally and the key role of State Councillors in leading advocacy and policy development on behalf of the Local Government in Western Australia:</p> <ul style="list-style-type: none"> • Role of WALGA as the principal Local Government peak body; • Role of State Council as WALGA's governing body; • Role of a State Councillor as a key decision-maker regarding policy, advocacy and provision of services for and on behalf of the Local Government sector; • Commitment required to be a State Councillor, including attendance at meetings, advocate for WALGA and the Local Government sector, 	<i>Endorsed and actioned. Prospectus available here.</i>

	<p>report back to Zones on WALGA and State Council activity, and potentially as a Member Advisor Program mentor;</p> <ul style="list-style-type: none"> • Opportunities for State Councillors to advocate to Government on behalf of their region and / or particular policy issues; • Role of Zones as key participants into state-level advocacy and policy development, including the formal required role of Zones and the additional opportunities for Zones; • Role of Zone delegates as Council representatives at the regional level, including the obligation to report back to Council on Zone activities; and, • Explanation that, while it is best practice that a Zone motion is submitted by way of a Council decision, Zone delegates can submit motions to a meeting of a Zone, which is an autonomous, self-governing body, and it is recommended that the Zone is advised whether the motion has the backing of a Council resolution. 	
6	<p>That:</p> <ol style="list-style-type: none"> 1. The Committee structure, as outlined above be adopted by State Council, to take effect from December 2019; 2. The Corporate Governance Charter be amended to reflect the changes to the Committee Terms of Reference and membership, as outlined; and, 3. A CEO Performance Review Committee be established, to be chaired by the President and to meet at least once per year. 	<i>Endorsed to take effect from December 2019.</i>
7	<p>That the following process be endorsed for the development, consideration and endorsement of submissions Government and other stakeholders (when there is insufficient time for it to be included in the State Council agenda), and the Corporate Governance Charter be amended to reflect the changes:</p> <ol style="list-style-type: none"> 1. WALGA staff prepare interim submission under the guidance of their Executive Manager, with reference to existing positions of State Council, input from Policy Team and / or contemporary feedback from the Local Government sector. 2. Policy Team meet to amend or endorse the draft submission to proceed to State Council, with the meetings of the Policy Team to be held via teleconference or videoconference where practicable. 3. Draft submission is considered by State Council by Flying Minute using the Board Effect platform. 4. Submission is put forward to Government as an endorsed State Council position. 5. Submission is included in the next State Council agenda as an item for noting. 	<i>Endorsed. New process being utilised.</i>
8	<p>That information regarding the role of Zones, and Zone delegates, and the process for submission of Zone motions, be prepared and circulated to Zones, and included in the WALGA Elected Member Prospectus and the Corporate Governance Charter.</p>	<i>Endorsed and actioned. Prospectus available here.</i>

9	<p>That:</p> <ol style="list-style-type: none"> 1. The secretariat engage with Zones regarding the services and support that WALGA provides to Zones; and, 2. The secretariat continues to offer baseline Zone secretariat services to Zones as appropriate. 	<i>Endorsed in principle.</i>
10	<p>That:</p> <ol style="list-style-type: none"> 1. The secretariat develop templates and processes to reduce the length of State Council agenda items; 2. Following consultation with the sector, production of hard copy agendas cease beginning with the March 2020 meeting of State Council; and, 3. A process be implemented, in consultation with the Local Government sector, to enable Councils to consider items for decision in the State Council agenda to raise awareness of contemporary strategic advocacy and policy issues and to enable Councils to provide guidance and direction to their Zone representatives. 	<i>Endorsed in principle.</i>

Comment

The Working Group's final report was distributed to WALGA members following the September State Council meeting for consultation. Responses were received from 14 Local Governments.

In general, responses indicated support for the direction of the recommendations. A number of Councils resolved in full support of all 10 of the Working Group's recommendations.

In relation to **recommendation 1** – That the existing composition and representational arrangements of State Council be retained – most submissions supported the Working Group's recommendation, while a number of responses proposed alternatives to the current arrangements.

In particular, there was some support for a reduction in the number of State Councillors from the current composition of 25 members. The City of Busselton, in their submission to WALGA, supported the submission to the working group by the Regional Capitals Alliance, which is contained in the Final Report. The Shire of Chapman Valley put forward a model comprising of 16 State Councillors, with eight being elected from country, rural Local Governments, six from metropolitan Local Governments, and two from regional centre Local Governments.

Recommendations 2 and 3 relating to retention of the role of Deputy State Councillors and maintaining no terms limits for State Councillors were both supported by submissions.

Recommendation 4 relates to the Member Advisor Program. There was some commentary in submissions that this program should be considered separately to a review of State Council and Zones.

Recommendation 5 and 8 relate to the provision of information in an Elected Member Prospectus, which has been distributed to Local Governments, and is available [here](#).

Recommendation 6 relates to State Council's committee structure. The City of Armadale resolved that an independent member should be included as part of the membership of the CEO Performance Review Committee, and the City of Canning submission suggested independent representation on all State Council committees.

Recommendation 7 relating to submissions to Government was broadly supported.



Recommendation 9 relating to support for Zones, was broadly supported.

Recommendation 10 relates to the State Council agenda format. There was strong support in submissions for the State Council agenda to be briefer, more strategic, and more forward looking. There was also support in submissions for the cessation of printing and distributing hard copy State Council agendas.

5.8 Membership of Development Assessment Panels (05-047-01-0016 VJ)

By Vanessa Jackson, Policy Manager Planning and Improvement

Recommendation

That WALGA advocate to the Minister for Planning, that the composition of Development Assessment Panels (DAPs) be modified to provide equal representation of technical advice and local knowledge, in accordance with the original objectives of the DAP system to enhance the decision making process by improving the balance of experts.

In Brief

- At the 2019 WALGA AGM, a request to advocate for a change in the membership of Development Assessment Panels was considered and carried at the meeting.
- Appointing an additional Elected Member to DAPs would mean there would be three local experts and three planning experts, which provides a balance of the local knowledge and the technical expertise on the Panels.
- Although the recently released Planning Reform Action Plan states that there will be no change to Local Government membership, advocating for equal representation is still considered appropriate.

Attachment

Nil.

Relevance to Strategic Plan

Sustainable Local Government

- Continue to build capacity to deliver sustainable Local Government
- Provide support to all members, according to need
- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia.

Enhanced Reputation and Relationships

- Communicate and market the profile and reputation of Local Government and WALGA
- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government
- Develop simple and consistent messages that are effectively articulated

Policy Implications

WALGA's current policy position is that: *The Association does not support Development Assessment Panels (DAPs), in their current structure.* Over the years, the Association has prepared a number of recommendations for improvement to the DAP system, most importantly, that a full and comprehensive cost-benefit analysis of the DAP system be conducted by an independent organisation as a matter of priority to assess the net benefit of DAPs in total. Other more specific recommendations



WALGA

to improve the DAP system have also been suggested, if the cost benefit analysis is not undertaken. ([WALGA-Advocacy-Position-Statements](#))

Budgetary Implications

Nil.

Background

At the WALGA Annual General Meeting held on the 7 August 2019, it was resolved that WALGA advocate increasing Local Government membership on Development Assessment Panels.

The following rationale was provided at the AGM: -

- As a key component of planning reform in Western Australia, Development Assessment Panels (DAPs) are intended to enhance planning expertise in decision making by improving the balance between technical advice and local knowledge.
- Development Assessment Panels (DAPs) comprise three technical experts in planning (one of whom chairs the meeting) and two Elected Members from the Local Government in which the DAP applies. This is not a balance and there could be various membership options that WALGA could explore, with some likely to be more palatable to the State than others.
- For example, an equal number of local Elected Members and planning professionals on a DAP would demonstrate respect for the expertise of local members in applying planning regulations to a proposed development. It would demonstrate that local Elected Members have views of equal importance to those of the other Panel members.
- Equal numbers of members could result in a tied vote with the Chairperson having a deciding vote. That would not diminish the importance of a balanced number of local representatives and planning experts participating in the decision making process.
- Appointing additional Elected Member/s to DAPs means community members would have three local experts and three planning experts explain how the proposed development would impact on a local area and what conditions, if any, are justifiably imposed. This would be educative for the community, strengthen transparency and increase public respect for the DAP process.

Comment

The Department of Planning Lands and Heritage website currently states the following: - As a key component of planning reform in Western Australia, Development Assessment Panels (DAPs) are intended to enhance planning expertise in decision making by **improving the balance between technical advice and local knowledge**. Further stating that Local representation is a vital component of the Development Assessment Panel (DAP).

In August 2019, the Minister for Planning released a Planning Reform Action Plan ([PR-Action-Plan](#)), outlining a range of actions and changes to Development Assessment Panels; as follows: -

- The number of DAPs will be reduced to no more than three panels, and the DAP specialist members will be engaged on a full-time basis. (Note: there is no change proposed to the arrangement for Local Government members on DAPs).
- A pool of non-voting subject matter experts will be formed to provide DAPs with independent, specialist advice when required.
- DAP meetings will be held at regular times, with the option to hold meetings outside ordinary business hours where appropriate.

- Meetings will be audio recorded, with recordings made available on the DAP section of the DPLH website.
- Consistent governance support will be provided to attend meetings, clarify process and ensure consistent and correct meeting procedures.
- All administrative support will be provided by the DAP Secretariat.
- Early action - DAP procedures and practice notes will be updated to provide clear arrangements for deferring matters, managing additional information presented at meetings, and exercising flexibility in meeting procedures where appropriate.
- Early action - DAPs will provide an improved statement of reasons for all decisions: addressing key matters raised in the Responsible Authority Report and submissions received.
- Early action - Plain English explanatory materials will be readily available to improve community understanding of the DAP process

The proposal to have equal representation may achieve an actual balance between technical advice and local knowledge, as espoused in the original objectives of the DAP framework. This would be a beneficial improvement to the DAP system.

The request for equal membership is also in line with previous suggestions from members to require the balance of Local Government and Appointed Specialist members, with the possible inclusion of an independent chair, if required.

Although the recently released Planning Reform Action Plan states that there will be no change to Local Government membership, advocating for equal representation is still considered appropriate to align with the objectives of the DAP system.

5.9 Interim Submission - Draft State Planning Policy 3.6 – Infrastructure Contributions (05-036-03-0010 VJ)

By Vanessa Jackson, Policy Manager, Planning and Improvement

Recommendation

1. That the interim submission to the WA Planning Commission on draft State Planning Policy 3.6 – Infrastructure Contributions, be endorsed.
2. That the West Australian Planning Commission (WAPC) be advised that the proposed cap on community infrastructure contributions is strongly opposed and without the removal of this proposed cap, WALGA does not support draft State Planning Policy 3.6 – Infrastructure Contributions.

In Brief

- In July 2019, the WA Planning Commission (WAPC) released a revised State Planning Policy 3.6 - Infrastructure Contributions and revised Guidelines.
- The revised State Planning Policy and revised Guidelines aim to provide better guidance and consistency in the application of development contribution plans throughout the State.
- The WA Planning Commissions public comment period closed on 2 September 2019, therefore an interim submission was prepared and submitted.

Attachment

Interim Submission draft State Planning Policy 3.6 - Infrastructure Contributions.

Relevance to Strategic Plan

Sustainable Local Government

- Provide support to all members, according to need
- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia.

Enhanced Reputation and Relationships

- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government
- Develop simple and consistent messages that are effectively articulated.

Policy Implications

At the March 2017 State Council meeting, the interim submission to the WA Planning Commission on State Planning Policy 3.6 – Development Contributions for Infrastructure was endorsed.
(RESOLUTION 8.1/2017)

Budgetary Implications

Nil.

Background

Infrastructure contributions is a long-standing mechanism where the development sector works with State and Local Government to deliver infrastructure to accommodate urban growth. The first State Planning Policy 3.6 (SPP 3.6) - Development contributions for infrastructure, was gazetted in 2009.

SPP 3.6 has been under review since 2014, with a draft document prepared for public comment in 2016. WALGA provided a detailed submission, primarily concerned with the content of the new guidelines and its relationship to the State Planning Policy and how these documents would affect existing development contributions already gazetted. Other minor edits and additions were also suggested.

In July 2019, the Western Australian Planning Commission (WAPC) sought public comment on the revised State Planning Policy 3.6 (SPP 3.6) - Infrastructure Contributions and the accompanying draft Guidelines. Details of the policy review can be found on the Department's website <https://www.dplh.wa.gov.au/draftspp3-6>. The revised draft SPP 3.6 proposes to introduce a framework for the delivery of infrastructure to new and existing communities and aims to ensure greater accountability, transparency and consistency in providing for infrastructure contributions.

Comment

The primary concern with draft SPP 3.6 relates to capping of the Community Infrastructure component of a Development Contribution Plan (DCP). The use of this blunt instrument will have an unacceptable negative financial impact on the financial positions of a number of Local Governments, and lead to a lower level provision of necessary community infrastructure. Both these outcomes are unacceptable, especially so when considering that the final cap proposed has not been substantiated or justified.

The Association assumes that this section of the Policy has been written to address the primary concerns of the development industry about the principles of Certainty (Clause 6.1 d) and Consistency (Clause 6.1 e) while totally disregarding the very first principle of the draft SPP, Clause 6.1 (a) *Need and the nexus: The need for the infrastructure must be clearly demonstrated (need) and the connection between the development and the demand created should be clearly established (nexus)*. The Association does not believe that such a cap is appropriate, nor can it be mandated through a State Planning Policy, moreover, any proposal to imbed such a cap in the *Planning and Development (Local Planning Scheme) Regulations 2015* would not be supported.

It is therefore recommended that the proposed caps on community infrastructure of \$2500 (or up to \$3500) be removed, as capping contributions places an unreasonable financial risk to Local Government and their communities, places the provision of necessary community infrastructure in doubt, and the very concept of capping contributions does not align with the need and nexus principles of the draft Policy.

The interim submission was prepared with reference to the submissions from the Cities of Armadale, Cockburn, Rockingham, Belmont, Swan and Shire of Serpentine Jarrahdale, and comments provided at a workshop held in July with 26 officers from 13 Local Governments (Armadale, Belmont, Busselton, Cockburn, Fremantle, Gosnells, Mandurah, Perth, Rockingham, Serpentine Jarrahdale, South Perth, Stirling and Swan).

In accordance with State Council policy, the interim submission was referred to the Executive Committee for consideration and support of the submission was obtained. The interim submission was therefore submitted to the WA Planning Commission to meet the public comment period deadline of 2 September 2019.

Attachment Item 5.9

WALGA Interim Submission Draft State Planning Policy 3.6 Infrastructure Contributions

INTRODUCTION

The Western Australian Local Government Association (WALGA) is the united voice of Local Government in Western Australia. The Association is an independent, membership-based group representing and supporting the work and interests of 138 Local Governments in Western Australia.

The Association provides an essential voice for over 1,200 elected members and approximately 14,500 Local Government employees as well as over 2 million constituents of Local Governments in Western Australia. The Association also provides professional advice and offers services that provide financial benefits to the Local Governments and the communities they serve.

During the public comment period for draft State Planning Policy 3.6 – Infrastructure Contributions (draft Policy), the Association sought comment from the Local Government sector to inform a representative submission to the Western Australia Planning Commission. This submission reflects the main issues and concerns raised by WALGA members together with those of the Association.

The comments contained in this submission have not yet been considered or endorsed by WALGA's State Council, as such, please be advised that this is an interim submission and that the Association reserves the right to modify or withdraw the comments as directed by State Council.

GENERAL COMMENTS

New layout and structure of the policy

The revised document is clear and concise bringing clarity to the infrastructure contributions framework; outlining local government's obligations in the creating, management and reporting. It is clearly written, therefore, these improvements are a step forward compared to the current policy.

Concerns regarding the capping of Community Infrastructure

The primary concern with the draft Policy relates to the capping of Community Infrastructure component of a Development Contribution Plan (DCP). The use of this blunt and instrument will have an unacceptable negative financial impact on the financial positions of a number of Local Governments, and lead to a lower level of provision of necessary community infrastructure. Both these outcomes are unacceptable, especially so when considering that the final cap proposed has not been substantiated or justified.

On a point of clarity, it is unclear how a State Planning Policy which is given only 'due regard' in the planning framework can propose a capped cost for community infrastructure, but does not propose a cap for development infrastructure. This implies that the variable costs associated with development infrastructure does not occur within the provision of community infrastructure. Further, page 3 of the draft SPP states that "*any amount exceeding the maximum levy cannot be imposed*". It is unclear why the principles of cost recover and 'beneficiary pays' are acceptable for 'hard' infrastructure, but not

community infrastructure. This devalues the importance of the items within the community infrastructure schedule, which is being provided to enhance or create the social fabric of the suburb. The Association does not believe that such a cap is appropriate, nor can it be mandated through a State Planning Policy, moreover, any proposal to imbed such a cap in the Planning and Development (Local Planning Scheme) Regulations 2015 is not supported.

Local Government's should be free set the appropriate fee for community infrastructure, just as it is proposed for 'hard' infrastructure. Where the principles of 'need and nexus', 'fairness' and 'transparency' are upheld, and the item is justified through the strategic planning of the community, then any cap is inconsistent with the intent and objectives of the Draft Policy. Further, clause 6.6 (b) of the draft Policy specifies a maximum levy for community infrastructure of \$2,500 per dwelling, or possibly \$3,500 per dwelling where district and/or regional infrastructure is proposed. The value of contributions and their potential impact on housing affordability and development feasibility was a discussion point when the current SPP was prepared, with consensus from the development industry at the time being that up to \$3,000 per lot could be accommodated without significant adverse impact on project viability, although a maximum level was never specified.

It seems that this section of the Policy has been written to address the primary concerns of the development industry about the principles of Certainty (Clause 6.1 d) and Consistency (Clause 6.1 e) while totally disregarding the very first principle of the draft SPP, Clause 6.1 (a) *Need and the nexus: The need for the infrastructure must be clearly demonstrated (need) and the connection between the development and the demand created should be clearly established (nexus)*. Therefore, there are strong concerns with the proposed cap given they appear to be totally unsubstantiated figures, and fail to adhere to the need and nexus principles within the draft Policy itself.

In discussing existing DCP's with our members, the range of items that have been included in the DCP are varied, in recognition of the location of a development cell and the existing infrastructure and community infrastructure in the locale, and items that have been outlined in an endorsed Strategic Community Plan. Preparation of a Strategic Community Plan requires detailed supply and demand analysis, incorporating demographic profiling, projections and community needs assessment, as well as consideration of the planning catchments and the existing and future community infrastructure hierarchy, and planning principles. Therefore, each development cell will have different requirements depending on their location within WA.

Proposing a flat capped rate fails to recognise this and the resulting outcome will be a significant shortfall in the provision of community infrastructure. Several members have reviewed their existing DCPs, separating the development and community infrastructure items and superimposing these proposed caps over their existing DCPs. The shortfall in funding is significant for Perth Metropolitan Local Governments; \$22 million for one inner growth Council, \$39 million and \$26.5 million for two Local Government in growth corridors, and up to \$126 million for another member within a growth corridor. Without the ability to provide these funds for community infrastructure, the Local Government is left with two options. Firstly, reduce the quality of community infrastructure provided to the community, which will arguably have a negative impact on the community in terms of a physical and social cost, or secondly, fund the infrastructure through other revenue sources – increases to rates. The proposed levy capping is contrary to the 'beneficiary pays' principle that cl. 3.3.1 of the Guidelines claims the provision of infrastructure through the draft Policy is built on, and therefore must be removed.

For Metropolitan Local Governments, the proposed cap also fails to align with one of the key objectives of *Perth and Peel 3.5@Million* plan to be achieved by 2050: *To provide a wide range of community and social infrastructure to enhance health and wellbeing in the community while promoting the use of existing facilities and infrastructure to reduce traffic movement and establish a sense of social cohesion*. Further the key theme of the Sub-Regional Planning Frameworks that form part of Perth

and Peel @3.5million framework, specifically states that constructing new facilities is a central theme and is key to meeting the needs of a growing population especially in outer metropolitan areas.

The proposed cap on community infrastructure is strongly opposed and must be removed from the draft Policy.

Without the removal of the proposed cap, WALGA is not able to support the draft SPP.

Recommendation:

1. That the proposed caps on community infrastructure of \$2500-\$3500 be removed as capping contributions places an unreasonable financial risk to Local Government and their communities, places the provision of necessary community infrastructure in doubt, and the very concept of capping contributions does not align with the need and nexus principles of the draft Policy.
2. If the proposed cap on community contributions is not removed, then the draft Policy cannot be supported.

Scope of Community Infrastructure

Schedule 2 of the SPP outlines the community infrastructure that can be included in a DCP, and includes specialist sporting facilities, local sports ground and facilities, foreshore reserves, multi-purpose district sport grounds and facilities and/or pavilion/building (at district open space), multi-purpose district community building and basic facilities, district library building and basic facilities, indoor sports facilities, child care/after school centre buildings and basic facilities.

The hierarchy and catchment of facilities is specified separately in Appendix C of the Guidelines and needs to be read in conjunction with Schedule 2. The proposed definitions of District and Neighbourhood Park/POS are concerning as they do not align with realistic needs for such facilities. For instance, District Open Space is defined as 2.5-7ha, however advice from our members shows that this is not a sufficient size to accommodate multi-purpose district sporting grounds. There is also disconnect between the terminologies used in Schedule 2 (District and Local) vs Appendix C (Local/Neighbourhood, District and Regional), which should be corrected.

The infrastructure included in the Schedule appears on the very conservative side, and doesn't appear to fully align with the intent of the draft Policy. For example, there is reference to including Regional infrastructure within DCP's, however, there are no regional facilities specified within the Schedule with the arguable exception of foreshore reserves, specialist sporting facilities, and indoor sports facilities, which don't have any specified catchment. The schedule is also quite limiting in the type of infrastructure that could be included, as in some cases only district level infrastructure can be included.

A number of items contained within Schedule 2 are lacking a description under the 'standard requirement' column, this includes: item 2 (local sports grounds and facilities), item 3 Foreshore reserves, and item 7 indoor sports facilities'. This should be corrected. Further Schedule 2 does not include an item that related to 'Local Community Centres', this as a common DCP item should be included in Schedule 2, either as a standalone item or combined with Item 2 'Local sports grounds and facilities'. Lastly, the table in Schedule 2 contains the various 'delivery method' available for the relevant infrastructure item. There is inconsistencies within this column, particularly with regard to the inclusion of land within a DCP and how this relates to Item 1 of Schedule 1. This should be clarified.

The Association supports the inclusion of sustainable transport in Schedule 1 as it will allow Local Government to work to improve sustainable transport options within the existing communities and help address the State Government's broader vision to reduce car dependency and increase total trips on

public transport. However, what is unclear is why 'sustainable transport' has been restricted to 'existing urban areas' only. Just as new greenfield developments induce additional demand for private vehicle trips, it also creates a need for public transport services, and cycling and walking infrastructure.

An assessment of *Perth and Peel @ 3.5 Million – The transport Network* outlines a significant number of 'proposed high-priority transit corridors' within the growth corridors and Peel region. Much of this proposed network would run on 'other regional roads' and thus be the responsibility of Local Government. This proposed network is required due to the development of land in these corridors, thus it is possible to draw a nexus between this infrastructure and the development of the land.

The current wording of the Draft SPP would see the need for Local Governments to design these roads to allow for the 'proposed high-priority transit corridors', but unable to charge the 'beneficiary' of this infrastructure as they would with an additional vehicle lane on the same road. The Draft SPP should be modified to remove this inconsistency and allow situations where 'sustainable transport' infrastructure can be considered for inclusion in DCP outside existing areas.

Recommendation:

3. That the inconsistencies in the Schedule and Appendix C be reviewed and improved with the Local Government sector and better aligned between the SPP and the Guidelines;
4. That clarity be provided in regard to the type of Regional Infrastructure that can be included in a DCP;
5. That Schedule 1 Point 13 be modified to allow situations where 'sustainable transport' infrastructure can be considered for inclusion in DCP outside existing areas;
6. Include 'standard requirements' for item 2, 3 and 7 within the table in Schedule 2;
7. That an additional item relating to 'Local community facilities' be added to the table in Schedule 2;
8. That the inconsistencies within the 'delivery methods' column of the table in Schedule 2, where they relate to the inclusion of land specifically, be addressed;

Comments on 'Affordability'

There are numerous comments in the SPP and Guidelines which state that DCPs negatively impact housing affordability. This is inconsistent with observations made in numerous academic studies¹ that indicate that any DCP costs are merely affect the development margins (ie development profitability) but not the affordability for the end purchaser. It should be noted that private developers already charge the maximum the market will bear for their product. The referencing to 'housing affordability' should therefore be removed as it is inaccurate and erroneous.

Recommendation:

9. That commentary in the draft Policy and Guidelines relating to the impact of DCP's on housing affordability be removed.

Terminology

Clause 6.7.2.11 of the draft Policy begins with the following, "A local government shall provide..."), A State Planning Policy is a document must be given 'due regard' only as such cannot mandate such requirements through its provisions. Such language should only be used to clarify what must be done to be consistent with the intent of objectives of the Draft Policy.

¹ Rumung, Gurran, Randolph (2011) Housing Affordability and Development contributions: new perspectives from industry and local government in NSW, VIC and QLD., Urban Policy and Research (29:3)

The Policy has been retitled to 'Infrastructure Contributions' however all referencing is still to Development Contribution Plans; is it proposed that the plans will now be called 'Infrastructure Contribution Plans' given that it covers both Development and Community infrastructure requirements?

Recommendation:

10. That the use of the words 'shall' and 'must', to be removed from the SPP
11. That clarity be provided as to whether DCPs should now be called ICPs given the change in the SPP's title and content.

Lifespan of DCP's

The draft Policy outlines a proposed maximum lifespan of 10 years for a DCP with the operation of any part of a Scheme that relates to that DCP being inactivated on that date. No further guidance on this matter has been provided. A number of members have raised concerns with the concept of a lifespan as well as the suggested period of 10 years. The time to deliver a DCP and the infrastructure is often subject to the rate of development within a DCP, this is beyond the power of Local Government to control and is subject to market demand. Further, by limiting the lifespan to 10 years it reduces the usefulness of DCP's in the provision of strategic infrastructure, as there is a need to financially plan beyond this timeframe. The draft Policy should allow for a reasonable timeframe to be set based on the nature of the DCP itself and expected timeframes when developing the plan.

Secondly, the draft Policy and Guidelines provide no guidance on how extensions to DCP's would be managed through the Scheme Amendment process. Currently all Scheme Amendments that relate to a DCP are automatically classified as 'complex' by the Planning and Development (Local Planning Scheme) Regulations 2015. Should lifespans be retained in the gazetted version of the SPP then modifications to the Regulations should occur to allow for more timely processing of Scheme Amendment that seek to extend DCP's,

Recommendation:

12. Remove the 10 year lifespan from the draft Policy;
13. Should the lifespan be retained, undertake concurrent modifications to R. 72 of the Planning and Development (Local Planning Scheme) Regulations 2015 to allow extensions of DCP's to be treated as other than a 'complex' Scheme Amendment;

SPECIFIC COMMENTS ON CLAUSES

Inclusion of State Infrastructure into a DCP

The draft Policy contemplates the inclusion of infrastructure that is of a state responsibility within a DCP, while this is not rejected outright, it is concerning there is no explicit statement within the draft Policy that the DCP administrator (usually the local government) can choose not to accept some 'essential' infrastructure items in a DCP. Local Government should not be required to include an item owned/managed by a State Government agency where they do not agree with their inclusion. It would be unacceptable that the DPLH or Minister would mandate the inclusion of such infrastructure during the later stages of a Scheme Amendment, where the Local Government does not consent. Hence, clarification in the draft Policy is required.

Primarily, the issues with the inclusion of state infrastructure includes the fact that the design, procurement, project management and expenditure of funds is not controlled by the Local Government, and this in turn creates an unacceptable risk in creating cost shortfalls. It also makes the auditing and reporting processes untenable.

It would be expected that those items, often not covered via agency headworks, to be subject to private agreement between affected landowners and the State Agency. It is not accepted that just because such items can be included, that they should. It may be difficult to negotiate private agreements for such matters with private landowners, but that doesn't mean the administrator of the DCP should then have to shoulder the risk.

The draft SPP sets out requirements the Local Government simply cannot undertake in relation to State infrastructure, including:

- a Local Government cannot include state infrastructure in their strategic and financial planning processes. This needs to be done by the relevant state agency.
- a Local Government cannot commit to delivery times for state infrastructure. This needs to be done by the relevant state agency.
- Use of monetary contributions to acquire land or undertake works, suggesting the Local Government will be prevented from transferring the monetary contribution to the state agency.

Recommendation:

14. That the draft Policy and Guidelines be amended to specifically state that a DCP administrator can choose not to accept some 'essential' infrastructure items in a DCP, particularly when a State Agency has responsibility for the planning, delivery, timing or land acquisition of the infrastructure.

Timeframe for preparation of DCP

Clause 6.7.2.2 of the draft Policy specifies that a DCP for sharing of development infrastructure (ie. in cases of fragmented land ownership) must be prepared concurrently with, or within 6 months following the approval of a structure plan. This provision has merit, as it is essential that a DCP be in place as soon as possible to ensure a mechanism is in place for sharing of costs before development commences and to ensure that all parties are aware of potential cost liabilities associated with the delivery of infrastructure items in such areas. Aligning the planning system to a logical and proper ordering of processes in this regard is supported.

The Association supports the recommendations of the City of Swan in their submission on the draft Policy, noting that while tying the DCP preparation process to the structure plan framework is admirable and somewhat logical, waiting until a structure plan is being prepared to begin work on a DCP is too late, and should not be the default position where alternatives exist. The draft Policy should recognise this and note that the preparation of a DCP should occur in line with the adoption of a district structure plan, where one is required. DCP's and the infrastructure they provided generally occur across multiple local structure plan boundaries. Aligning the DCP and district structure planning processes allows for a more strategic planning of the long-term infrastructure needs, and facilitate the setting of community expectations around development costs and level of service. The refinement of DCP items then can occur during the more detailed local structure plan design stages.

In practice, the tying together of the DCP and structure plan processes is problematic and additional assurances should be added to the planning system to provide the WAPC and Local Government with the tools necessary to ensure the orderly deliver of both instruments in line with the intent of the draft Policy. Current development practices often sees the lodgement of an application for subdivision prior to the finalisation of the structure plan. Where a DCP is in the early stages of preparation the early lodgement of a subdivision application can be problematic as the current provisions in R. 73 of the Planning and Development (Local Planning Scheme) Regulations 2015 limit the ability of the WAPC to condition an approval where the contribution scheme has not been finalised. For the proposed tying of the structure plan and DCP processes to be successful then appropriate changes to the Regulations are required to allow the WAPC to apply appropriate conditions to a subdivision approval.

Lastly, it should be recognised that delays in approving DCP's and structure plans can have a considerable impact on the functioning of the proposed processes in the draft Policy, appropriate resourcing at the DPLH to ensure that the proposals can be assessed in a timely manner is essential to ensuring that both Industry and Local Government are not adversely affected, and that the delivery of essential infrastructure is not unnecessarily delayed.

Recommendation:

15. That Clause 6.7.2.2 be modified to include reference to a DCA being prepared in conjunction with a district structure plan process, where applicable;
16. That DPLH be appropriately resourced to assess new DCPs/Structure Plans in a timely manner;
17. That DPLH consider complimentary amendments to Regulation 73 of the Planning and Development (Local Planning Scheme) Regulations 2015 to allow the WAPC to approve a subdivision subject to a condition that the landowner be required to enter into a deed of agreement with the Local Government to make a contribution where a DCP is being prepared but not yet in force.

Acquisition of Land

Clause 6.7.2.10 outlines that both Local Government and DPLH may, in certain circumstances, pre-fund the acquisition of land under a DCP, but only in 'hardship' cases (DPLH will only pre-fund where a Local Government does not have the funds to do so). While the notion of land acquisition in the early stages of a DCP may allow better actualisation early in the lifespan of a DCP, there is the potential for significant upfront costs to result in higher contribution rates overall. Thus, there must be greater guidance on how and when such 'hardship' cases can be considered. Further, there must be clear direction in the draft Policy that cl. 6.7.2.10 is not a mechanism for developers to pressure Local Governments into early land acquisition, it should be clearly stated that and early acquisition must also be in the best interests of the DCP. Lastly, the ability to acquire land in the early stages of a DCP is predicated on a number of assumptions, namely that a the Local Government has a sufficient funds to access to buy the land well ahead of a development front. This may not always be the case, and such considerations must be cognisant of the ability of Local Governments to und infrastructure through debt.

Looking at the early purchase of land through a pragmatic lens, this would only be possible when:

- A site has constructed road access available;
- Any previous landowner obligations (where applicable) under the Contaminated Sites Act have been satisfied;
- Any other relevant subdivision conditions have been satisfied; and
- The draft deposited plan indicates the land as the appropriate tenure (i.e. reserves will differ in terms of whether they form part of the minimum 10% local public open space or not. In some cases, land may be better as freehold as there are leasing/licensing restrictions to be considered).

The draft Policy (cl. 6.7.2.10) touches on the role the State can play, in some circumstances, in purchasing land 'early' in the development stage. This also notes that where this occurs the acquisition cost of the purchases is to be reimbursed to the State once money is available in the DCP, with interest. The form of interest to be applied to such considerations is not prescribed in the draft Policy or Guidelines. This should be corrected to allow the consideration of such costs into a DCP.

Recommendation:

18. That clear guidance is provided on what constitutes a 'hardship' case, otherwise any land owner could claim this and request land acquisition.
19. Land Acquisition should also only occur when road access is available, land is free of encumbrances, and appropriate tenure provided;
20. Clause 6.7.2.10 to be modified to clarify what 'rate interest' is to be applied where the DPLH purchases land under this clause;

Contribution credits

Clause 6.7.2.12 is slightly modified from its existing wording, where an option could be agreed between the parties. The way this section now reads appears to limit those options to the extent the Local Government could not choose to pay out a credit completely rather than carry over as credits for future stages. In terms of simplifying administration processes, and arguably assisting developer's cash flow, this opportunity should not be removed.

Recommendation:

21. Review Clause 6.7.2.12 to ensure agreements on credit payments can still be entered into.

Review of infrastructure cost estimates

Clause 6.7.2.13 (i) states that a refund of excess monies must occur, to owners that paid over the adjusted amount '*as soon as the circumstances permit*'. This clause is connected to Clause 6.7.2.11 cost contributions based on estimates, however, in practice the application of these clauses and possible refunds have caused significant concerns for some of our members, when the State Agencies cost estimate was based on a 50% contingency.

Whilst contingencies for some infrastructure items are now in the guidelines (page 9 of the guidelines), they are only stated as being between 12%-25% and there is no guidance for major service relocations. This readjustment of a cost estimate can have a significant impact on the contribution rates being paid over the life of Scheme, and if landowners seek a refund on a revised cost estimate, this can impose significant cost pressures on a Local Government and the Scheme itself (see City of Kalamunda's submission). It may be more appropriate for the initial payment by owners being stated as constituting a 'full and final' payment, with no recourse to Local Government if the cost estimates are significantly revised by a State Agency. Otherwise Local Government ends up holding the majority of the risk in this process when costs estimates are revised up or down, but have less financial protection as a result.

Recommendation:

22. Consider modifications to Clause 6.7.2.13 and 6.7.2.11 to consider the impact of contingencies where state infrastructure is involved, and also consider the inclusion of the concept of 'full and final' payment in such situations.

Matters to be included in DCP

There are a number of matters that the SPP suggests should be addressed in a DCP which are concerning. Clause 6.7.2.3(e) requires the priority and timing of staging and delivery to be specified in a DCP. The Guidelines (cl.3.3.6) further explain that the timeframes and priorities should be identified in general terms ie. 1-3 years (short term); 3-5 years (medium term); and 5-10 years (long term).

Whilst it is reasonable to require a Local Government to communicate its intended priority and timing of infrastructure, estimated timeframes should not be included in a Scheme itself. The timing of infrastructure will largely be determined by the rate of growth in the respective areas and availability of land for the infrastructure, which are outside of the Local Government's control. It is unclear what the implications would be of a Local Government not achieving the timeframes set out in a Scheme, or whether it would potentially open up the possibility of contributions being challenged where timeframes have not been met.

At present, any modifications to provisions relating to a DCP constitute a 'complex' amendment under the Regulations, and are therefore subject to a lengthier amendment process than basic and standard amendments, and would make annual review and adjustment of timeframes problematic.

Clause 6.7.2.4(h) requires policies, plans and other supporting documents providing justification for the infrastructure items proposed for inclusion in the DCP. It is unclear why such documents should be specified in a Scheme.

It is also unclear whether contributions can be sought for POS over and above the normal 10% where it needed for larger District or Regional sporting reserves. The issues with space for sporting uses, particularly at a District level, have been well documented, and as stated below can have massive implications in the outer growth areas, and it is important that the draft Policy assists in providing a solution to this issue. The following quote from Middle *et al* (2010²) highlights the implications of an undersupply of regional open space in Perth's outer metropolitan regions.

The implications for communities that don't have access to active playing fields is that they will be more likely to miss out on the specific social and economic benefits attributed to such spaces and, in particular, the activities they support. Combining the three key factors of supply of active open space, demand for active open space and socio-economic vulnerability, the local governments in the outer metropolitan areas of Perth are significantly worse off than the middle and inner suburbs.²

Recommendation:

23. The priority and timing of staging and delivery should not be specified in a DCP; an estimated timeframes should be outlined by the Local Government, however it should not be included in the Scheme document given any amendments to the Scheme would require a 'complex' amendment to be submitted.
24. It is unclear why policies, plans and other supporting documents providing justification for the infrastructure items proposed for inclusion in the DCP, should be outlined within the Scheme itself.
25. Clarity is needed as to whether contributions can be sought for POS over and above the normal 10%, where it needed for larger District or Regional sporting reserves

Refunds

Clause 6.7.2.13 suggests that where an annual review of costs reveal that costs have previously been over estimated, that the Local Government is required to reconcile and adjust the liability for each unit of charge and refund excess monies to owners that paid over the adjusted amount, as soon as circumstances permit. This is not restricted to when expenditure on the item has occurred, but appears to apply at any stage when cost estimates have been reviewed. It does not consider the potential for cost estimates to rise and fall over time, or provide an avenue for a Local Government to seek additional contributions from an owner where estimates increase after payment has been

² Tye, M., Middle, G., Costello, D. and Hedgcock, D. *Unintended socio-economic consequences of reduced supply of active open spaces in the Perth outer metropolitan growth areas: a review of informing literature*. A report for the Outer Metropolitan Growth Councils, Perth, December 2012.

made. It would be fairer for reconciliation of excess monies to be applied once infrastructure has been delivered, and to apply it across all infrastructure items given there will be 'unders and overs' in comparison to estimates for all items.

Recommendation:

26. Refunds should only be provided to owners once the reconciliation of excess monies has been determined and after the infrastructure has been delivered.

Contingencies

Clause 3.3.8 of the Guidelines specifies that cost estimates can contain a contingency allowance, and that they should be set at the following unless otherwise justified:

- Community and recreation construction items – 15%
- Construction of roads or road intersections – 15%
- Construction of bridges – 20%

It's positive that the inclusion of contingencies is being legitimised in the Guidelines, although it is unclear whether the recommended allowances are consistent with current practice.

Recommendation:

27. That the proposed contingency amounts be confirmed as an accurate range based on the existing DCPs that have been prepared,

Transitional Arrangements

Clause 6.9 states that DCPs prepared prior to gazettal of the SPP are deemed to have been prepared under the 2009 Policy. The clause further states that existing DCPs will continue to remain valid for the lifespan of the DCP, however, they are required to adhere to the operational, monitoring and reporting requirements of the LPS Regulations and the draft Policy. No concerns are raised with applying the monitoring and reporting requirements, however, it is not clear which aspects of the SPP would be considered operational requirements, and it is possible that the operational requirements could conflict with existing Scheme provisions, which would prevail over a State Planning Policy. Further, clarification should be given that review of infrastructure cost estimates for existing DCP's can continue under the draft Policy, including where these are above the proposed cap. All these matter should be clarified in the Guidelines.

Further, the transitional arrangements in the draft Policy and Guidelines do not reflect the public messaging of the Chairperson of the WAPC where this draft SPP was discussed. In light of this clarifications is required on the following:

- Are existing DCPs subject to the DCP maximum cap or not?
- Will proposed DCPs already 'in the system' but not submitted for formal approval be subject to the new SPP or not?
- Will current DCP's that exceed the cap be able to be indexed?

The message was communicated that existing DCPs would not be subject to the DCP maximum cap. This is not reflected clearly in the draft SPP. Presumably the maximum cap will be implemented via an operative provision rendering the draft SPP at odds with the verbal advice to date. In terms of proposed DCPs, the message communicated was that if proposals were already in the system, the new SPP would not be applied. The draft SPP deals with the following situations:

- prepared and submitted to the WAPC for approval before the gazettal of this policy; and
- prepared on or after gazettal of this policy.

There appears to be a substantial gap in between where draft DCPs may have been prepared and are at another stage in the process (such as consultation or consideration of submissions).

Recommendation:

28. Although totally opposed to the imposition of a community infrastructure cap, if a cap is retained in the gazette policy then clarity is required as to whether existing DCPs would be subjected to the proposed maximum caps;
29. Clarity is required as to whether the proposed DCPs already 'in the system' but not submitted for formal approval are subject to the draft SPP;

Reporting Requirements

The auditing process has a number of inputs and therefore timeliness can be difficult, a more realistic time period, given Local Government auditors would be consumed with the whole of Local Government account audit (usually July-Nov) would be 6 months.

Recommendation:

30. That the Auditing process be extended to 6 months, given the existing Local Government auditing processes.

Schedule 1: Development Infrastructure – Standard Infrastructure Contribution requirements

Items under 'Movement network' - Items 7-9 refer - The terms used in the policy use the Functional Road Hierarchy which used to be set out in DC Policy 1.4 (no longer applicable though still referred to in other road planning DC policies). The only planning document which sets out a road hierarchy is now Liveable Neighbourhoods and therefore those road hierarchy terms (which are different) should be used.

Recommendation:

31. Items under 'Movement network' to refer to the Liveable Neighbourhoods road hierarchy.

Schedule 2: Scope of Community Infrastructure

As stated previously, this section and Appendix C of the Guidelines needs to be better aligned with the intent of the SPP.

Schedule 3: Development Contribution Plan Template - Relationship to other planning instruments

Refers to the 'Plan for the Future'. A better inclusion to replace this would be the Strategic Community Plan which is a document which all local governments are required to undertake. The Integrated Planning Framework developed by the Department of Local Government illustrates the model currently used by Local Government.

<https://www.dlgsc.wa.gov.au/local-government/strengthening-local-government/intergrated-planning-and-reporting/strategic-community-plan>

Recommendation:

32. That reference to 'Plan for the Future' be replaced with *Strategic Community Plan*.

Other Comments

The alignment of structure planning processes and DCA arrangements relies largely on the level of detail provided in a structure plan. The changes that occurred in 2015, which the Association raised concerns with at the time, has reduced the level of certainty for Local Government around what will be delivered through the structure planning process. Without this certainty the alignment of the two processes as proposed by the draft Policy is arguably impossible. The flexibility of the current local structure plan framework is contradictory to the desires of the draft Policy, this contradiction requires removal to ensure the timely, equitable and efficient delivery of infrastructure through DCA's.

Recommendation:

33. That the Planning and Development (Local Planning Scheme) Regulations 2015 be amended to give structure plans the weight of the Local Planning Scheme, as was the case for many Local Governments prior to 2015;
34. Minor editing is required in Schedule 1 – Point 10 Existing roads (land for widening): 'induced' should be amended to read 'induces'

5.10 Local Government as Collection Agency for Construction Training Fund (05-015-02-0005 VJ)

By Vanessa Jackson, Policy Manager Planning and Improvement

Recommendation

1. That WALGA advise the Construction Training Fund (CTF):

- 1.1 That due to the operational improvements and establishment of an on-line portal for payments of the Building and Construction Industry Training Fund, Local Government will not continue to be a collection agency for these payments**
- 1.2 That the online receipt issued upon payment of the *Building and Construction Industry Training Fund*, must clearly show the property address and estimated building value to ensure it complies with section 20 of the *Building Act 2011***
- 1.3 That the Department of Mines, Industry Regulation and Safety (DMIRS) must provide access to the data collated in the Building Permit Database Project to assist CTF in their acquittal process, and**
- 1.4 That a review of the apprenticeship pathways should be undertaken, as the Local Government sector can provide many potential apprentice pathways directly connected to the construction and development industry.**

2. That WALGA advise the Minister for Local Government, Minister for Education & Training and Minister for Commerce that the current CTF collection process is unnecessary administrative red tape for the Local Government sector, and seek their support for Local Government to not continue to be a collection agency for these payments.

In Brief

- The Construction Training Fund (CTF) has recently established a secure on line portal for payments of the *Building and Construction Industry Training Fund (BCITF)*.
- WALGA has sought member's views on whether Local Government should continue to be the collection agency for the Construction Training Fund.
- The responses indicate that the administrative burden is onerous, fees received do not achieve cost recovery, therefore, the processing of CTF payments by Local Government should not continue.

Attachment

Attachment 1 - Letter from CTF

Attachment 2 - Comments received from members.

Relevance to Strategic Plan

Key Strategies

Sustainable Local Government

- Continue to build capacity to deliver sustainable Local Government
- Provide support to all members, according to need.

Enhanced Reputation and Relationships

- Communicate and market the profile and reputation of Local Government and WALGA
- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government.

Policy Implications

At the State Council meeting in August 2008, a submission on the Review of the Operation and Effectiveness of the *Building and Construction Industry Training Fund and Levy Collection Act (1990)* was considered which made three key recommendations:

1. Review and update the business processes used for the collection and administration of the BCITF levy including;
 - BCITF to implement an electronic payment system to enable builders to pay the levy directly and receive receipts;
 - BCITF to provide the option of replacing the triplicate form with an electronic report using data already held by Local Governments as part of the Building Licence application (as is provided to the Builders Registration Board); and
 - Replace the manual monthly collation of forms with an electronic funds transfer and electronic report for Local Governments choosing to transact in this way.
2. Review the financial arrangements covering collection of the BCITF levy. This review will compare the \$6 per transaction paid for the collection and remittance of the levy with the costs incurred and recommend any changes necessary to ensure cost recovery.
3. Provide access to supported training to building surveyors directly involved in governance arrangements covering building and construction within Local Government areas.

State Council resolved at this meeting to endorse the submission, and that:

1. the Building and Construction Industry Training Fund establish improved reporting mechanisms to Local Governments on the expenditure and outcomes of the funds received;
2. WALGA investigate opportunities for the delivery of training to country, rural and remote Local Government areas; and
3. WALGA advocate for change, as soon as possible, to enable all building trades and Local Government to access this funding for the employment of apprentices. **(430.5/2008)**

Budgetary Implications

Nil.

Background

The Construction Training Fund (CTF) is a statutory authority that assists Western Australia's building and construction industry to meet its demands for skilled workers. The CTF currently administers the *Building and Construction Industry Training Fund (BCITF) and Levy Collection Act 1990* to collect a levy on all residential, commercial and civil engineering construction projects undertaken in Western Australia. The Construction Training Fund then supports and subsidises the training of eligible people in the building and construction industry, aiming to increase the number of skilled workers across the industry.

Payment of the BCITF levy is made online via the ctf.wa.gov.au website or via Local Government as part of an application for a building permit. A Local Government provides applicants with a levy form for completion and issues a receipt confirming payment has been made. Alternately, project owners can pay directly to CTF via the online payment system and provide a receipt to the Local Government

as proof of payment of the training levy. Where a building permit is not required, BCITF levy payments are made directly to the CTF via this secure online system.

The *Levy Collection Act 1990* and associated regulations do not mention Local Government as being the collection agency, just that one can be appointed by the Board.

The Act states in Section 27 - Collection agencies: -

- (1) The Board shall appoint such persons or bodies to be collection agencies for the purposes of this Act as the Board thinks fit.
- (2) Notwithstanding any provision of the Financial Management Act 2006 to the contrary, a collection agency shall collect levy and pay levy to the Fund in accordance with prescribed procedures.
- (3) A collection agency may be paid such moneys for carrying out its functions under this Act as the Board determines.

Currently, Local Government receives an administration fee of \$8.25 per application, GST exempt, for collecting, acquitting and reporting the funds to the CTF. In 2017-18, the revenue of CTF was \$25.9 million, expenditure was \$22.2 million and the administrative costs were \$2.40 million (as outlined in [CTF Annual Report](#)). The following information was also included in the Annual report:

“CTFs new online claim and payment portal is being launched in late August 2018. This will assist employers, GTOs and RTOs to make claims online as well as making it easier for Local Government Authorities and building companies to process their levy payments online. This will significantly reduce red tape while making all dealings with CTF much more efficient and user friendly. All payments and claims can be made using any mobile device.”

Comment

CTF wrote to all Local Governments in April 2019, about the use of the new on-line portal, as outlined in Attachment 1. This letter raised several areas of concern, relating to the potential cost shifting of this administrative function, including the additional data entry requirements, maintaining CTF records for 7 years, facilitating CTF audits, the requirement for registration of a ‘person’ rather than a Local Government login is inefficient, and the responsibility for modifying internal bulk upload reports to suit CTF requirements. It is also unclear whether the CTF consulted with the sector prior to the issuing of this letter and hence whether any impact on Local Government operations was considered prior to requiring the new system to be in place by the 1 July 2019.

WALGA sought member’s views on whether Local Government should continue to be the collection agency for the Construction Training Fund given the improvements through the online payment process. As the CTF have set up the secure online portal for payments to be made directly into the Fund, it could be argued that the CTF no longer require Local Government to be their collection agency in the Building Permit process to collect their levy.

Further it was indicated that the current process is onerous and a burden on a Local Governments administrative and corporate services function, in processing the CTF levy, which far outweighs the financial return received. An example of the administration of the CTF levy was provided by a member:

1. The levies are held in the Finance Unit until applicable building permits are issued;
2. At the end of each month a list of levies pending building permit approval is received at the Building Services Unit from the Finance Unit;
3. The building permits approved are then highlighted on the list and returned to the Finance Unit;
4. The levies applicable to the approved building permits are forwarded to the CTF;
5. A report is generated from the IT software of the levies collected and approvals issued;

6. The report is then uploaded to the CTF online portal which is time consuming as the report is not compatible with the CTF software;
7. The hard copy BCITF payment forms (completed by applicants during building permit applications) and the generated report of approvals are also forwarded to the CTF; and
8. A levy payment invoice is then received from the CTF which is forwarded to the Finance Unit for payment of the applicable levies to the CTF.

The *Building Act 2011* (the Act) prescribes the matters that the Local Government must be satisfied with prior to issuing a permit. Section 20 states: -

“A permit authority to which a certified application or an uncertified application is made must grant the building permit if it is satisfied – (I) if a levy is imposed by the Building and Construction Industry Training Levy Act 1990 in respect of the building work, that the levy has been paid”.

Therefore, as part of the Building Permit Application process, a receipt showing that the CTF has been paid would satisfy this clause. The current CTF receipt, however, should include sufficient information on the receipt, including the property address and estimated building value, so that Local Government can align the information. The acquittal of all funds and any follow up of funds for changes in the construction cost would then be followed up by the CTF, not a Local Government.

Currently Local Governments are required to report monthly statistical data to CTF, therefore, even if payments are made directly to CTF, this data is required from a Local Government so that CTF can confirm a levy has been paid for all relevant projects, and the correct amount has been remitted. Unless this is resolved Local Government will continue to be burdened by the matter. As the data is already being reported by Local Government through DMIRS Building Permit Database, CTF must be granted access so that they be able to source this data from DMIRS. This would ensure that Local Government can be relieved from having to generate separate reports to CTF; a duplication of the reporting process.

A separate issue that has been advocated for many years, is the lack of access by Local Government to the CTF for any Local Government apprenticeships. The fact that Local Government has to pay the levy on its construction projects, yet cannot access any funds from the CTF, is inequitable, given the sector can provide many potential apprentice pathways directly connected to the construction and development industry. Advocacy regarding this inequity should continue.

In seeking feedback from members on whether to continue as the collection agency, a formal request for advice was sent to all Local Government CEO's, seeking feedback on whether to continue as the Collection Agency. Feedback was sought until the 20 September 2019.

A total of 37 responses were received, 6 Local Governments supported continuing being the CTF collection agency, while 31 Local Governments supported not continuing to perform this function. It was considered that not continuing to provide the service would provide a significant reduction in administration processes.

It is therefore recommended that WALGA advise the CTF Board that due to their operational improvements, there is no need for Local Government to continue to be a collection agency for the CTF.



It would also be appropriate to discuss this matter with the Ministers for Local Government, Education & Training and the Minister for Commerce, requesting assistance in reducing the red tape burden on the Local Government sector.

Attachment One Item 5.10 – letter from CTF

12 April 2019

Local Government CEO

CHANGES TO THE BCITF LEVY COLLECTION PROCESS & FEES | ONLINE PORTAL

The Construction Training Fund (CTF) administers the *Building and Construction Industry Training Fund and Levy Collection Act 1990* (the Act) which requires a levy to be paid on all construction works that have an estimated value more than \$20,000. CTF recognises the important role that Local Government Authorities (LGAs) perform as a collection agent for the receipt of the BCITF levy on building and demolition permit applications.

In July 2018, CTF launched an online portal enabling LGAs to submit levy information electronically. The online system aims to improve processing efficiency, data integrity, and the effectiveness of compliance activities performed by LGAs and CTF. I would like to express my appreciation for the efforts of LGA staff who have actively engaged with CTF to use the portal and/or assisted in the development and adaption of reports to streamline this process change. This letter is to inform you that from **1 July 2019**, all levy information provided from LGAs must be submitted to CTF via the online portal.

CTF has considered feedback from LGAs and reviewed our existing processes with the aim to improve efficiency for both CTF and LGAs. As all LGAs will be submitting information through the online portal, it will no longer be necessary for LGAs to send the hard copy forms to CTF. LGAs will be required to retain the original levy forms on behalf of CTF and these forms must be retained for at least seven years in accordance with the State Records Act. CTF will audit a sample of projects provided via the online portal to ensure completed and signed levy forms continue to be collected and stored using the LGAs normal records management system.

LGAs that have not used the online portal before will need to register a valid contact person when they create their account. This will ensure they can access the portal to submit project information. The portal has the capacity to handle a bulk upload of project data and this option is strongly recommended if the LGA is submitting five or more projects per month to CTF.

Consequently, LGAs will need to develop a suitable report to manage bulk uploads by 1 July 2019. If LGAs do not do this, then the details for each individual project will have to be entered manually via the portal, (see Attachment 1 for steps to assist LGA staff to manage the online portal process efficiently). An example of the payment process is also attached.

There is a small change to the levy collection fee and process. CTF will pay \$8.25 (GST exempt) for each correctly collected BCITF levy payment, as opposed to the former \$7.50 + GST.

NEW LEVY COLLECTION PROCESS – EFFECTIVE 1 JULY 2019

In support of the regulated procedures, the following processing steps are provided to clarify what is required by CTF.

1. Prior to approving any building/demolition application lodged with the LGA, please estimate whether the value of work is greater than \$20,000.
2. If the work is over \$20,000 please collect the following:
 - i. a completed and signed levy form; or
 - ii. Evidence that the appropriate BCITF levy has been paid.
2. If the levy has not been paid direct to CTF, please collect the levy as calculated on 0.2% of the estimated value of work.
3. Not later than the tenth day of the month, log in to the CTF online portal and submit project details for building/demolition applications that were:
 - i. approved in the month prior; and
 - ii. Had a BCITF levy collected by the LGA.
4. For each project submitted via the online portal, ensure a completed and signed copy of the collected levy form is retained on the LGA's records management system (physical or electronic).
5. CTF will review the online submission and, if necessary, request further information and/or individual levy forms to verify the data submitted by the LGA.
6. Once data is validated, CTF will issue a levy payment request via email. The payment request will be comprised of the projects submitted via the online portal.

EXAMPLE OF THE PAYMENT PROCESS

Example:

1. LGA approves twenty (20) building applications during the month.
2. LGA collects the BCITF levy on fifteen (15) of the approved applications for a combined approved value of \$2,000,000. (Assumes five (5) of the applications had the BCITF levy paid direct to CTF.)
3. LGA submits the required project details of the fifteen (15) applications via the CTF portal and retains copies of related levy forms.
4. LGA awaits CTF levy payment request.
5. LGA receives a levy payment request from CTF for the expected net levy collected (\$3,876.25).
 - \$2,000,000 approved construction value x 0.2% = \$4,000
 - Collection fee for fifteen (15) applications x \$8.25 = \$123.75
7. LGA remits payment of \$3,876.25 to CTF.

CTF may request a sample of retained levy forms for auditing purposes. This is to ensure data integrity is maintained and that levy collection processes are being adhered to.

Attachment 2 Item 5.10 – Summary of responses

WALGA sought member's views on whether Local Government should continue to be the collection agency for the Construction Training Fund (CTF) given the establishment of a secure on line portal for payments.

Continue – 6 Local Governments

Not Continue – 31 Local Governments

	Local Government	<u>Continue or Not continue</u> to be the collection agency for BCITF	Comments
1.	Shire of Northampton	Continue for convenience to owners/rate payers	In response to your specific query, from a rural Shire point of view we consider that we can continue the collection of the CTF as it is convenient for owners and builders who wish to make one payment to cover all the building fees applicable for their building project.
2.	Shire of Wagin	Continue	We have had a rethink on being a collective agency for the BCITF with consideration being given to alternatives if local government does not perform this function. Logistically, to hand this process back to the BCITF would create greater issues with the collection of fees due to the information they receive from the BPD base would be "old data" and difficult to collect. Local Government is in the best position to be the collection agency as the fees are paid upon application or approval making it a one stop shop.
3.	City of Joondalup	Continue	Provided that the current arrangement remains in place for the collection and monthly remittance of the Construction Training Fund levy the City has no objection to continuing to be the collection agency for the Construction Training Fund. The City acknowledges that some customer so not have computers therefore it assists by providing this service. Our Finance team noted this error in the letter: The Construction Training Fund advised that as from 1 July 2019 the collection fee is \$8.25 (GST exempt) not \$8.25 + GST. Previously this was \$8.25 (GST inclusive).
4.	City of Armadale	Continue	The City of Armadale has received positive feedback from clients indicating submitting CTF levy payments to the City when lodging a building application is preferable. To continue to afford our clientele flexibility and customer service, the City would support continuing as a collection agency on behalf of the Construction Training Fund.
5.	City of Greater Geraldton	Continue	Thank you for the opportunity to comment on the below. The City of Greater Geraldton does not have an issue with being the collection agent for CTF funds. Current processes and reports ensure that our remitting is efficient and not time consuming. As the

			collection agent we ensure that all the relevant fees are paid and are not having to chase any builders up for outstanding fees being paid to a separate party. This ensures that permit approval turnover is quick and there is no hold up of permits.
6.	City of Perth	Continue	<p>I refer to your email dated 2 August 2019 seeking the City of Perth's comments on whether Local Government should continue to be the collection agency for the Construction Training Fund (CTF). The City is happy to continue collecting the Building and Construction Industry Training Fund (BCITF) as a service to our customers, enabling them to make all relevant payments, ie Building Application Fees, Building Service Levy Fees and BCITF, in a single place as part of an application to the City for a building permit.</p> <p>In doing so, however, the City notes that the current administration fee of \$8.25 + GST per application covers only about a third of the cost to the City for collecting this levy. For example, in the financial year 2018/2019 the City received \$3,671.00 in administration fees yet the estimated cost to the City for processing the levy payment was \$9,705. The average time the City spends on processing the payment of BCITF (when the permit is lodged) varies between 30min to an hour every day, depending on the number of applications received.</p> <p>It is also noted that the current processes are somewhat outdated. The CTF does not give out the levy forms to the Builders/Applicants. Only Local Governments have the (triplicate) hardcopies. The CTF expectation is that the Applicant comes to the City to complete the form even when they have lodged their application online. Currently 80% of our Building Applications are lodged online. The City then sends an electronic copy of the form as part of the Finance Reconciliation process. We are currently throwing out three of the four pieces of paper per form.</p> <p>If applicants were only to pay the monies directly to the CTF the workload would be less for all involved. However, if Local Governments are to continue collecting the monies on behalf of the CTF as a service to customers it would be beneficial if they could provide an online form to replace the current hard copy forms. This form could be pre-filled by the Local Government and then forward to the Applicant for signature. This would take away the need for handwriting, scanning and registering forms prior to emailing them.</p> <p>Importantly, all Local Governments need to take a consistent approach. Given that the CTF now have a secure online payment option, the consideration should be the value to the building industry of the split payment system.</p> <p>Further, general considerations would be whether the CTF has been a good way to pay for the BCITF, and if this is the best way to pay for the levy?</p>
7.	Shire of Gingin	Not continue	<p>A good number of building companies pay the levy directly to the CTF online, taking the Shire of Gingin out of the equation altogether.</p> <p>For owner builders there is a misunderstanding of the application process usually, so getting them to pay the levy online could be problematic.</p>

			<p>There is the administration hassle for the small amount of return that the Shire gets (actually \$7.50 +GST = \$8.25) per application over \$20,000. For example in May 2019, the Shire collected \$4,007.58 in levy, and the Shire received \$57.75 in commission fees from the Construction Training Fund. The general ledger account has to be reconciled at the end of the month and at the end of the financial year to ensure that all monies received and paid to the fund are accounted for and collection forms have to be submitted where applicable for the building application. This sometimes necessitates chasing up the forms with the builders for owner builders because they haven't been submitted with the building application.</p> <p>The fee the Shire receives should be increased if the Construction Training Fund wants Local Government to be the collection agency.</p> <p>In essence: We believe we should not be responsible for the collection. Not our money not our issue.</p>
8.	Town of Cambridge	Not continue	<p>The Town of Cambridge via its fees and Charges in the 2019/20 annual budget resolved to not collect this fee and cease being a collection agency. Procedures were updated to simply receive the CTF receipt. Applicants can pay online to the CTF.</p> <p>Our applicant checklists were also updated https://www.cambridge.wa.gov.au/Develop-Build/Building/Building-Approvals-Permits to reflect this and include hyperlinks to the CTF payment portal.</p> <p>The Town does have a computer and printer in reception and we have advised that we would make this available should an applicant need to use the internet to make a payment. However as the applicants are usually builders with applications >\$20 000 they are incorporating it into their procedures.</p> <p>This was done following a request by CTF to electronically upload data. So continuing to be a CTF collection agency would have required the Town to upgrade its IT software at a significant cost to the ratepayers.</p> <p>I am pleased to advise there has not been one complaint from our applicants since asking for the receipt on 1/7/19. The Town is of the view that it is no different from a builder providing energy efficiency, BAL assessment, HII insurance etc documents. Finance administration time has also been eliminated. CTF has referred the City of Perth to us who are considering mirroring our process.</p>
9.	Shire of Mingenew	Not continue	<p>For small Local Governments like Mingenew, (where much of our building regulation function is already outsourced) the administration fees raised from these rare occurrences don't really cover the cost of providing the service.</p> <p>As such, we would be quite happy for the whole process to be managed through the CTF Portal.</p>
10.	Shire of Boddington	Not continue	<p>Get rid of it, it's a pain. Everything is online, even your group certificate/Statement of Earnings.</p> <p><i>Should be asking CTF this question</i></p> <p>Council has to pay the levy on construction projects, yet cannot access any funds from the CTF as we are ineligible.</p>

11.	Shire of Dalwallinu	Not continue	It is our belief that we should not continue to be the collection agency for CTF. Given that there is an alternative way to pay this levy and the resources it takes us to collect, it's a better option to cease being a collection agency.
12.	Shire of West Arthur	Not continue	I would support Local Government's no longer being the collection agency for BCITF.
13.	Shire of Menzies	Not continue	I have long opposed Local Government being a collection agency for these fees. Local Governments have more than enough responsibilities, compliances, reporting etc without collecting funds for other agencies. There is also a perception that like the fire services levy, that Local Government is the beneficiary of these fees. This is not the role of Local Government.
14.	Shire of Yilgarn	Not continue	As the Shires Regulatory Manager, I am of the opinion Local Governments should not be collecting the CTF, and that project owners should be responsible to make payment through the online portal.
15.	Shire of Ngaanyatjaraku	Not continue	As a general rule the Shire of Ngaanyatjaraku consultant directs applicants to submit to the CTF directly and avoid any processing at the local government. As remote and regional areas, the management of very sporadic approvals is often difficult at these local governments as I am not on site much of the time. As a consequence there is seldom staff on site that are able to determine and process the CTF levies. It is my belief that there is no longer a need for Local Government to process the CTF levies for the following reasons; 1. The fee to Local Governments in no way represents cost recovery if Local Governments collect the levies (if Local Government is to continue undertaking collections this fee should be dramatically increased to reflect real costs); 2. The CTF database enables builders to create a login and pay fees directly to the CTF, which avoids double handling of funds; 3. Local Governments only collect fees for Building Permits and hence much of other construction activity has to be payed directly to the fund anyway, and this creates confusion with industry, (eg; Local Government only issue permits for residential components on mine sites, when there are often other construction activities involved; 4. Local Governments can currently retain a login on the CTF site to confirm whether CTF has been paid with respect to individual building permits.
16.	Shire of Murchison	Not continue	As a general rule the Shire of Murchison consultant directs applicants to submit to the CTF directly and avoid any processing at the local government. As remote and regional areas, the management of very sporadic approvals is often difficult at these Local Governments as I am not on site much of the time. As a consequence there is seldom staff on site that are able to determine and process the CTF levies. It is my belief that there is no longer a need for Local Government to process the CTF levies for the following reasons;

			<p>1. The fee to Local Governments in no way represents cost recovery if Local Governments collect the levies (if Local Government is to continue undertaking collections this fee should be dramatically increased to reflect real costs);</p> <p>2. The CTF database enables builders to create a login and pay fees directly to the CTF, which avoids double handling of funds;</p> <p>3. Local Governments only collect fees for Building Permits and hence much of other construction activity has to be paid directly to the fund anyway, and this creates confusion with industry, (eg; Local Government only issue permits for residential components on mine sites, when there are often other construction activities involved);</p> <p>4. Local Governments can currently retain a login on the CTF site to confirm whether CTF has been paid with respect to individual building permits.</p>
17.	Shire of Dumbleyung	Not continue	<p>The Shire of Dumbleyung has very few BCITF collections annually so it's not a major issue for the Shire.</p> <p>However the removal of the collection of this levy by the Shire would be once less task we are required to undertake and so from an industry point of view the Shire would support local governments not continuing to be the collection agency for the Fund.</p>
18.	Shire of Williams	Not continue	<p>I am responding on behalf on the Shire of Williams, being a collective agency for the BCITF levies does not cover costs for service and can become an administrative nightmare when recovering non-payment of fees and the signing off on the appropriate forms.</p> <p>The BCITF could be self-sufficient by receiving their information from the Building Permit Data Base giving them real time approvals over \$20,000 in construction cost eliminating the need for local Government to get involved.</p>
19.	Town of Bassendean	Not continue	<p>Further to the email below, it has been the Town of Bassendean's position for some time that the burden on us to action these matters far outweighs the financial return we receive. As such, I would strongly advocate all payments being made directly to CTF as suggested in your correspondence. There are multiple ways this could be enforced. The formal process can be amended to require this, or, Local Governments (LG's) can process the payment with the payee through the CTF portal as part of their internal procedures, or, an incentive based approach could be adopted (i.e. discount levies paid through the portal and/or surcharge those paid through LG's.</p> <p>LG's are further burdened by the need to report monthly statistical data to CTF. Even if payments are made directly to CTF, this data is required from LG's so that CTF can confirm a levy has been paid for all relevant projects, and, the correct amount has been remitted. Unless this is resolved also, LG's will continue to be burdened by the matter.</p> <p>This data is already being reported by LG's through DMIR's Building Permit Database (BPD). According to CTF, they have requested that they be able to source this data from DMIR's, but DMIR's has not supported this request. This needs to change so that LG's can be relieved from having to generate separate reports to CTF, which is essentially a duplication of process.</p>

20.	Shire of Leonora	Not continue	The Shire of Leonora agrees that with the introduction of the CTF portal Local Government no longer need to be the collection agents for the CTF levy. The recent requirement to enter payment data on the CTF portal has increased the administrative burden on smaller local authorities. CTF should be collecting their own levy while Local Government then only need to request receipt advice for CTF payment at the building application stage thereby reducing State Government red tape that appears to be increasing daily (new requirement to place staff annual returns on council websites).
21.	City of Busselton	Not continue with adjustments to receipts	<p>Thank you for the opportunity to comment on the CTF Levy being paid direct to the BCITF. We have spoken to some builders to get their view and they were all happy to pay it direct. The City would not have a problem with allowing the levy to be paid directly to the BCITF, but the only issue is that the receipts need to contain more information so that we can check them against the building application without any issues.</p> <p>The current CTF receipt is an issue which needs to be rectified. Please refer to the attached "20181207-BCITF Receipt".</p> <p>There is information should be on the document so the local government can check if it's the correct receipt.</p> <p>It needs the following:</p> <ul style="list-style-type: none"> • The property address • Estimated building value <p>The "1923042 CTF Receipt" above is the document the City accepts as it holds most of the information we require.</p> <p>If the total amount of the estimated cost of the construction is put on this form it would save time checking this against the amount of the building application.</p>
22.	City of Cockburn	Not continue	<p>As the CTF have set up their secure online portal for payments to be made directly into the Fund, it could be argued that the CTF no longer require Local Government to be their collection agency in the Building/Demolition Permit process to collect their levy (for an administration fee of \$8.25 + GST per application).</p> <p>The City has reviewed its current in-house CTF process and the financial consideration. The City is very supportive of this matter being dealt with directly online by building/demolition application proponents and the Construction Training Fund Office.</p> <p>In such a scenario the building/demolition application proponents would need to provide evidence to the City that they have paid the CTF Levy to the CTF Office prior to the issuance of a Building/Demolition Permit. This evidence should be by way of a receipt of payment from the CTF Office.</p>
23.	Shire of Kondinin	Not continue	<p>The Shire of Kondinin is happy to relinquish any handling of the BCITF Levy.</p> <p>We see the automated online process as a productive step towards streamlining the building permit process. For the size of our local government the amount of double handling is quite evident as in the area of building permits we are still required to submit nil returns for which we are not reimbursed.</p>

			<p>As builders can now do this directly it makes sense to remove the double handling as Local Governments are already required to:</p> <ul style="list-style-type: none"> • Enter information for the Department of Commerce database – It took quite some time before ABS and Worksafe could access this information requiring multiple avenues of reporting of the same information (this was even the case for the Building Commission and Worksafe who are part of the same state government agency) • Receipt payment of permit and have application assessed by a building surveyor • Track permit progress • Receipt payment of BSL • Receipt Payment of BCITF • Pay the BSL to Commerce • Pay the BCITF to the CTF • Maintain/Record Manage all forms, applications and permits • Notices of completion etc. <p>This information is provided solely to emphasize the back and forth nature of the building permit process as we see it.</p>
24.	Shire of Laverton	Not continue	<p>I think it is great that CTF are considering collecting the levy via the online portal. Whilst this is not an onerous task within itself, collectively with all of the other items that have been cost shifted onto Local Government, it is something we will gladly give up to remove some of our administrative workload. We will however require some sort of receipt advice from applicants to ensure they have paid the levy before issuing a permit.</p> <p>The metropolitan local authorities may disagree as I imagine they make quite a lot out of the \$8.25 administration fee, but they most probably also have sufficient administration staff to carry out the function without it being too much of an impost.</p> <p>Thank you for the opportunity to comment.</p>
25.	Shire of Ravensthorpe	Not continue	<p>Thank you for your email of 2 August 2019 and for the opportunity to provide our views on the administration of the Building and Construction Industry Training Fund (BCITF) Levy.</p> <p>The Shire of Ravensthorpe supports removing Local Government as the collection agency for the Construction Training Fund.</p>
26.	City of Gosnells	Not continue	<p>Thank you for your letter about whether Local Government should continue to be the collection agency for the Construction Training Fund.</p> <p>I have argued strongly that Local Government should not be the collection agency for State Government revenue, and in particular, the Emergency Services Levy, which now raises a very substantial amount of money.</p> <p>In light of my past arguments, I believe it is inappropriate for Local Government to collect monies on behalf of the State Government.</p>

27.	City of Belmont	Not continue	<p>I refer to the below email from WALGA's Chief Executive Officer Nick Sloan to the City's CEO John Christie dated 2 August 2019, requesting feedback on proposed changes to the payment of the BCITF levy.</p> <p>Currently 60-70% of building applications to the City are made online.</p> <p>To submit an application on-line, requires the applicant to make a prior, direct payment to the CTF and attach a copy of the receipt.</p> <p>The remaining 30-40% of applications are received either by email or in person over the front counter.</p> <p>As you will be aware from a legislative perspective, payment of the BCITF levy is not required upon application (s.16 of the Building Act 2011), but is required before the Local Government can grant the application (s.20 of the Building Act 2011).</p> <p>This also is only applicable when the estimated value of the proposed works exceed \$20,000.00.</p> <p>From a customer service perspective, the only applicants that would potentially be inconvenienced are those without a computer, those unable to use a computer or those who do not have a credit card.</p> <p>If however they were to join the City's library, they would have free access to a computer.</p> <p>Alternatively they could visit the CTF Offices which are fortuitously located at 104 Belgravia Street, Belmont where they could pay in person.</p> <p>The majority of applications the City receives are for a patio or shed which are less than \$20,000.00 in value.</p> <p>As such the actual number of applicants who could potentially be inconvenienced by the proposed change would be very small (i.e. owner builders).</p> <p>With the above in mind it is agreed that there is no need for the City to continue to be the collection agency of the levy on behalf of the CTF.</p> <p>Thank you for providing the opportunity to provide feedback and hope my comments are of assistance.</p>
28.	City of Albany	Not Continue	<p>I can confirm that the City of Albany would welcome the proposal for the CTF to no longer require Local Government to be their collection agency in the Building Permit process to collect their levy. It would be best if the applicant were required to do this, independent from the building application and approval process through the Local Government. It would be easy for the applicant to provide a receipt/proof of payment when submitting their application rather than the Local Government having to administer the collection forms and payments and then having to forward the payments.</p>
29.	City of Canning	Not Continue	<p>I understand that a secure online portal for payments to be made directly into the fund has been established and therefore local government's role in accepting levy payments directly, is under review. The Building Services Team have provided the following advice:</p> <ul style="list-style-type: none"> - The City during the financial year 2018/19 when accepting payment of the CTF levy received a total commission of \$4,410 in administration charges, these administration charges are minimal. - The Building Act 2011 (the Act) prescribes the matters that the City must be satisfied with prior to issuing a permit. Section 20 states <i>"A permit authority to which a certified application or an uncertified application is made must grant the building permit if it is satisfied – (1) if a levy is</i>

			<p><i>imposed by the Building and Construction Industry Training Levy Act 1990 in respect of the building work, that the levy has been paid"</i></p> <ul style="list-style-type: none"> - If the City was to cease accepting payments, given the requirements of the Act, the applicant would need to provide the City with Confirmation of the levy payment (for example a receipt) at the time of lodgement, An alternative may be to consider providing each local government with a login to the secure portal to verify payment has been made. Any opportunity to streamline the process would be supported. <p>The City would support a change which removed the local government as a collection agency of the CTF levy.</p>
30.	Shire of Augusta Margaret River	Not Continue	<p>Correspondence has been received advising that the Construction Training Fund may no longer require Local Government to be the collection agency for the levy applicable to building permit applications.</p> <p>Building permit applications for building work valued over \$20000 require payment of a BCITF levy. This payment is either collected by the Shire of Augusta Margaret River on behalf of the Construction Training Fund (CTF) on receipt of a building permit application, or paid directly to the CTF via online payment by an applicant prior to lodging a building permit application. A receipt is provided by an applicant lodging a building permit application to verify that payment has been made directly to the CTF.</p> <p>Administration of the levy by the Shire on behalf of the CTF is an onerous process:</p> <ol style="list-style-type: none"> 1. The levies are held in the Shires Finance Unit until applicable building permits are issued; 2. At the end of each month a list of levies pending building permit approval is received at the Shires Building Services Unit from the Finance Unit; 3. The building permits approved are then highlighted on the list and returned to the Finance Unit; 4. The levies applicable to the approved building permits are forwarded to the CTF; 5. A report is generated from the Shires Synergy software of the levies collected and approvals issued; 6. The report is then uploaded to the CTF online portal which is time consuming as the report is not compatible with the CTF software; 7. The hard copy BCITF payment forms (completed by applicants during building permit applications) and the generated report of approvals are forwarded to the CTF; and 8. A levy payment invoice is then received from the CTF which is forwarded to the Finance Unit for payment of the applicable levies to the CTF. <p>The Shire of Augusta Margaret River supports the online payment of the levy direct to the CTF and to discontinue being the collection agency for the Construction Training Fund.</p>
31.	Shire of Toodyay	Not continue	<p>The small fee associated with collection of these funds does not compensate for the cost of delivering the service. This contribution is also seen by many as a Local Government charge and it would be more transparent if it was collected directly rather than through the Local Government.</p>

32.	Shire of Corrigin	Not continue	<p>Please note the following comments from our staff regarding the Construction Training Fund from the Shire of Corrigin. Remitting the funds at the end of each month is a little time consuming as I need to log in to the CTF portal, load the building permit details, attach the BCITF form (occasionally I need to chase this up with the applicant as it may not have been completed at the time of lodging their application) then we wait for an invoice to be generated from CTF to remit the funds held. If the applicant can pay their fees direct to the CTF, this will be beneficial in reducing my end of month tasks plus other staff time too in gathering the information.</p> <p>The only thing we will need to do as part of the building application process is to make sure the applicant provides proof of their lodgement & receipt of payment.</p>
33.	Shire of Koorda	Not continue	<p>Thank you for your email and for the opportunity to comment.</p> <p>In this regard, I can advise that the Shire of Koorda's practice for last 2 years or so is to have applicants pay using the CTF online portal.</p> <p>On this basis, the Shire of Koorda considers it appropriate for local government to cease being a collection agency.</p>
34.	Town of Port Hedland	Not continue	<p>Thank you for the email from Nick Sloan dated 2 August requesting feedback as to whether Local Governments should continue to be the collection agency for the Construction Training Fund.</p> <p>The Town's view is that should not be a Local Government function.</p> <p>We would like it noted that any future changes to Local Governments powers should be referred to us for comment.</p>
35.	Shire of Carnamah	Not continue	<p>The Shire of Carnamah is of the view that Local Government should no longer continue to be the collection agency for the Construction Training Fund.</p>
36.	Shire of Jerramungup	Not continue	<p>The Shire of Jerramungup supports the view that local government should no longer be a collection agency for the Building and Construction Industry Training Fund (BCITF)</p> <p>With the majority of operations being conducted online in this day and age, most builders seem to have embraced this and process as much online as possible</p> <p>The administrative burden and minor fees that local government receive were never the reason we collected them. It was to provide a service to our ratepayers</p> <p>These days it is more convenient for them to do directly online, with staff willing and able to assist any owner/builder that requires assistance with the online function.</p>
37.	Shire of Three Springs	Not continue	<p>The Shire of Three Springs believe we should no longer be the collection agency for the Construction Training Fund.</p>

5.11 Interim Submission - Public Health Regulations Review Discussion Papers (05-031-01-0001 BW)

By Bec Waddington, Policy Officer Community

Recommendation

That the interim submissions provided to the Department of Health on the following discussion papers be endorsed:

- 1. Managing public health risks at events in WA**
- 2. Management of public health risks related to offensive trade in WA**
- 3. Managing the public health risks associated with cooling towers and warm water systems in WA**
- 4. A new regulatory framework for managing drinking water in WA**

In Brief

- The *Public Health Act 2016* is progressing through a five-stage process of implementation and is currently at Stage 4. All regulations from the previous *Health Act 1911* will be repealed and replaced with new regulations at the commencement of Stage 5, which is anticipated to commence in 2021.
- Interim submissions for all of the above discussion papers were prepared to meet Department of Health deadlines and are now presented to State Council for final endorsement.

Attachments

[WALGA Submission Managing public health risks at events in WA](#)

[WALGA Submission Managing public health risks related to offensive trades in WA](#)

[WALGA Submission Managing public health risks associated with cooling towers and warm water systems in WA](#)

[WALGA Submission A new regulatory framework for managing drinking water in WA](#)

Relevance to Strategic Plan

Key Strategies

Engagement with Members

- Deliver a broad range of benefits and services that enhance the capacity of member Local Governments
- Provide ongoing professional development and interactive opportunities for Elected Members to contribute to debate on sector issues.

Sustainable Local Government

- Continue to build capacity to deliver sustainable Local Government
- Provide support to all members, according to need
- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia
- Foster economic and regional development in Local Government.

Enhanced Reputation and Relationships

- Communicate and market the profile and reputation of Local Government and WALGA
- Promote WALGA's advocacy successes with the sector and the wider community
- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government

- Develop simple and consistent messages that are effectively articulated.

Policy Implications

WALGA State Council has consistently advocated for the introduction of the *Public Health Act* as a foundation for a risk management approach to public health for both State and Local Government. (Resolutions 0159.COM.6/2005, 307.6/2007, 9.1/2015).

WALGA has previously made comment on the Public Health regulations; Construction Sites Facilities, Cloth Materials and Temporary Toilets Regulations (Resolution 139.7/2018) and Aquatic Facilities and Public Buildings (Resolution 15.3/2019).

Budgetary Implications

Nil.

Background

A discussion paper is being prepared for each regulation from the *Health (Miscellaneous Provisions) Act 1911*, which provides future options for each regulation that is then open for consultation. These options include:

- Retaining the status quo by replacing the current regulation with the equivalent regulation under the *Public Health Act 2016*
- Repealing the existing regulations without replacement and use *Public Health Act 2016* general public health duty
- Develop new, updated regulations under the *Public Health Act 2016*.

On all of the discussion papers, WALGA requested comment from Local Governments and have encouraged Local Governments who have completed an individual survey on the [DOH portal](#) to share their responses with WALGA staff.

The closing date for comment for the above papers was outside of the State Council process, so the submissions were sent to the People and Place Policy Team and Executive Committee for review before providing to the Department of Health as Interim Submissions, awaiting final State Council endorsement at the December meeting.

Comment

Managing public health risks at events in WA Discussion Paper

WALGA supports proposed Option C: Provide new regulations under the *Public Health Act 2016* with an updated guideline. All responses identified this as the preferred approach because of the following issues:

- Recognise that there is a need to have scalability when assessing events; which is representative of the diversity of Local Governments in Western Australia
- Need to support and encourage events as they encourage community cohesion, increase tourism, support local economies and create vibrant communities
- Ensure that there is not a significant or unreasonable burden on Local Government to deliver these services
- Important to decrease the red tape that event organisers and community members need to go through and improve consistency of what is expected of them
- Community members need to have a reasonable expectation that they will be safe if they attend an event run in their community.

Key issues for consideration with this option:

- There needs to be a series of comprehensive resources developed by the DOH in partnership with Local Government; including guidelines for Local Governments as the regulator and another for event planners
- DOH will need to be adequately resourced to provide training and resources to ensure that all Local Government EHO's are skilled and able to appropriately and consistently implement regulations
- Provide balance to the need for Local Governments to have adequate time to assess applications, whilst allowing for the very dynamic and often 'last minute' nature of events
- When considering a Risk Management Plan (RMP) for each event application, there needs to be assurances that there is no liability on the Local Government or Local Government Authorising Officer for any claims of damage due to alleged non-compliance with a RMP or claims that a RMP was inadequate
- There needs to be clear guidance for Local Governments as regulators and event organisers on regulations, supporting documentation and roles and responsibilities of all stakeholders.

Management of public health risks related to offensive trade in WA Discussion Paper

WALGA supports proposed Option C: Repeal the health legislation related to offensive trades and develop a guideline. This was the preferred option because:

- Current Offensive Trades provisions are outdated as they were introduced prior to adequate planning and environment controls, which are now currently in place
- It seems more appropriate that large scale activities are captured under Department of Water and Environment Regulation (DWER) licensing legislation
- Local Governments will investigate complaints regardless of whether a premise is classified as an Offensive Trade or not.

WALGA has noted that DOH must give further consideration to the interaction between planning legislation and offensive trades requirements and the implications this may have to local planning schemes.

Managing the public health risks associated with cooling towers and warm water systems in WA Discussion Paper

WALGA supports proposed Option C: Develop new regulations to manage these public health risks with building requirements addressed by the Building Code of Australia. This was the preferred option because:

- There is clearly an identified public health disease risk with these systems; and the existing legislation has to date not been able to be effectively implemented
- Utilising the Building Code of Australia would bring into line with approach of other states.

WALGA has requested that an alternative option is considered which is used in Victoria (as outlined in the discussion paper), whereby through a centralised model run by State Government, three officers look after 1000 inspections per year for 3000 towers across the state. This would relieve the regulatory and resource burden on Local Government whilst maintaining adequate inspections.

A new regulatory framework for managing drinking water in WA Discussion Paper

WALGA supports proposed Option 3: Develop a new public health regulatory framework for drinking water under the *Public Health Act 2016*. This is the preferred option because:

- It is important that there are valid and enforceable regulations to protect public drinking water supply for both current and future Western Australian communities

- It in part reflects the obligations currently set out in the binding MOU for Drinking Water Quality between the DOH and each licensed water service provider. The current system has worked effectively to date, but is ad hoc and would benefit from new and clear regulations
- It will provide more flexibility and scalability by adopting a risk-based approach to managing drinking water.

There are some aspects of the paper which are not clear, therefore WALGA has requested that DOH undertake further consultation with Local Governments in the later stages of the regulation development when addressing the details not outlined in this discussion paper, as well as in clarifying the role of Local Government as an enforcement agency.

5.12 Reforms to the Building Approval Process for Single Residential Buildings in Western Australia (05-015-02-0010 VJ)

By Vanessa Jackson, Policy Manager Planning and Improvement

Recommendation

That WALGA:

- 1. Advise the Department of Mines Industry Regulation and Safety (DMIRS) that Option 3 of the Consultation Regulatory Impact Statement, improvements to the single residential building approvals process, is supported in principle, subject to the following matters being addressed in consultation with the Local Government sector:**
 - a) Prior to any regulatory changes, a review of the building fees and charges is essential, to ensure that any costs associated with the approval of building work, implementation of mandatory inspections, compliance and enforcement actions, and record keeping requirements for the Local Government sector, will result in full cost recovery**
 - b) The Independent Building Surveyor who signed the Certificate of Design Compliance should be responsible for undertaking the inspections, therefore, Local Government would not be solely responsible for mandatory inspections**
 - c) The State Government's registration process for the Builder should be strengthened to ensure that the builder fulfils their obligations for compliance with the National Construction Code**
 - d) Implementation of mandatory inspections should be undertaken by properly qualified and independent personnel, at the following stages (at a minimum) of the construction process**
 - 1. Foundations and footings**
 - 2. Slab/reinforcement of bearers/joists**
 - 3. Waterproofing**
 - 4. Roof, and**
 - 5. Occupancy or final completion**
 - e) The occupancy or final completion inspection must ensure that the bushfire construction and energy efficiency requirements have been complied with, and**
 - f) The removal of the proposed 'fast track approval' concept, as is not warranted nor properly justified as an improvement option.**
- 2. Endorse the submission of this State Council report to the DMIRS, as the Association's submission on the Consultation Regulatory Impact Statement.**

In Brief

- In September 2019, DMIRS released a Consultation Regulatory Impact Statement for public comment focusing on improvements to the building approvals process for single residential buildings.
- The paper proposes three options for stakeholders; business as usual; introduction of full private certification; or improvements to the current building approval process.
- Submissions on the Consultation Regulatory Impact Statement close on the 9 December 2019.

Attachment

The full Consultation Regulatory Impact Statement can be accessed here -

<https://www.commerce.wa.gov.au/publications/reforms-building-approval-process-single-residential-buildings-wa-cris>

Relevance to Strategic Plan

Sustainable Local Government

- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia.

Policy Implications

At the September 2016 State Council meeting (Resolution 2016 85.5 /2016) it was resolved that WALGA:

1. Note opposition to the responsibility for an increased inspection regime being placed on Local Governments
2. Carry out a consultation process on mandatory inspections being expanded to specifically include inspections at the following stages of the building construction process:
 - Foundations and footings
 - Slab/reinforcement of bearers/joists
 - Roof, and
 - Occupancy or final completion, and
3. Support a regime of specific penalties for the builder's non-compliance.

At the State Council meeting in March 2017 (Resolution 7.1/2017), it was resolved that WALGA:

1. Endorse the 'Top Ten' for improvement to the operation of the *Building Act 2011*
2. Further advocate for improvements to the operation of the *Building Act 2011* with the Minister for Commerce and the Building Commission, and
3. That WALGA advocates to ensure that Local Government is not solely responsible for mandatory inspections.

Budgetary Implications

Nil.

Background

In the lead-up to the March 2017 State election, the then Opposition made a commitment to consider full private certification of building approvals for single residential buildings in WA.

In February 2018, the State Government gave in-principle agreement to implement recommendations of the Commonwealth Government Building Ministers Forum, *Building Confidence: Improving the effectiveness of compliance and enforcement systems for the building and construction industry across Australia*. In addition, the State also noted the findings of a 2018 inquiry into non-conforming building products conducted by the Senate Economics References Committee of the Parliament of Australia.

In September 2019, the State Government released a Consultation Regulatory Impact Statement (CRIS) to seek comment from stakeholders on options for reform that will deliver on the Government's commitments and ensure that the regulatory framework for building and construction in WA continues to deliver desirable outcomes for all Western Australians. The CRIS proposes three options for stakeholders to consider for single residential buildings only. These options include:

Option 1 – Business as usual

Under this option the current building approvals system continues to operate with no change. As this would not address the problems identified with the current process, this option forms the baseline (business as usual) against which Options 2 and 3 are assessed.

Option 2 – Introduce full private certification

Under this option the *Building Act 2011* would be amended to allow private building surveyors (acting as certifiers) and Local Governments to grant building permits for single residential dwellings. This option includes reforms recommended in the 2018 Building Confidence Report to improve compliance and enforcement of building standards such as the National Construction Code (NCC).

Option 2 also proposes reforms to the Act to allow private registered building surveyors to perform certain statutory functions in relation to single residential dwellings. Those functions include:

- certifying design compliance with applicable building standards, including the NCC
- granting a building permit authorising the commencement of works
- carrying out mandatory on-site inspections at key stages of the build
- issuing rectification orders during the build to address identified non-compliance with applicable building standards, and
- notifying and lodging approval documentation with the relevant Local Government.

Under this option, Local Governments could choose to compete with private certifiers for work involving single residential building approvals, or they could opt out. In either case, each Local Government would still retain responsibility for the enforcement of applicable building standards after completion of the build, when the role of the certifier has ceased. The Building Commissioner would retain responsibility for regulating certifiers and other building professions.

Option 3 – Improvements to the current building approvals process

Under this option the partially privatised model for building approval would be retained (as per the current Building Act 2011), but various improvements would be made to the Act to address current problems and adopt recommendations from the Building Confidence Report. Option 3 proposes to reform the Act to improve the effectiveness of the current system and instate Local Government as the only authority permitted to perform certain statutory functions for single residential buildings, including:

- granting a building permit and authorising the commencement of works
- carrying out mandatory on-site inspections at key stages during the build, and
- enforcing compliance with applicable standards and permits.

Costs

The CRIS also provides indicative costs for the introduction of Option 2 and Option 3, including costs per dwelling and estimated savings from the prevention of rectification works. The estimated cost of Option 2 is \$26-31 million a year. The major benefits of this option, in the form of avoided costs from detecting non-compliance/defects during the build, are estimated at \$14-\$27 million a year. Thus, this option is estimated to increase the average cost per build by \$1,900-\$2,200 per dwelling.

The annual cost of implementing the improvements outlined in Option 3 are \$22-\$28 million. The benefit from avoided costs, i.e. non-compliance rectification costs, is estimated at \$14-\$27 million a year. Thus, this option is estimated to increase the average cost per build by \$1,600-\$2,000 per dwelling.

The State Government provided a submission template of 35 questions. The closing date for providing feedback is 9 December 2019.

Comment

Since the introduction of the *Building Act 2011* in April 2012, WALGA and the Local Government sector have been actively seeking improvements to the operation of the Act, including clarity around the roles and responsibilities of the various stakeholders involved in the building process. In 2017, WALGA provided a list of the 'Top Ten' improvements to the *Building Act 2011* to the State Government for consideration, as well as the entire list of all 36 suggested improvements. Many of the issues raised by WALGA and members over the years have been incorporated into the CRIS. Therefore the release of the CRIS is welcomed, as it aims to seek comprehensive improvements to the building approval process.

Prior to the 2017 state election the State Government committed to investigating the option of full private certification of building approvals for single residential buildings while also having an election platform of:

- Strengthening laws to protect consumers and ensure quality standards are enforced in housing construction, including ensuring that builders and project managers are responsible for achieving the energy rating stipulated in building plans, and
- Ensuring a high quality of housing and commercial construction.

The CRIS is solely focused on improvements to the building approvals process for single residential buildings. In particular, the CRIS focuses on the process to gain approval, required documentation, mandatory inspections and enforcement actions required to ensure compliance with the NCC. The State has advised that additional work is being undertaken in regard to improving the quality of the construction process, with discussion papers on the commercial construction sector and the proposed registration of trades to be released within six months. These changes may address some of the other issues raised by the Association in 2017. Further work is being undertaken by DMIRS regarding the exact cost for Local Government to undertake mandatory inspections as well as compliance and enforcement functions.

In recent years and following high profile failures of the building system in the eastern states there is strong evidence that the building regulation systems in those states are failing. These failures are likely to result in a loss of confidence in the building industry, e.g. Lacrosse and Spencer Street cladding fires (Victoria) and Mascot tower and Opal tower structural issues (NSW). The Commonwealth Government's Building Ministers Forum and the independent [Shergold & Weir Report](#), has highlighted systemic failings of the building and construction industry, and regulator responses such as the introduction of full private certification systems.

In WA there have been several auditing programs undertaken by Building & Energy, highlighting areas of concern in construction practices, for example:

- A roof tie down audit concluded that only 33 per cent of rooves on inspected single dwellings were deemed satisfactory - [general inspection report 2016.pdf](#)
- The combustible cladding audit undertaken since 2017 - [state-wide-cladding-audit](#)
- An audit of Yuanda products containing asbestos - [yuanda report final.pdf](#)
- An investigation into ceilings collapsing in single residential dwellings - [ceiling collapses may 2017.pdf](#)

WALGA ran four workshops in 2018 with Local Government officers and Building & Energy's project team, to help in their understanding of the Building Application process, and compliance and enforcement activities, for small, medium and large Local Governments. These workshops discussed current WALGA policy positions, the operation of the Act and challenges that the Local Government sector faces in adequately responding to and resourcing the various functions of the Building Act.

Following the release of the CRIS in October 2019, a workshop was held with members to discuss the three Options proposed within the CRIS. 62 attendees from 37 Local Governments provided feedback, including: Albany, Armadale, Augusta Margaret River, Bayswater, Belmont, Bridgetown Greenbushes, Bunbury, Busselton, Canning, Capel, Claremont, Collie, Cockburn, Fremantle, Joondalup, Kalamunda, Kwinana, Laverton, Leonora, Melville, Menzies, Merredin, Mosman Park, Mundaring, Perth, Rockingham, Sandstone, Serpentine Jarrahdale, South Perth, Stirling, Subiaco, Swan, Vincent, Vic Park, Wanneroo, Wiluna, and Wyndham East Kimberley.

Attendees were asked to vote on the three options, to identify the sector's preferred option. Option 3 received an overwhelming 98% of attendees support. Each option was then discussed to capture the positive and negative aspects of each approach. Key elements of Option 3 were then discussed in more detail (as outlined in the table on Page 6).

Option 1 – Business as Usual - The benefits of this option include: no change, disruption or change management; no impact on work priorities or budgeting for Local Governments; planning, health and engineering matters would still able to be checked prior to issuing a Building Permit; and, there would be no added cost to industry or the consumer.

However, the current lack of mandatory inspections means that building standards are only enforced on paper, not onsite, and there may not be any improvement to building permit processes or building

construction practices. Lack of consistency and lack of clarity in the interpretation of the Act, both for industry and Local Government, will continue to be a problem and consumer confidence in the industry is unlikely to be improved.

Option 2 - Full Private Certification - WALGA's current policy position on full private certification is that Local Government should continue to be retained as the permit authority to maintain separation between technical assessment and issuing of final permits. This separation reduces the potential for conflict of interest and maintains community expectations that an independent and impartial authority will be issuing the approval. Therefore, this option of privatising the building permit process would not be supported.

Workshop attendees provided very few positive opinions on this option, other than the inclusion of mandatory inspections. Attendees cited examples from Victoria and NSW where the system of full private certification has resulted in many building failures to the detriment of the consumer and the building sector. Further commentary noted that this option may be of benefit for the volume builders and private certifiers who rely on this work flow and it could result in more accountability for private certifiers. Participants found it difficult to identify benefits of this option, however, many negative views were identified, including:

- Local Government would be left to rectify failures, possibly at a significant cost to Local Government. It remains unclear how such costs would be recouped
- potential for an increase in conflicts of interest between private certifiers and the building industry
- potential for more private certifier shopping within the industry
- consumers will pay for the cost of the new model not the industry
- difficulties in ensuring compliance with planning, health and engineering requirements, particularly if issues are only noticed on build completion
- expensive and difficult to rectify identified issues
- less control and less accountability
- builders could potentially dictate the level of compliance achieved
- increased amount of auditing and compliance to ensure the system works
- likely significant increase in the cost of public indemnity insurance for private certifiers given the massive increase in responsibility
- Local Government is slated to become the record keeper and enforcer of the new system. It is unclear why the State is not taking a greater level of responsibility for the entire process, including the record keeping and enforcement/compliance, and
- It could be a catastrophic disaster to the current industry, as it is a major change to the current system and there are too many unknowns which haven't been included in this option.

Option 3 – Improvements to the Current Process

Workshop attendees considered that this was the most palatable option presented in the CRIS.

The retention of Local Government as the permit authority was considered the strength of this option, keeping impartiality in the building approvals process and ensuring that planning, health and engineering requirements can be met and not excluded from the process. The inclusion of mandatory inspections was supported, and this along with improvements to the design and documentation submitted with applications would ensure that the quality of the built form is improved. The option could ensure greater accountability of all involved in the process and could improve consumer confidence by aligning the practice with the public expectations of the process.

Additional comments were made in regard to how the system would work and sought additional clarity, as follows:

- mixed feedback on whether Local Government should be the only authority able to undertake mandatory inspections
- should the private certifier who signed the Certificate of Design Compliance (CDC) be the responsible person undertaking the inspections during the build?

- whether Local Government would need to have a significant increase in compliance officers, to ensure that the processing times of building permits are not adversely affected
- unclear whether the costs outlined include the cost in training inspectors to undertake mandatory inspections or whether inspectors will be required to gain formal qualifications
- unclear whether the costs outlined include the full cost for Local Government to undertake inspections, record keeping and compliance and enforcement, particularly for Local Governments with significant travel times between towns
- unclear whether the costs will be as a 'fee for service' and full cost recovery or continue to set regulated fees as maximum charges
- no mention about final inspection certificate and occupancy permits to complete the process, which is how the system works in the eastern states
- unclear what improvements to the Act and Regulations are proposed, as the interpretation of the legislation needs to be clarified regardless of which option is implemented
- no mention about how conflicts between private certifiers, builders and Local Government will be managed, and
- doesn't resolve the underlying issue of lack of supervision on site.

Each of the key elements of the proposed option were discussed in more detail at the workshop. Additional commentary is also provided on how the elements align with existing WALGA positions.

PROPOSED REFORMS	WALGA COMMENT
Key elements	Some of the Key Elements in Option 3 are consistent with the previous Local Government (Miscellaneous Provisions) Act 1964, which was in force prior to the adoption of the Building Act 2011.
1. Role and function of the building surveyor and the permit authority <ul style="list-style-type: none"> • The Building Act would continue to require the relevant permit authority to perform the statutory functions relating to building approval applications. • A registered building surveyor would continue to be responsible for assessing compliance with prescribed building standards and issuing CDCs. 	<p>No real change to the current system, except for the additional role of the mandatory inspections.</p> <p>This key element should,</p> <ul style="list-style-type: none"> ○ Include the role and function of the Builder ○ Include the role and function of Building and Energy ○ Include improvements in the submission of information by the Builder; i.e. the Builder must give the Certifier all of the planning, health and engineering compliance information ○ clarify what a 'complete' application is ○ Include that all certifiers must have a code of conduct and ethics as part of their registration process ○ Include provision of advice and information from Building and Energy to reduce the differences in interpretation of the legislation; ○ Acknowledge that the content and wording of portions of the current legislation needs to be improved, as it is the actual clauses, not the interpretation of the clauses that can cause confusion (i.e. BA20 process);
2. Design compliance and documentation <ul style="list-style-type: none"> • The Building Act would prescribe the minimum standard of design documentation that is required to demonstrate compliance with applicable building standards. This would apply to all design documentation submitted for building approval (e.g. plans and specifications). • The requirements for performance solutions would include a statement of verification for each performance solution used, together with details of the assessment method used to verify 	<p>Support this key element as the quality of documentation submitted varies widely, applications are missing significant details or are submitted with incorrect information, and therefore minimum standards for documentation would improve consistency and remove uncertainty. Further, clear and adequate construction details are needed on plans to ensure the builder has adequate information to achieve construction compliance, which will assist with the mandatory inspection process.</p> <p>Further, this element aligns with some of the previous recommendations in the 'Top Ten' issues identified in 2017, as follows:</p> <ul style="list-style-type: none"> ○ A minimum standard of documentation needs to be prescribed in the Act so that consistency can happen across Local Governments ○ Certificate of Design Compliance not meeting local requirements (such as flood prone areas finished floor level requirements) ○ Certificate of Construction Compliances often being signed as meeting applicable building standards where site inspections

<p>that the performance solution complies with the NCC (e.g. modelling, test results, engineer's advice). The owner would also be required to consent in writing to the performance solution. The building surveyor issuing the CDC would be responsible for compliance with these requirements.</p> <ul style="list-style-type: none"> • The prescribed requirements would be modelled on those in the Director's Specified List under section 20(1)(d) of the <i>Building Act 2016</i> (Tas). • The permit authority would need to be satisfied that the design documentation complies with the documentation requirements. • The Building Act would require compliance with the documentation requirements prior to the granting of a building permit. 	<p>reveal this is not the case</p> <ul style="list-style-type: none"> ○ Other prescribed approvals should be required to be outlined on the Certificate of Design Compliance. <p>The report does not cover the following 'Top Ten' issues or other issues raised at the workshop, therefore further clarity is required:</p> <ul style="list-style-type: none"> ○ Require all documents referenced on the Certificate of Design Compliance to be stamped ○ The legislation will need to acknowledge the evolution towards electronic documentation ○ Clarification from Building Commission is required on where a planning condition can prevent a Building Permit being issued ○ Copy of development approval and details of conditions satisfied must accompany a Certificate of Design Compliance ○ The standardisation of the documentation should enable any Building Surveyor to undertake an inspection of the building work ○ A checklist of all minimum documentation should be connected to the Act and the Regulations ○ Incomplete certified applications should result in a longer processing time being able to be applied by Local Governments. ○ To make architects and designers more responsible, need to remove the "AS" just being referred to on the plans ○ Does this element mean that designers and architects will also need to be trained and/or registered? ○ Clarification on Schedule 4 exemptions when Occupancy permits are required ○ Unclear the link with the planning requirements, to ensure that all deemed to comply requirements are satisfied to justify there is no need for a development application, inclusive of RCodes, Scheme, Structure Plan, Local Development Plan and Local Planning Policy requirements ○ Not clear about the vetting of the certified applications by the Local Government? This would need to be clarified further ○ Clarity needed – should the requirements for specifications in documentation be required when it's not read or referenced in NCC compliance? ○ Owners will need to be educated and fully understand performance solutions to be able to sign confidently ○ No DFES consultation is prescribed when submitting a BA18 and CBC ○ How this work for when the Builder changes (BA19 process)? ○ In previous Acts, there has been a requirement for approved plans to be on the building site (either hard copy or electronic).
<p>3. Conflicts of interest</p> <ul style="list-style-type: none"> • LGAs are independent of industry and have a mandate to act in the public interest. Retaining LGAs is a key protection against the conflicts of interest that are inherent in full private certification. It also means that fewer of the safeguards recommended by the Building Confidence Report need to be adopted. • Building surveyors contracted for the purpose of carrying out inspections on behalf of permit authorities would be subject to conflict of interest controls and would therefore require the building surveyor to be independent of the builder. 	<p>Support greater clarity being provided around the perceived and actual conflicts of interest.</p> <p>Comments:</p> <ul style="list-style-type: none"> ○ Code of Conduct and Code of Ethics must be in place for all Building Surveyors to avoid any conflict of interest ○ Building Surveyors/certifiers should be totally independent to the builder to improve accountability ○ Unclear what fines or penalties would be imposed when the 'Conflict' is lodged with the Commission ○ Need be clear on the process on how the 'Conflict of Interest' is reported to the Commission ○ Is this item connected to mandatory inspections? So could the 1-3 inspections be undertaken by one certifier, then the final one completed by a different certifier?

<p>4. Mandatory inspections at key stages</p> <ul style="list-style-type: none"> • The Building Act would prescribe a requirement for on-site inspections to be carried out by the permit authority at certain notified stages to assess compliance with applicable building standards. • The following minimum stages would be prescribed: <ul style="list-style-type: none"> ○ In-situ reinforcement in footing and slabs (stage 1) ○ frames, including roof construction (stage 2) ○ fire-rated wall system (stage 3), and ○ final post-completion of all work (stage 4). • The permit authority would have the power to specify additional inspections at the time of granting the building permit. For example, additional inspections could be required for work that incorporates a performance solution. • If, following an inspection, the permit authority deems that work is not of a satisfactory standard (i.e. does not meet applicable building standards), or is inconsistent with the building permit, the permit authority would require the building work and/or the rectification work to stop. 	<p>There was significant debate about whether mandatory inspections should be undertaken by the Local Government.</p> <p>Currently a large portion of Building Surveyors are employed in the private industry with relatively few remaining as employees in Local Governments. There would need to be a review of the work flow anticipated and then build capacity in the sector to ensure that Local Governments have the ability to undertake mandatory inspections of buildings under construction and improve overall confidence in the building industry. This will also necessitate the review of applicable application fees and charges which are woefully inadequate and currently do not cover basic application approval processes let alone any enforcement related activity.</p> <p>However, many comments were made about whether the liability for the Local Government sector increases significantly under this proposal, where does the money come from for all the inspections, how would it be undertaken in rural and remote areas where Building Surveyors may not be employed at a Local Government, does a Private Certifier get flown in? Would it be more appropriate for the inspections to be undertaken by the Private Certifier who signed off on the CDC, or have an owner pay for a Building Inspector to inspect and then send in a final report with the BA7 process?</p> <p>Currently, WALGA has a policy position that supports mandatory inspections to specifically include inspections at the following stages of the building construction process:</p> <ul style="list-style-type: none"> • Foundations and footings • Slab/reinforcement of bearers/joists • Roof, and • Occupancy or Final completion. <p>The policy position also states that Local Government should not be solely responsible for the inspection process.</p> <p>This element aligns with some of the previous recommendations in the 'Top Ten' issues identified in 2017, as follows:</p> <ul style="list-style-type: none"> ○ Inspections should be carried out by a suitably qualified person and these inspectors should be registered and independent of the builder ○ Mandatory yearly inspections and certification of essential services (such as fire safety services) should be considered ○ Inspections and tests required for Class 1 buildings to be included in the Act. <p>The report does not cover the following 'Top Ten' issues or other issues raised at the workshop, therefore further clarity is required:</p> <ul style="list-style-type: none"> ○ If everyone is paying an increased amount they would be expecting that all buildings are being inspected, not just a sample audit? ○ It is unclear how the increase in responsibilities will affect Local Governments risk profile and exposure ○ Legislation would be required to support the compliance enforcement for any issue identified with these inspections. If a build is found to be non-compliant, works should cease. ○ Schedule of works would be needed at the Building Permit Stage so resourcing for inspections could be scheduled ○ The existing building regulation system allows for a notice of completion (BA7) to be submitted by the builder certifying completion of the building, could this be used for the mandatory inspections undertaken by a properly qualified external party. The builder would then, on completion, provide a notice of completion (NOC) to the permit authority
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	<ul style="list-style-type: none"> ○ The BA7 process should be strengthened to state that the build has been completed in accordance with the NCC, the current process is flawed with about 30% of forms being submitted, and non-compliance with this requirements should have a greater penalty ○ How will an 'inspection' be verified? What evidence is required? ○ How will inspections occur for rural and remote locations? ○ Some certifiers just reference the AS standards rather than provide the details, therefore this could be problematic onsite ○ What happens if an inspection is undertaken and the Certifier disagrees with the Certifiers CDC? ○ Access to Australian Standards needs to be free or substantially subsidised ○ No mention about a final inspection certificate and/or occupancy permits to complete the process, which is how the system works over east ○ Should the Inspections be mandatory for all properties with a bush fire prone rating? ○ Should the Inspections program also include the wet areas? ○ Would it be more appropriate to change the wording to "Building Control" as the words Mandatory Inspections has too much negatively attached to it? ○ What is the role of Building and Energy if Local Government are inspecting? Would defect complaints be lodged with Local Government or still stay with Building and Energy? ○ What training or qualifications are required? ○ Have the full cost of setting up the inspection service been investigated? The quantum of inspections would require a significant increase in expertise and resources across WA. ○ Have the full costs of inspections be quantified once the system is operational, particularly in rural and remote areas? <p>In light of the above concerns it is recommended that Mandatory Inspections be supported, subject to:</p> <ul style="list-style-type: none"> a) The Independent Building Surveyor who signed the Certificate of Design Compliance should be responsible for undertaking the inspections, therefore, Local Government would not be solely responsible for the mandatory inspections, and b) Implementation of mandatory inspections should be undertaken by properly qualified and independent personnel, at the following stages of the construction process: <ul style="list-style-type: none"> 1. Foundations and footings 2. Slab/reinforcement of bearers/joists 3. Waterproofing 4. Roof, and 5. Occupancy or Final completion.
<p>5. Documenting variations</p> <ul style="list-style-type: none"> • Where a need to materially vary from the plans and specifications is identified, the Building Act would expressly require the owner or their agent (i.e. the builder) to apply to the permit authority for an amended building permit. • The building surveyor who issued the CDC would be required to amend the CDC accordingly and clearly detail how the variations comply with applicable building standards. 	<p>Amending plans has been an issue that has been raised with the Building Commissioner ever since the Act was introduced. This element aligns with some of the previous recommendations in the 'Top Ten' issues identified in 2017, as follows:</p> <ul style="list-style-type: none"> ○ There needs to be a simplified process in the Act or Regulations and a prescribed form ○ Require guidance on how to deal with building surveyor sign off on site changes. Should they be included in a Certificate of Construction Compliance? ○ Building Commission to give guidance on the definition of minor and major amendments. <p>Any clarity or process improvements to document variations would be supported, however, there needs to be clarity on:</p> <ul style="list-style-type: none"> ○ What is defined as a 'material variation'? ○ Need a better process than the BA19, which is being used by some Local Governments to manage amended plans, while

<ul style="list-style-type: none"> • The amended CDC would need to be lodged with an application for a variation to the permit authority. The application would be required to have the written approval of the owner. • An approved variation would involve the permit authority documenting the variation and amending the original building permit (which may include conditions). • Copies of the amended documentation detailing the variation would be required to be provided to the owner and the builder. 	<p>others are only using the form for a change in the Builder (based on legal advice)</p> <ul style="list-style-type: none"> ○ Should a variation be a new building permit? Or just for any structural changes? Or just if the BCA Compliance has changed? ○ What happens in the transition periods of the NCC? Larger projects may be affected when a CDC must reflect the current NCC ○ Should an amended permit be issued following the mandatory inspection stage, or wait until the end of the build? ○ Should the amended process be accompanied by a dedicated application form? This would help with recording the chronological sequence of all design and building changes. <p>Support the clarification of the amended plans process as the current process is confusing for builders, certifiers and the Local Government sector.</p>
<p>6. Record keeping</p> <ul style="list-style-type: none"> • The LGA in whose geographic boundary the building is to be situated would continue to be responsible for record keeping, including building permit records, plans and specifications for proposed buildings, and records of existing buildings. 	<p>No real change to the current system, Local Government provides a strong system of record keeping which is reliable and consistent. However, any additional clarity or process improvements to record keeping would be supported subject to clarification of the following:</p> <ul style="list-style-type: none"> ○ Should there be an associated fees with records retrieval? ○ Would this still require a Building Surveyor in Local Government to be involved? Or purely an administrative function?
<p>7. Enforcement</p> <ul style="list-style-type: none"> • Permit authorities would continue to be responsible for enforcement of applicable building standards during the build and throughout the life of the building. • The permit authority would undertake inspections, carry out investigations of suspected non-compliance with Building Act requirements and building standards, and, where appropriate, would enforce these requirements through building notices and orders, infringement notices or prosecutions. • To ensure the integrity of the building approval system, audits of certifiers would continue to be the responsibility of the Building Commissioner. 	<p>Enforcement and compliance is a very time consuming and costly process for Local Government, therefore, it is a function that needs to be adequately resourced. Local Government is very experienced in undertaking compliance and enforcement, based on a risk based approach. However, penalties for non-compliance that can be issued by the Local Government are currently inadequate, and do not act as a deterrent, as the legal costs can outweigh the benefits or solution.</p> <p>This element aligns with some of the previous recommendations in the 'Top Ten' issues identified in 2017, as follows:</p> <ul style="list-style-type: none"> ○ Local Governments need to be able to charge fees for compliance work required when issues arise for privately certified applications. Must be cost recovery ○ Fees for Building Approval Certificates should increase to be more of a deterrent to illegal works. ○ "On the spot" fines – Infringements are better than going through lengthy Building Order/SAT process which can be costly and time consuming ○ Building Commission interpretation of Act; be able to put advice in writing to support enforcement ○ Infringement for failure to rectify a non-compliance instead of having to go through a building order process ○ Increase penalties for unauthorised work. <p>The report does not cover the following 'Top Ten' issues or other issues raised at the workshop, therefore further clarity is required:</p> <ul style="list-style-type: none"> ○ How does Local Government undertake enforcement if they are the Certifier? This is a major concern and potential conflict ○ Need to remove the 14 day Notice to issue a Building Order. Overly complicated and administrative when Building Order are generally only used in the worst scenarios ○ If a Builder is receiving multiple compliance actions from several Local Governments, will Building and Energy audit the Builders registration? And will the \$5000 penalty be increased? ○ Private Building Surveyors would still need to be accountable for their certification ○ The first fine in the Building Act states \$50,000, which is incorrect – it should read 'Up to \$50,000...' as once it enters the court system the penalty can be a lot less than this

	<ul style="list-style-type: none"> ○ A greater list of categories is needed as to where infringement notices can be issued ○ Will the cost of enforcement be able to be recovered? Currently the cost to get a prosecution is far greater than the fine given. <p>Support the clarification of the enforcement and compliance, providing the full cost of undertaking this role is investigated.</p>
<p>Other issues raised</p>	<p><u>Building Industry</u> After 7 years of the Building Act, it is disappointing that building companies are still submitting incomplete applications. There is still no penalty or consequence for putting in an incomplete Building Permit application, the timeframes are not adjusted and the focus is always on the Local Governments processing times, not the builder. The report should also focus on the responsibility that exists on the builder to ensure that the buildings are built as per the approved plans, and building codes and standards. This should be addressed.</p> <p><u>Private Certification in the Eastern States</u> The report has failed to adequately address and comment on the failures of the private system in the eastern states (the referencing to the Shergold Weir report is mentioned only as the solution). Many reports have been written by Victorian Auditors about the success and failure of the full private certification.</p> <p><u>Connection to the Reforms</u> Without clear connection and improvements being achieved in the planning system, Option 3 will still be difficult to implement. Greater alignment with the Department of Planning Lands and Heritage's planning reform program is needed to ensure that any legislative changes are not counterproductive. And all 'requirements' should acknowledge that it is not just planning requirements that must be met, the health and engineering requirements are just as important in the building process.</p> <p><u>Registration of experts</u> It is recommended that Structural Engineers, Fire Engineers, Architects, BAL Assessors and Energy Efficiency assessors be accredited in the same manner as Building Surveyors. Otherwise the system does not sufficiently acknowledge the expertise that is required to ensure buildings are safe to occupy. It may also be appropriate to consider the 'accreditation' of other trades through the Construction Training Fund, to support and acknowledge competency within these trades.</p> <p><u>Insurance concerns</u> It is unclear in the report whether Private Certifiers have been contacted and surveyed as to whether they take on this additional level of responsibility. Given the changes in the PI market over the last 12 months, many Certifiers may not be able to get insurance to undertake the additional functions. Has the affordability of the PI insurance, and its impact on the viability of the various options, been investigated?</p> <p>More specifically for the Local Government sector, increasing local governments' responsibilities will directly increase liability exposure and affect local governments' risk profile. This is a major concern for the sector and must be carefully considered and discussed further with WALGA and LGIS.</p> <p><u>Fast track proposal</u> Within Option 3, there is a comment of a 'Fast Track' building permit approvals process, anticipated to be an opportunity to improve efficiency in the building permit process is in investigating the feasibility of introducing a fast-track approvals process that might</p>

	<p>reduce the certified application timeframe. Limited detail is provided, other than a Building Permit can be issued, even if the application is not complete, providing that the items that are missing are 'non-essential' for the issuing of the permit. The Fast Track proposal would then require a Permit Authority to issue a permit within 2-5 business days, compared to the current 10 days. This proposal is poorly explained, and does not specify the exact type of 'non-essential' items.</p> <p>If there are improvements to the submitted documents and the quality of the documentation, then including a 'short cut' to submitting a full application would not be needed. Further, the statistics that WALGA has been collating through the Performance Monitoring Project, indicates that the certified applications are being dealt with well within the 10 day period, with the average being around 7 days. Setting up another layer of regulatory approval processes does not seem logical, in order to save 2 or 3 days.</p> <p>The Fast Track proposal is therefore not supported.</p> <p><u>Succession Planning</u></p> <p>It is unclear how the implementation of these options will help with growing the pool of experts in the Industry. Option 3 does provide opportunity for growth in the Local Government sector, but it would be beneficial for Building and Energy to outline how the Industry will be sustained in any new system. This should also align with the Construction Training Fund and access to training for qualifications within WA.</p> <p><u>Owner Builders</u></p> <p>The report talks about 'Industry' but it's not clear whether it includes the Owner Builders. There can be significant amount of non-compliance with Owner Builders, which takes up a lot of time to ensure compliance. It is not clear what 'test' an Owner Builder has to achieve in order to be granted a certificate. Would it be more appropriate for Building and Energy to be responsible for enforcing workmanship with the Owner Builders rather than leaving it to Local Government?</p> <p>It is also unclear in the process when a Builder lodges plans that say 'works to be completed by owner', whether the owner needs to obtain the building permit. It might be helpful to include a section on the application form that clarifies when works are not part of a contract to ensure that those works are not included in the Permit that is issued to the Builder.</p>
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Submission on the CRIS

The 35 questions provided in the CRIS template are quite leading, therefore, WALGA has chosen not to utilise the template for this submission. The commentary provided in the report, outlines the concerns and issues with each of the different options and the comments on the preferred option, therefore, it is more effective to provide this State Council report as the 'submission' on the CRIS.

5.13 Wheatbelt Regional Health Services 05-030-03-0006 MM)

By Marissa MacDonald, Senior Policy Advisor Community

Recommendation

That WALGA:

1. **Re-establishes a working group to progress a Memorandum of Understanding with Local Governments in the Wheatbelt region and the WA Country Health Service, based on the previous work by the former Wheatbelt Health MOU Group, which outlines communication, responsibilities and strategic priorities unique to the region; and**
2. **Work with key service providers and stakeholders to engage with Local Government to further discuss the issues and develop solutions in the aged care services sector.**

In Brief

- The North East Wheatbelt Region Organisation of Councils (NEWROC) approached WALGA to deliver a regional health forum on 20 September 2019 in Trayning. The Forum was held with key service providers and stakeholders.
- At the forum WALGA coordinated a discussion where attendees recommended the re-establishment of the Wheatbelt Health MOU and to provide an opportunity for Local Governments to continue discussing the issues associated with aged care services.
- The Wheatbelt MOU Group was active between 2006 and 2015, advocated on behalf of Wheatbelt Local Governments and was a partnership between the Avon Midland Country, Central Country and Great Eastern Country Zones, Regional Development Australia Wheatbelt, WA Country Health Service (WACHS) and Wheatbelt Development Commission.

Attachment

Wheatbelt Regional Health Services – Summary Report can be found here:

<https://walga.asn.au/getattachment/Documents/Wheatbelt-Regional-Health-Services-Summary-Report-Final.docx?lang=en-AU>

Relevance to Strategic Plan

Key Strategies

Engagement with Members

- Improve communication and build relationships at all levels of member Local Governments.
- Provide ongoing professional development and interactive opportunities for Elected Members to contribute to debate on sector issues.

Sustainable Local Government

- Provide support to all members, according to need.

Enhanced Reputation and Relationships

- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government.

Policy Implications

In October 2005 the following resolutions were initially made:

1. That the acute shortages that currently and for the foreseeable future will continue to exist with respect to GPs in regional WA be recognised and that the Association work, in close consultation with the Country Medical Foundation, WA Centre for Remote and Rural Medicine, WA Country

Health Service, South West Area Health Service and others, to identify partners, funding and political support for strategies and solutions to overcome this problem.

2. That the WA Grants Commission be asked to clarify what disability factor is applicable for Councils paying for medical staff at more than one medical location.

Resolution 0111.COM.5/2005

In September 2018 WALGA State Council resolved to:

1. Continue to work with affected Local Governments and key stakeholders, including but not limited to Rural Health West and WA Primary Health Alliance, to address short to medium term solutions including investigating how other States / countries have addressed recruiting and retaining staff, including but not limited to the role Nurse Practitioners across diverse landscapes and report back to State Council as progress is made;
2. Continue to work with WA Health to advocate and prioritise regional health and the regional health workforce as a key strategic driver for change to ensure equitable access to health for all Australians;
 - a. To broker partnerships with WACHS, through WA Health, and other key stakeholders identified on the Area of Need database to identify and develop collaborative strategies to mitigate pathways for change; and
3. Develop a strong policy connection with the Australian Local Government Association as a pathway for advocating for stronger regional health service options for specialised regional health workforces.

Resolution 105.5/2018

Budgetary Implications

Nil.

Background

WALGA's advocacy for improvements to regional health services began as early as 2002, when a Health Summit was held to improve the delivery of primary health care services to Western Australia's outer metropolitan, rural and regional communities. Participants came together to discuss issues such as the retention of GP's in regional areas, attracting volunteers, and the unifying of health services.

The Wheatbelt Health MOU Group was established in December 2006 to be an advocacy group and to provide an avenue for Local Governments and stakeholders to work together to improve the delivery and availability of health services in the Wheatbelt. It was a partnership between the Avon Midland Country Zone, Central Country Zone and Great Eastern Country Zone; Regional Development Australia Wheatbelt; WACHS; and the Wheatbelt Development Commission. The group made advocacy submissions and formal presentations on various reviews including the review of the Patient Assistant Travel Scheme (PATs) and the Commonwealth Government's Review of Medicare Locals, and met with a range of stakeholders. In June 2015 the Zones initiated a review of the purpose and relevance of the Wheatbelt Health MOU Group. In August 2015 the group was suspended until a draft revised MOU was completed, which did not eventuate.

In May 2018 WALGA conducted the Regional Health Services in Western Australia Survey of Local Governments, receiving a total of 161 responses from 91 Local Governments. Of the total 91 participating Local Governments, 31 Wheatbelt Local Governments participated in the survey. The survey results were presented to WALGA State Council in September 2018, where the most recent resolutions were made. Following on from the survey of Local Governments, WALGA held a regional health event in February 2019 in the metropolitan area.

Comment

NEWROC approached WALGA to deliver a regional health forum in the Wheatbelt (Trayning) on 20 September 2019. The forum was held with key service providers and stakeholders; WACHS, St John Ambulance, WA Primary Health Alliance, Royal Flying Doctor Service, Regional Development Australia and the Hon Mia Davies MLA.

The presentation delivered by WACHS at the forum highlighted the key achievements in the Wheatbelt through the Southern Inland Health Initiative (SIHI) that was implemented from 2011 to 2018. SIHI saw the investment of half a billion dollars over seven years, with \$300 million for capital works upgrades. During this time there was a 58% increase in the number of GP's across the Wheatbelt, Great Southern, South West and Midwest as well as investment to upgrade and expand services in Northam, Narrogin and Merredin hospitals. WACHS acknowledged the issues of GP coverage and retention, particularly at Merredin Hospital.

After the presentations from the key service providers and stakeholders, WALGA coordinated a workshop with the participants. The key recommendations from the workshop included:

- Re-establishing the Wheatbelt Health MOU between Local Governments and WACHS.
- Providing an opportunity for Local Governments to continue discussing the issues associated with aged care services.

A report summarising the outcomes from the event was developed and distributed to all Wheatbelt Local Governments requesting further feedback over a two week period. The feedback supported the outcomes and recommendations.

5.14 Interim Submission to the Climate Health WA Inquiry (05-031-01-0001 KD)

By Kirstie Davis, Policy Manager Community

Recommendation

That the WALGA interim submission to the Climate Health WA Inquiry be endorsed.

In Brief

- In March 2019, the State Government, announced the [Climate Health WA Inquiry](#) into the implications of climate change on health.
- WALGA was invited to make a written submission to the Inquiry by 13 September 2019 and to appear before the Inquiry at a public hearing held on 14 November 2019.
- The Association sought comments from Local Governments via an InfoPage to inform the WALGA submission.
- The interim submission was endorsed by the WALGA People and Place Policy Team and submitted to the Department of Health as an interim submission.
- WALGA's submission to the Inquiry aligns with WALGA's Policy Statement on Climate Change endorsed by State Council in July 2018, which calls for strong climate change action and coordination by all levels of government.

Attachments

[Climate Health WA Inquiry Terms of Reference](#)
[WALGA Climate Health WA Inquiry Submission](#)

Relevance to Strategic Plan

Key Strategies

Engagement with Members

- Provide ongoing professional development and interactive opportunities for Elected Members to contribute to debate on sector issues.

Sustainable Local Government

- Provide support to all members, according to need.

Enhanced Reputation and Relationships

- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government.

Policy Implications

The submission is consistent with the [WALGA Climate Change Policy Statement](#) endorsed by State Council in July 2018, which states:

Local Government acknowledges:

- I. *The science is clear: climate change is occurring and greenhouse gas emissions from human activities are the dominant cause.*
- II. *Climate change threatens human societies and the Earth's ecosystems.*
- III. *Urgent action is required to reduce emissions, and to adapt to the impacts from climate change that are now unavoidable.*
- IV. *A failure to adequately address this climate change emergency places an unacceptable burden on future generations.*

Local Government is committed to addressing climate change.

Local Government is calling for:

- I. *Strong climate change action, leadership and coordination at all levels of government.*
- II. *Effective and adequately funded Commonwealth and State Government climate change policies and programs.*

Budgetary Implications

Nil.

Background

The aim of the Inquiry is to review the current planning and response capacity of the health system in relation to the health impacts of climate change, and make recommendations for improvement. The Inquiry is being undertaken by the former Chief Health Officer, Professor Tarun Weeramanthri.

The Inquiry was a key recommendation of the [Climate and Sustainability Forum](#) held in July 2018. The forum acknowledged that climate change has serious implications for the population of WA and the WA health system and that the impact of changing climate conditions, including more frequent and intense extreme weather events, can lead to increased injury, physical and mental illness, as well as increased risk of death for vulnerable individuals. This inquiry also aligns with a recommendation on climate change in the [Sustainable Health Review](#) final report released in April 2019.

The Climate Health Inquiry is also being undertaken at the same time that the State Government has released the [Climate Change in Western Australia Issues Paper](#) for public comment to inform the development of a State Climate Policy in 2020. WALGA has developed a submission in response to this Issues Paper.

Comment

WALGA limited its comments to the Terms of Reference of the Climate Health WA Inquiry that most directly align with the roles and responsibilities of the Local Government sector and WALGA's existing advocacy positions.

Some of the key recommendations of the WALGA submission include:

- The State Government should assess preparedness across all portfolios and then embed effective planning for climate change, including the effects on human health, across the whole of government to provide guidance for Local Governments.
- The Department of Health should play a stronger advocacy role in urban design, with regards to urban greening and climate sensitive design in both infill and greenfields developments.
- State planning and environmental regulation policies should require due regard be given to the retention of native vegetation and design of green public spaces that improve urban amenity and reduce the heat island effect.
- The Department of Health should review the State Public Health Plan to ensure it adequately incorporates planning for the health impacts of climate change and ensure the delivery of the Plan's priority actions.
- All Department of Health major facilities should be subject to comprehensive waste management and energy audits, inclusive of the setting of waste reduction and energy reduction targets.
- The State Government should consider providing funding to Local Governments in acknowledgement of their role in the delivery and support of many actions that address climate health.

The interim submission was considered by the WALGA People and Place Policy Team and submitted to the Department of Health as an interim submission.

5.15 Submission on the Climate Change in Western Australia Issues Paper (05-028-03-0011 MB)

By Mark Batty - Executive Manager Environment and Waste

Recommendation

That the WALGA submission on the *Climate Change in Western Australia Issues Paper* be endorsed.

In Brief

- The State Government released the [Climate Change in Western Australia Issues Paper](#) on 4 September 2019 for public comment.
- Feedback received on the Issues Paper will inform the development of the State Government Climate Policy due for release in 2020.
- The Issues Paper outlines the key issues facing Western Australia in ‘the transition to a resilient, low-carbon economy, and identifies opportunities to build on actions already underway’.
- The Issues Paper references and sits within the context of the net zero greenhouse gas emissions by 2050 target announced by the State Government in August 2019.
- WALGA’s submission is consistent with the WALGA Climate Change Policy Statement, endorsed by State Council in July 2018 and previously endorsed WALGA climate change related submissions.
- The draft submission was provided to the sector for comment on 9 October 2019. 15 responses were received, all in support of the submission.

Attachments

[Climate Change in Western Australia Issues Paper](#)

[Draft WALGA submission to the DWER Climate Change in Western Australia Issues Paper](#)

Relevance to Strategic Plan

Key Strategies

Engagement with Members

- Deliver a broad range of benefits and services that enhance the capacity of member Local Governments;
- Improve communication and build relationships at all levels of member Local Governments;
- Build a strong sense of WALGA ownership and alignment.

Sustainable Local Government

- Continue to build capacity to deliver sustainable Local Government;
- Provide support to all members, according to need;
- Represent the diversity of members’ aspirations in the further development of Local Government in Western Australia;
- Foster economic and regional development in Local Government.

Enhanced Reputation and Relationships

- Promote WALGA’s advocacy successes with the sector and the wider community;
- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government;

Policy Implications

WALGA's submission has been developed in accordance with the WALGA Climate Change Policy Statement, endorsed by State Council in July 2018, which followed extensive consultation with Local Government.

The Policy Statement calls for strong climate change action, leadership and coordination by all levels of government, including the implementation of effective and adequately funded climate change policies and programs for both mitigation of emissions and adapting to the impacts of climate change.

Budgetary Implications

Nil.

Background

The State Government released the *Climate Change in Western Australia Issues Paper* on 4 September 2019 for consultation until 29 November 2019. The Paper outlines issues facing Western Australia in responding to climate change and transitioning to a low carbon economy across 11 key areas. Feedback on the Issues Paper will inform the development of the State Government Climate Policy, due for release in 2020.

The Issues Paper notes that Western Australia contributes around 17 per cent of Australia's total greenhouse gas emissions and that the State's emissions have increased by almost a quarter since 2005.

The 11 key areas detailed in the Issues Paper cover those that are already undertaking initiatives to address climate change, such as waste reduction and water security, as well as areas that require significant transition, such as industry innovation and regional prosperity. The Issues Paper also sits within the context of the State Government's recently announced commitment to work towards achieving net zero emissions by 2050.

Comment

WALGA informed the sector of the Issues Paper's release and subsequently provided a draft submission to the sector for input on 9 October, circulated electronically through WALGA newsletters, via the Environment and Planning portals and a letter sent from the WALGA CEO to each Local Government CEO. Local Governments have also been encouraged to make submissions directly to the Department of Water and Environmental Regulation. WALGA was granted an extension to the submission deadline to enable State Council consideration of this submission.

WALGA hosted a consultation session by DWER for Local Government on 23 October 2019. Elected members and officers attended the session, representing 21 Local Governments.

Fifteen submissions/comments were received, from the Local Governments of Armadale, Bunbury, Canning, Cockburn, Donnybrook-Balingup, Greater Geraldton, Joondalup, Port Hedland, Rockingham, Serpentine-Jarrahdale, Stirling, Subiaco, Vincent, Gosnells and the South West Group. All were supportive of the WALGA submission.

WALGA's submission has been developed in accordance with the [WALGA Climate Change Policy Statement](#), endorsed by State Council in July 2018 following extensive consultation with Local Government. The Policy Statement calls for strong climate change action, leadership and coordination by all levels of government, including the implementation of effective and adequately funded climate change policies and programs for both mitigation of emissions and adapting to the impacts of climate change.

The submission notes WALGA's support for the State Government's target to reduce net emissions to zero by 2050 and states clearly that the State Climate Policy, informed by this and other submissions, must chart a robust path to achieving that target.

WALGA's submission makes recommendations to the State Government across all key areas of the Issues Paper, in particular:

Transforming energy generation

- funding or co-funding of a bulk replacement of the approximately 158,000 mercury vapour street lights with LED lighting or at a minimum remove regulatory hurdles, policy barriers and unaligned incentives that continue to hinder bulk LED public lighting retrofits;
- electricity market reform to improve grid access for large scale renewable projects as well as community driven projects; and
- amendments to the *Local Government Act (1995)* to enable Local Governments to facilitate energy efficient building retrofits and residential solar and battery installations.

Future mobility

- measures to increase the uptake of electric vehicles and provision of fast charging facilities, including the development of an EV purchasing model that promotes adding EVs to Local Government vehicle fleets uptake; and
- increased funding for the Perth Bicycle Network Grants Program.

Regional prosperity

- potential for the generation of carbon credits in regional areas and a strategic greenhouse gas offset fund; and
- a comprehensive, equitable plan be developed for the transition to low carbon business, industry and job opportunities in regional areas, including support and incentives for impacted communities.

Waste reduction

- use all monies collected from the landfill levy to support improvements to waste management practices, including:
 - funding for measures to reduce contamination and increase resource recovery from kerbside recycling bins;
 - increased funding for implementation of the FOGO system, including compost market development; and
 - establishment of a grant program for commercial operators or Local Government entities for the construction, or upgrade, of recycling sorting and processing infrastructure in both metropolitan and non-metropolitan areas.

Safe and healthy communities

- ensure that the findings and recommendations of the Climate Health Inquiry are incorporated into the development of the State Government Climate Change Policy and the pathway to achieve the net zero greenhouse gas emissions by 2050 target.
- emergency management
 - prioritisation of the drafting of the new combined Emergency Services Act;
 - further investment in local resources and funding to support their emergency management legislative responsibilities;
 - access to community recovery funding under the Disaster Relief Funding Arrangements Western Australia (DRFAWA) and funding to support the building of resilient infrastructure.
- a review of State Planning Policy 3.4 Natural Hazards and Disasters (2006) to ensure that it adequately incorporates climate change factors; and
- support for Local Governments as they work towards embedding climate risk into their governance and planning arrangements.

Water security

- the development of an Urban Stormwater Management Framework;
- the creation of a strategic community water infrastructure fund, to realise large scale wastewater reuse schemes for regional community active open space; and
- consider moving to a volumetrically based sewerage disposal charge for Water Corporation residential customers.

Liveable towns and cities

- improvements in compliance with energy efficient requirements, through improvements to the *Building Act (2011)*, will be undertaken;
- the development and funding of a State Urban Forest Strategy including:
 - consistent statutory guidance;
 - provision for the retention and incorporation of trees in State Planning Policy 7;
 - a review of the current subdivision approval process to retain mature trees on a site;
 - continued collection and provision of Urban Monitor tree canopy data; and
 - a grant program to assist Local Governments in delivering their urban forest strategies.

Resilient infrastructure and businesses

- Part 9, Division 4 of the *Local Government Act 1995* (Protection from liability) be amended to limit the liability of Local Governments with regard to flooding, erosion, accretion, bushfire and other natural hazards;
- demonstrate leadership and provide support to Local Governments in managing the legal and financial implications of the implementation of CHRMAs;
- establish and fund a CoastWA Program to enable coastal Local Governments to progress the preparation of plans, strategies and works to address climate change related coastal hazard risks; and
- consider enacting specific coastal management legislation and the establishment of a Coastal Council for Western Australia.

Protecting biodiversity

- reinstitution of State of the Environment reporting for Western Australia, including information about the extent of clearing of native vegetation;
- develop and appropriately fund the implementation of a State Biodiversity Strategy, including a plan for effective ecological linkages in priority bioregions;
- continue funding for the Western Australian Biodiversity Science Institute (WABSI);
- increase funding to DWER, the EPA and DBCA to ensure environmental regulation is efficient and effective and manage WA's parks, forests and reserves;
- finalise the Strategic Assessment of the Perth and Peel Regions;
- consider a program of biodiversity stewardship arrangements and other incentives to protect biodiversity values;
- provide support for building the capacity of Local Government to manage biodiversity locally (including training, funding for on-ground management, integrated and adaptive management of weeds, feral animals and diseases);
- implement a program to promote and support leading practice in roadside reserve management across rural Western Australia with an initial focus on local roads in the Wheatbelt and south-west regions, which contain significant biodiversity, including threatened flora;
- centralise data collection and enable the sharing of natural resource management including fire risk management, weed, disease and feral animal distribution with access to information on best practice control of threatening processes; and
- the upcoming review of the *Biosecurity and Agricultural Management Act (2007)* should incorporate an analysis of the implications of climate change for Western Australia's biosecurity system.

Strengthening adaptive capacity

- planning for the impacts of climate change and building adaptive capacity be embedded into policy development and decision making across and between all levels of government.

There is no clear timeline and process for the development of the State Climate Policy due in 2020. WALGA will be advocating for further opportunities to provide sector input as the development of the State Policy progresses.

Climate Change in WA Issues Paper

Draft Submission

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About us

The Western Australian Local Government Association (WALGA) is the peak industry body for Local Government in Western Australia. WALGA is an independent, membership-based organisation representing and supporting the work and interests of 138 Local Governments in Western Australia.

WALGA provides an essential voice for approximately 1,222 Elected Members and approximately 22,000 Local Government employees as well as over 2.5 million constituents of Local Governments in Western Australia. WALGA also provides professional advice and offers services that provide financial benefits to the Local Governments and the communities they serve.

WALGA's comments

WALGA thanks the Department of Water and Environmental Regulation for the opportunity to provide input in response to the *Climate Change in Western Australia Issues Paper* (the Issues Paper) as part of the Government's development of the State Climate Change Policy.

This submission is made in accordance with the [WALGA Climate Change Policy Statement](#) (2018). It also draws upon and should be read alongside WALGA's previous climate change related submissions, including the [WALGA Climate Health WA Inquiry submission](#) (interim), the Inquiry on the Current and Future Impacts of Climate Change on Housing, Buildings and Infrastructure submission, the [Environmental Protection Authority's proposed greenhouse gas emission guidance submission](#) and the [Climate Change Authority's advice on meeting Australia's Paris Agreement Commitment submission](#).

[This submission has been subject to extensive consultation with the Local Government Sector and has been endorsed by WALGA State Council.]

Climate change and Local Government

Climate change is a key issue for Local Governments that has implications across almost all aspects of their operations and responsibilities. In Western Australia, Local Governments have been the most proactive level of government on climate change, actively pursuing a range of emissions reduction and adaptation actions, including ambitious corporate and community-wide energy efficiency, renewable energy and emissions reductions strategies, along with programs and policies to encourage residents to reduce their carbon footprint.

The importance with which the Local Government Sector regards the threat posed by climate change and need for strong action is recognised in the *WALGA Climate Change Policy Statement* (the Climate Change Statement), endorsed by State Council in July 2018. The Climate Change Statement was the result of extensive consultation across the Local Government Sector, and represents the consolidated position of Western Australian Local Governments:

Local Government acknowledges:

- I. The science is clear: climate change is occurring and greenhouse gas emissions from human activities are the dominant cause.
- II. Climate change threatens human societies and the Earth's ecosystems.
- III. Urgent action is required to reduce emissions, and to adapt to the impacts from climate change that are now unavoidable.
- IV. A failure to adequately address this climate change emergency places an unacceptable burden on future generations.

Local Government is committed to addressing climate change.

Local Government is calling for:

- I. Strong climate change action, leadership and coordination at all levels of government.
- II. Effective and adequately funded Commonwealth and State Government climate change policies and programs.

WALGA Climate Change Policy Statement (2018), p3.

Along with the above headline statements the Climate Change Policy Statement specifies the mitigation, adaptation, emergency management and resilience actions the sector views as priorities. Key areas outlined in the Statement in relation to the State Government and the Environmental Protection Authority are:

1. Accelerated action and fast tracked reform to remove regulatory barriers and facilitate the transition to a low carbon, energy efficient economy

Local Governments are already active in renewable energy and energy efficiency projects, but State level regulations continue to hamper Local Governments from undertaking or supporting a range of high impact cost-effective energy efficiency and renewable energy projects, including LED street lighting retrofits, large scale renewable energy projects and community energy projects.

2. A State level emissions reduction target and/or renewable energy target

WALGA acknowledges that the Western Australian Government has recently joined other States in setting a science-based emissions reduction target of net zero emissions by 2050. This announcement is welcomed ([WALGA media release](#) refers). It is essential that the development of a State-wide climate change policy charts an achievable and credible emissions reduction pathway for the State to meet the target.

3. Planning for climate proof communities (including funding for innovative climate change projects)

WALGA considers it is essential that all levels of Government work in partnership to build healthy, resilient communities by ensuring that climate change considerations (both mitigation and adaptation) are embedded in Government programs, policies and regulations. A key aspect of this is a State planning regime that adequately incorporates climate change in planning policies, along with related environmental issues such as urban forestry, biodiversity, water security and emergency management.

4. Comprehensive, effective adaptation planning

It is recognised that planning around coastal adaptation is currently occurring, but effective planning needs to take in comprehensive identification of, and response to, the effects of climate change. It also needs to identify and incorporate other effects of climate change such as heat waves and other extreme weather events, bush fire planning and water management.

5. Role of the EPA in emissions reduction

The Climate Change Statement calls for a stronger regulatory role for the EPA in assessing and recommending conditions to mitigate the greenhouse gas emissions associated with major projects within the Environment Impact Assessment process. WALGA recently made a [submission](#) to the EPA in support of its proposed greenhouse gas guidance.

Comments in response to ‘Key Areas’ in the Issues Paper

1.1 Transforming energy generation

- ▶ What are the main challenges for decarbonising Western Australia's electricity supply while ensuring adequate generation capacity, security and reliability?
- ▶ What are the most effective ways to overcome these challenges by 2030?
- ▶ Should the electricity sector make a pro-rata (or greater) contribution to Australia's national greenhouse gas emission targets?
- ▶ How fast do you think the transition of the electricity sector should occur?

For Local Governments, the challenges to participating in the decarbonising of energy generation are predominantly regulatory in nature. This is acknowledged in the Climate Change Statement, with Local Governments calling on the State Government to accelerate action and remove barriers to facilitate the transition to a low carbon, energy efficient economy.

WALGA supports the objectives of the Government's *Energy Transformation Strategy* of:

- maintaining a secure and reliable electricity supply;
- ensuring affordable electricity for households and businesses, including Local Governments;
- reducing energy sector emissions;
- transitioning affected workers in the Collie region; and
- promoting local jobs and growth.

It is recognised that there are inherent challenges within the energy sector that make the achievement of the above objectives difficult, including:

- network instability and higher maintenance costs caused by a rapid uptake in household PVs and reduced day-time thermal generation demand; and
- new renewable generation projects not being able to connect to the grid due to a lack of spare network capacity, with long-established generators having contractual rights to network capacity even when they do not use it.

In this context, priority actions that would assist Local Governments to help the State Government achieve its energy transformation objectives include:

- removal of regulatory hurdles, policy barriers and unaligned incentives that continue to hinder bulk LED public lighting retrofits;
- electricity market reform to improve grid access for large scale renewable projects as well as community driven projects; and
- amendments to the *Local Government Act (1995)* to enable Local Governments to facilitate energy efficient building retrofits and residential solar and battery installations.

Further detail on each of these areas is set out below, along with WALGA's recommended reforms to help address these changes, and to encourage the transition to renewable energy.

LED street lights

Local Governments pay a Government set tariff which is based on the costs of energising, maintaining and owning street lights connected to the Horizon Power and Western Power owned networks. Local Governments are looking to replace current mercury vapour, metal halide and high pressure sodium street lights with much more energy efficient technology such as LED luminaires, as a way of lessening the impact of rising electricity costs on rates, reducing greenhouse gas emissions and improving night time amenity.

LEDs offer many advantages over the older lighting technology that is still prevalent across Western Australia, including:

- a reduction in maintenance costs of around 50%;
- reduced energy consumption of 52 – 72% (with smart controls), compared with mercury vapour lights;
- lowered levels of certain types of crime³; and
- improved lighting quality (providing greater road safety and enhanced amenity).

However, progressing these changes has been difficult, given that Western Power (and Horizon Power) owns the majority of Western Australia's street lighting infrastructure. As tariffs are established on a cost – plus basis, and capital is constrained, the electricity distributors have no incentive to introduce more energy efficient technologies. However, WALGA notes that as street lighting contributes a very small proportion of total revenue to Western Power, any fear that low energy consuming, low maintenance street lights will lead to a significant financial disadvantage is unfounded.

Western Australia is well behind many other States and Territories when it comes to the replacement of inefficient and in many cases substandard street lights with LED street lights (Table 1 refers). Other Australian States have spearheaded bulk replacement of street lights, often incorporating smart controllers, which offer a range of possible functions to be utilised.

Street Light Stock						
	Mercury Vapour	CFL	HPS	LED	Other	Total
Horizon Power	8,089 43.2%	1,401 7.5%	3,804 20.3%	3,395 18.1%	2,025 10.8%	18,714
Western Power	149,979 57.8%	31,588 12.2%	59,688 23.0%	- 0%	18,142 7.0%	259,397
Rest of Australia	752,789 36.9%	384,612 18.8%	652,620 32.0%	146,890 7.2%	102,906 5.0%	2,039,546
Source: IPWEA, 2016 Street Lighting & Smart Controls Roadmap						

Table 1: Street light stock in Western Australia and Rest of Australia

Western Power have introduced a range of LED luminaires that substitute for existing street lights. These are being used as replacements on failure of the luminaire (not failure of the PE cell or the globe). Around 1% of the street lighting stock is being replaced on this basis each year.

Historically some Local Governments have retained ownership and operating responsibility for street lighting in all or part of the jurisdiction. These include parts of the Cities of Perth and Joondalup as

³ Chalfin, A. Hansen, B. Lerner, J. Parker, L., [Reducing Crime through Environmental Design, Evidence from a Randomised Experiment of Street Lighting in New York City](#), (2019).

well as specific activity centres or subdivisions in other areas. These Local Governments have completed or are undertaking LED retrofit projects as there is a strong business case to do so.

Other metropolitan Local Governments have completed detailed business cases to evaluate the economic case to replace existing street lights with LED luminaires. None of these have yet proceeded at scale as the high cost of conversions quoted does not provide a clearly viable case based on the difference in tariff between LED and existing street lights.

To accelerate the transition to LED, WALGA recommends the State Government fund or co-fund a bulk replacement of the approximately 158,000 (150,000 Western Power, 8,000 Horizon Power) mercury vapour street lights with LED lighting.

At the very least, WALGA recommends the following changes be implemented to help remove current hurdles to Local Government funded LED street lighting projects:

- **street lighting tariffs that are established by the Government, using advice from the Economic Regulation Authority regarding Western Power costs should be set on the basis of efficient costs of provision (rather than actual costs) which would provide the appropriate economic signals for the electricity distributors to invest (or co-invest) in energy efficient, lower maintenance cost technologies;**
- **the policy and regulatory framework should be amended to enable Local Governments to exercise choice in the way street lighting services are delivered. These choices should extend from the owner – operator model (currently used in parts of Cities of Perth, Joondalup and some other areas), through Local Government owned, Western Power operated street lighting, to a lighting service model under which the electricity distributor provides a lighting service to the agreed standards; and**
- **the electricity supply for street lighting should be contestable, to enable Local Governments to procure from electricity suppliers that meet their price and greenhouse gas emission objectives.**

Enabling renewable energy projects

WALGA held a *Renewable Technologies* event for Local Governments in November 2018⁴, where a recurring theme identified was the urgent need for WA electricity market reform to enable an accelerated energy transition. A major hurdle identified was the inability for renewable energy projects to connect to an already over-supplied grid caused in most cases by contractual rather than physical constraints, with a number of large, long-established generators having a contractual right to the network capacity, even if they do not use it all⁵.

Addressing market mechanisms to facilitate efficient use of and equitable access to the network will support the suite of energy generation options essential to a sustainable Western Australian energy future. Additionally, increased competition will result in cost efficiencies to the end consumer. Aligned with this is the need to develop frameworks to support and facilitate Local Governments to develop renewable energy projects to reduce organisational emissions, mitigate rising energy costs and provide opportunities for new technology such as electric vehicle charging, alternate distribution models and energy storage technology.

As already noted, Local Governments are active in emissions reductions projects, which take in ambitious greenhouse emissions reduction pledges, keen interest in renewable energy power purchase agreements, and support for community renewable energy projects.

There are numerous examples of community energy projects outside of Western Australia (such as [Hepburn Wind](#) outside of Daylesford in Victoria). In Western Australia these projects have been stymied (for example, [Augusta Margaret River Community Clean Energy](#) has not been able to connect

⁴ WALGA Renewable Technologies Event, 29 November 2019. Presentations available [here](#).

⁵ Government of Western Australia, Department of Treasury, [Energy Transformation Strategy: a brighter energy future](#), (2019), p8.

to the grid and is waiting regulation change to allow access). Many Local Governments have ambitious emissions reduction pledges and are keen to partner with and/or enable community projects and large scale renewable projects (including via power purchase agreements).

WALGA notes the WA Government's current development of the [Energy Transformation Strategy](#), which takes in the existing plan to move to constrained access by 2022. WALGA supports the move to constrained access but considers the timeline should be accelerated. Alternatively, any policy measures that could be implemented in the meantime, to make it easier for renewable energy projects to join the grid (including small community energy projects) would be strongly supported by WALGA, and consistent with the Climate Change Policy.

WALGA recommends regulatory changes to the electricity market be fast-tracked to enable community renewable energy projects, and to allow large scale 'in front of the meter' renewable energy projects and power purchase agreements.

Facilitating energy efficient retrofits and residential solar and battery technologies.

Residential solar and battery installation

Local Governments have expressed interest in being able to implement rooftop solar funding programs similar to those in the Eastern States (for example [in the City of Darebin](#)). These schemes allow Local Governments to fund the installation of solar panels on the roofs of residents that opt in, with the resident repaying the cost of the panels (interest free) over 10 years via a small addition to the resident's rates notice. In the City of Darebin, the scheme was first offered to low income residents, and then extended to any interested residents. The *WA Local Government Act 1995* is more prescriptive than other States; a regulation amendment would be required to enable Local Governments to add this charge to the rates notice, and possibly the Act also amended, to clarify that this is a *discretionary* service charge (i.e., residents choose to opt in to such a service).

As a result of Local Government interest, an amendment to the *Local Government Act (1995)* has been proposed by WALGA as part of its State Council endorsed Position Statement in the ongoing Local Government Act review:

Amendment Purpose:

It is proposed that Regulation 54 of the Local Government (Financial Management) Regulations be amended to include 'renewable energy infrastructure' as a prescribed service charge. This will permit Local Governments to offer a group scheme that will assist property owners (at the owners' discretion) to participate in the installation of environmental initiatives as an improvement to their property, with the Local Government to recoup the cost via a service charge mechanism. The regulatory amendment would simply read:

- 54. Works etc. prescribed for service charges on land - Act's. 6.38 (1)*
For the purposes of section 6.38(1), the following are prescribed as works, services and facilities:
- (a) property surveillance and security;*
 - (b) television and radio rebroadcasting;*
 - (c) underground electricity;*
 - (d) water; and*
 - (e) **renewable energy infrastructure.***

Note that the language proposed seeks to be technology neutral, as Local Governments have also expressed much interest in using such a scheme to assist households to install batteries, as roof top solar becomes more affordable for residents, with a very short payoff period.

Building upgrade finance: energy efficient retrofits

Building Upgrade Finance (BUF), also known as an Environmental Upgrade Agreement, is an agreement between a Local Government, a building owner and a financier to fund projects that deliver environmental performance improvements in buildings. Victoria, New South Wales (NSW) and South

Australia (SA) have all enabled BUF through relevant amendments to their states' Local Government legislation.

BUF allows building owners to access competitive fixed interest funds to upgrade buildings, with tenants and owners sharing in the costs and savings. Local Governments do not finance the work, but declare and levy a building upgrade charge against the land on which the building is situated which is repaid to the financier. Loan repayments are typically offset by the energy savings produced from the building upgrade.

The Clean Energy Finance Corporation (CEFC) currently provides finance for BUF schemes, either directly (to council-operated funds) or through its \$80 million environmental upgrade program with aggregation partners.

Based on experience in other jurisdictions, the application of BUF and its benefits would extend beyond Perth and the metropolitan area, or to just commercial buildings. Some of the highest uptake of BUF, in States with the scheme enabled, has been in rural areas. Building upgrade improvements can include small-scale renewable energy technologies like solar photovoltaics, and this has been particularly popular in light-industrial areas in regional Victoria.

The City of Perth initially proposed that WALGA advocate for amendments to the *Local Government Act 1995* to enable building upgrade finance opportunities. This was endorsed at WALGA State Council and also forms part of WALGA's Position Statement for the Local Government Act Review.

WALGA calls for these proposed Local Government Act amendments to be progressed, to enable Local Governments to facilitate energy efficiency retrofits for business, and affordable renewable energy infrastructure for residents.

Emissions Reduction Trajectory

The Issues Paper asks how fast the electricity sector transition needs to occur, and whether the electricity sector should make a pro-rata or greater contribution to Australia's national greenhouse gas emissions targets.

The Climate Change Statement, as outlined above, acknowledges that we are in a climate emergency. Further, it notes that the current Paris commitment is insufficient, and that Australia is not on track to achieve even this target.

WALGA supports the State Government's recent announcement of a net zero greenhouse gas emissions by 2050 target, noting that this is consistent with the other States' targets. The State's climate change policy on the energy transformation must be consistent with a trajectory to this target. In order to do this, it will be necessary for the State Climate Change Policy to consider different sectors, and map a credible trajectory to net zero by 2050.

It is acknowledged that the transition to a zero carbon electricity sector poses its own challenges (which the State's Energy Transformation Strategy is considering in detail). However, compared with other sectors where low and zero carbon options are still in development (for example in emissions intensive industries, farming and land use), the electricity sector represents 'low hanging fruit' in terms of achieving greenhouse gas emission abatement.

WALGA recommends that the transition to zero carbon in the electricity sector should occur at a greater rate than its pro rata contribution to greenhouse gas reductions.

1.2 Industry innovation

- ▶ What measures have been implemented by your business to lower energy use or emissions?
- ▶ What are the barriers to decoupling energy use and emissions in the resources sector?
- ▶ Have you assessed the implications of the low-carbon transition for your business or sector? How are these risks disclosed to stakeholders?
- ▶ What exemptions should apply to trade-exposed sectors in reducing our emissions?
- ▶ How can the Government of Western Australia foster clean industries and technologies?

As previously noted (above, at 0), the Local Government sector is very proactive on climate change and is actively pursuing a range of emissions reduction and adaptation actions. This includes, but is in no way limited to, ambitious corporate and community-wide energy efficiency, renewable energy and emissions reductions strategies, along with programs and policies to encourage residents to reduce their carbon footprint.

This includes, but is in no way limited to the following WA Local Government voluntary commitments and pledges in relation to climate change:

Pledge	Description	Number of Local Government Participants
Local Government Climate Change Declaration	Developed by WALGA. A voluntary opportunity for Local Governments to demonstrate their political commitment to locally appropriate climate change adaptation and mitigation action. ⁶	40 (representing 65% of the WA population)
Divesting from fossil fuels	Commitment to shift money out of banks that fund fossil fuels. ⁷	12 (representing 30% of the WA population)
Compact of Mayors	A coalition of City leaders around the world committed to addressing climate change. ⁸	4
Cities Power Partnership	Launched July 2017 by the Climate Council, aims to celebrate and accelerate emission reductions and clean energy in Australian towns and cities. ⁹	17

⁶ For further information see here: <http://walga.asn.au/Policy-Advice-and-Advocacy/Environment/Climate-Change.aspx>.

⁷ For a list of Australian Local Governments that have committed to divest see here: <http://gofossilfree.org.au/fossil-free-councils/>.

⁸ Cities of Joondalup, Perth, Melville and Mandurah. Further information about the Compact of Mayors available here: <https://www.compactofmayors.org/>.

⁹ Local Governments participating in the Cities Power Partnership are shown on the map here: <http://citiespowerpartnership.org.au/power-partners/>.

Declaration of Climate Emergency	Around the world, governments at all levels have been declaring a climate emergency as a first step in acknowledging the scale of the issue, and seeking to build impetus to accelerate action on climate change.	6 ¹⁰
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As previously noted, from the perspective of Local Government, one key way that the State Government can foster clean industries and technologies is by removing regulatory hurdles that currently hinder renewable projects.

This has great potential in regional areas, discussed further below at 4.4, in fostering low carbon industry such as mining materials for batteries through to production of 'green' technology, and the potential for generation of carbon credits through carbon farming activities.

1.3 Future mobility

- ▶ What are the barriers to purchasing a low-emissions vehicle for your household or business?
- ▶ What can be done to facilitate the uptake of electric and other low-emission vehicles in Western Australia?
- ▶ How can we further encourage use of public transport and active transport, such as walking and cycling?
- ▶ How can we ensure that Western Australia isn't left behind in the transition to cleaner transportation?

Electric vehicles

The Climate Change Statement notes the world is already shifting away from fossil fuel technologies, and towards energy efficient and renewable technologies, including in the uptake of electric vehicles (EVs), coupled with increased grid renewables and the required infrastructure. It calls on the Western Australian Government to accelerate action and remove barriers to the transition to a low carbon, energy efficient economy.

In September 2018 WALGA State Council, in considering a submission on Vehicle Emissions resolved that WALGA:

- 1. supports the consideration, where possible, of vehicle emissions during planning, designing and construction of large scale infrastructure projects.**
- 2. supports the consideration of vehicle emissions during the process of purchasing new fleet, in addition to fleet policies.**
- 3. supports the consideration of policies that facilitate the adoption of electric vehicles and electric vehicle charging infrastructure.**
- 4. advocates to the proposed Infrastructure Western Australia body, when it is established by the State Government, to consider vehicle emissions as part of the assessment process and cost-benefit analysis for projects.**
- 5. advocates to Infrastructure Australia to consider vehicle emissions such as particulate matter, other than greenhouse gas emissions, during the assessment of projects.**

¹⁰ At the time of writing, the City of Fremantle, City of Swan and the City of Vincent, the Town of Victoria Park and the Shires of Denmark and Augusta-Margaret River had declaration a climate emergency. Up to date map available here: <https://www.cedamia.org/global/>.

6. **advocates to State Government for the broader implementation of the Department of Water and Environmental Regulation 'CleanRun' roadside emissions monitoring program, as a behaviour change initiative which has the potential to reduce fuel consumption.**
7. **advocates to the State Government for the preparation of planning policies or guidelines for the installation of electric vehicle charging stations within WA.**

Local Governments, including the Cities of Swan, Canning, Albany and several others have added battery EVs to their fleet in order to gain firsthand experience in the operational advantages and disadvantages of these vehicles. These and other Local Governments have also invested in installing and operating public charging facilities.

Recently the first fully electric waste and recycling collection vehicle entered service in Western Australia¹¹, and a number of other Local Governments are also investigating the performance and economics of EVs for their waste collection vehicles.

Local Governments are being supported by WALGA contract arrangements for the purchase of electric vehicles. WALGA is also moving towards establishing contract arrangements for Local Governments to easily access EV charging stations.

In urban areas the lack of available, appropriately priced vehicles is a major impediment to the further expansion of the use of electric vehicles in the light vehicle fleet used by Local Governments. Appropriately targeted financial incentives, possibly through the State Government fleet purchasing arrangements, could if supported by vehicle suppliers, enable a meaningful increase in the numbers of EVs to the State and Local Government fleets. These vehicles are likely to form the basis of a viable second hand market for EVs in three to five years, enabling the community to gain broader exposure and experience with these vehicles.

In rural and remote areas there would need to be investment in fast charging facilities and potentially higher range vehicles before EVs could be widely used for Local Government operations.

It is recommended that the State Government develop an EV purchasing model that is attractive for Local Government fleet operators to add EVs to Local Government vehicle fleets.

Active Transport

Active transport such as walking and cycling offers the lowest carbon emitting mobility option. Local Governments provide over 15,000 kilometres of paths, of which nearly 11,000km is in the Perth metropolitan area, to enable safe, active travel. Co-investment between the State and Local Governments is currently delivering more than \$6 million of investment in cycling infrastructure per year. However, demand for Perth Bicycle Network Grants significantly exceeds the funds available meaning that the development of the network is delayed. This gap is expected to increase as a cycling network plan, which is being developed within the context of Perth and Peel at 3.5 million, is finalised.

It is recommended that funding for the Perth Bicycle Network Grants Program be increased from \$2.5 million to \$5 million per annum.

¹¹ <http://www.belmont.wa.gov.au/Pages/Electric-Vehicle-recycling-truck-coming-to-Belmont.aspx>

1.4 Regional prosperity

- ▶ How will climate change affect your regional community?
- ▶ What steps can we take to further enhance the resilience of our regions and our primary industries?
- ▶ How can we support the agricultural sector to participate in the low-carbon transition?
- ▶ What opportunities do carbon offset markets present for Western Australian land managers, including Aboriginal groups?
- ▶ What matters should the State Government take into account in developing a strategy for carbon farming in Western Australia?

There is a strong reliance on fossil fuel / carbon intensive industries in some regional areas, and it is important that as Western Australia transitions to net zero emissions by 2050, opportunities for new low carbon green business and employment opportunities in regional areas are realised and support provided for regional areas disproportionately impacted. This could include policy that supports or fosters low carbon industry such as mining materials for batteries through to production of 'green' technology, large scale regional renewable energy projects, and generation of carbon credits through carbon farming activities.

WALGA's Climate Change Policy Statement expressly recognises some of the regional equity implications of the shift to a low carbon economy:

Local Government recognises that both the impacts of climate change and the policy responses required to contribute to the avoidance of dangerous climate change have significant equity implications¹². These equity considerations have domestic and international dimensions, for both present and future generations and for the survival of other species. Climate change disproportionately affects disadvantaged and marginalised groups¹³ including the poor and rural and regional communities.

Local Government supports an equitable transition to a carbon constrained world:

- **globally**, the right of developing countries to increase their share of global wealth in ways that remain within the ecological capacities of the planet;
- **domestically**, the need to equitably share the cost of climate change adaptation and mitigation and ensure disadvantaged and marginalised groups receive adequate support. This includes provision of support and incentives for communities impacted by the transition (e.g. by fostering innovation, and supporting workforce adjustment packages and new employment opportunities).

WALGA's 2019 [Economic Development Framework Project](#) made a number of recommendations for policy priorities and reform to encourage economic development, especially in regional areas. Research undertaken as part of this project identified that the best way to support and facilitate

¹² Althor, G. et al. Global mismatch between greenhouse gas emissions and the burden of climate change. *Sci. Rep.* 6, 20281; doi: 10.1038/srep20281 (2016). Available at: <https://www.nature.com/articles/srep20281>.

¹³ "People who are socially, economically, culturally, politically, institutionally or otherwise marginalised are especially vulnerable to climate change" IPCC (2014). Summary for Policymakers" in *Climate Change 2014: Impacts, Adaptation, and Vulnerability. Part A: Global and Sectoral Aspects. Contribution of Working Group II to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change*. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, at 6. Available at: <http://www.ipcc.ch/report/ar5/wg2/>. See also CSIRO (2015). *Climate Change Adaptation for Health and Social Services*, edited by Rae Walker and Wendy Mason. CSIRO Publishing, and L Rickards et al. (2016). *On the Frontline: Climate Change & Rural Communities*. Climate Commission. Available at <https://www.climatecouncil.org.au/ruralreport>.

regional economic development is through a strategic, placed-based and smart diversification approach – similar to the one used in New South Wales by the Centre for Economic and Regional Development. Key features of this approach include:

- the use of economic boundaries that are based on local competitive advantages and economic linkages (functional economic regions), rather than Regional Development Commissions geographic areas;
- regional planning and investment that is based on leveraging off competitive advantages and areas of specialisation of a functional economic region, rather than areas of aspiration and potential advantage; and
- empowering Local Governments to contribute to economic development in their own functional economic regions through formalised governance and investment frameworks.

In the context of the Climate Change Issues Paper, the establishment of an approach to regional economic development that incorporates the above features would help ensure that:

- as regions that rely heavily on carbon intensive industries diversify their economic base over the coming years, they do so into areas where they have a competitive advantage and investments therefore have the greatest potential to lead to sustainable economic growth; and
- regions that have the greatest opportunity and are most appropriately placed to achieve growth in low carbon, or low-carbon complementary industries, are identified and they receive an appropriate level of investment.

WALGA's recent [submission to the Environmental Protection Authority](#) on its proposed Greenhouse Gas guidelines also noted the potential for generation of carbon credits in regional areas, and recommended that consideration be given to a strategic greenhouse gas offset fund to maximise the effectiveness, efficiency and co-benefits of greenhouse gas offsets that might be required for major projects.

A strategic greenhouse offset fund could encourage a new market for carbon offsets in Western Australia, unlocking low carbon businesses and employment opportunities, particularly in regional areas, with potential for abatement projects including carbon farming, crop and livestock efficiencies and vegetation management.

WALGA recommends that the State's climate change policy includes a commitment to the development of a comprehensive, equitable plan for the transition to low carbon business, industry and employment opportunities in regional areas, including support and incentives for communities impacted by the transition.

1.5 Waste reduction

- ▶ What areas can we target to further reduce greenhouse gas emissions from waste?
- ▶ What can households, businesses and government do to reduce their waste and compost more?

As identified in the Issues Paper, waste management has only a limited direct impact on greenhouse gas emissions. The direct impact of waste management on greenhouse gas emissions is predominantly gases generated by the anaerobic decomposition of waste in landfills. Large landfills are required by their licence conditions to capture the gases generated and in some instances there is sufficient gas captured to make energy recovery an option, in other cases the landfill gas is flared. Flaring of the gas is an eligible methodology to generate Australian Carbon Credit Units (ACCUs) and has been used by Local Governments in Western Australia, including the Cities of Armadale and Rockingham. The waste to energy facility planned for Rockingham also has specific greenhouse gas reduction outcomes, as identified in the Issues Paper. However, there are additional benefits of waste

reduction and effective waste management beyond reducing direct greenhouse gas emissions from landfill.

The diversion of waste from landfill to alternative waste treatment facilities currently operating is generating ACCU's – these facilities are operated as a joint venture with a Regional Council (Mandarie Regional Council) and by the Southern Metropolitan Regional Council. These facilities generate a soil conditioner which can store carbon in the soil.

The Food Organic Garden Organic (FOGO) system, which is one of the headline strategies in the Waste Avoidance and Resource Recovery Strategy (WARR Strategy), has the potential to divert organic waste from landfill (avoiding direct landfill emissions) and to generate high quality compost which can store carbon in the soil. The community's source separation behaviour using the FOGO system can therefore have a direct impact on greenhouse gas generation – and this too has a methodology under the Emissions Reduction Fund, which can quantify the benefits.

The substitution of waste derived products for raw materials can also have significant greenhouse gas reduction benefits, for example using recycled construction and demolition waste instead of mining basic raw materials. The embodied energy savings for such substitutions are significant and were extensively documented in a report prepared for the Waste Authority on [Recycled Products in Local Road Construction and Maintenance Activities](#).

A key focus for the WARR Strategy is also waste reduction, which targets a 10% reduction in waste generation per capita (based on 2014-15 data) by 2025. Waste reduction as a target is important as it focuses on avoiding waste generation in the first instance, which has a far greater impact through the supply chain than simply disposing of the material correctly at end of life. Therefore programs such as Love Food, Hate Waste – which focuses on avoiding food waste – have considerable value as they not only reduce waste to landfill but consumption and ultimately generation of waste. The Fight Food Waste Cooperative Research Centre (CRC) is working on a range of initiatives that could assist Western Australia in reducing food waste and consequently reducing greenhouse gas generation. The State is encouraged to actively engage with the CRC and undertake programs to reduce food loss in the supply chain, transform waste into resources and undertake education behaviour change for the community and industry.

Ultimately, as identified in the WARR Strategy, the State needs to move to a Circular Economy approach which would see a fundamental reengineering of our economy to focus on waste avoidance and alternative approaches to business not based on the traditional linear economic model.

The State Government should:

- **use all monies collected from the landfill levy to support improvements to waste management practices, including:**
 - **measures to reduce contamination and increase resource recovery from kerbside recycling bins;**
 - **the fast tracking of implementation of the FOGO system, including compost market development; and**
 - **establishment of a resource recovery capital grant program for commercial operators or Local Government entities for the construction, or upgrade, of recycling sorting and processing infrastructure in both metropolitan and non-metropolitan areas.**

1.6 Safe and healthy communities

- ▶ What are the main climate risks for your household or your community? What can be done to manage these risks?
- ▶ What are your biggest concerns about Western Australia's future climate?
- ▶ What could be done to ensure your community is better prepared for possible climate impacts?

Climate Health

WALGA has made a comprehensive [submission to the Climate Health Inquiry](#) (*interim until considered by WALGA State Council at its December 2019 meeting*), which acknowledges that the impacts of climate change such as extreme weather events and natural disasters (heatwaves, storms, flooding, drought, bushfires), alterations in the distribution of vector-, water- and food-borne infectious diseases, and air pollution patterns have the capacity to affect the physical and mental health of all Western Australians.

WALGA considers that the findings and recommendations of the Climate Health Inquiry should inform and be considered in the development of the State Government Climate Change Policy and the pathway to achieve the net zero greenhouse gas emissions by 2050 target.

Emergency Management

Emergency Management is defined in the *Emergency Management Act (2005)* as the management of the adverse effects of an emergency including prevention, preparedness, response and recovery. All four aspects are required to provide a comprehensive approach to managing the hazards and risks that face our communities.

Local emergency management responsibilities

Local Governments are assigned responsibilities across all aspects of emergency management with significant resources committed to responding to these hazards.

The Local Government sector carries significant responsibilities for the identification of hazards that may impact their community, supporting response efforts and recovering their communities post emergency. Climate change considerations in local emergency management is critical, given the increased frequency, severity and impacts emergencies are likely to have on Western Australian communities.

Functions prescribed under the *Emergency Management Act (2005)* require Local Governments to undertake Emergency Risk Management (ERM) assessments to identify hazards that may impact their community, establish and Chair a Local Emergency Management Committee, develop and maintain local emergency management arrangements, appoint Local Recovery Coordinators and manage recovery following an emergency. There are 27 hazards prescribed under the *Emergency Management Act (2005)* with 7 being classified as Natural Hazards, these include; storm, cyclone, earthquake, flood, tsunami, fire, and heatwave.

Local Governments undertake the ERM process following the benchmark risk criteria detailed in the State Emergency Management Procedure with the expectation that plans will be developed in collaboration with relevant public authorities and/or any other relevant agencies or community groups, as deemed appropriate.

Limited grant funding is available to undertake this process and to treat those hazards and risks once identified. Most Local Governments absorb these costs and draw on existing resources to undertake this work, with some guidance from state and district staff from DFES.

Bushfire has had significant investment (in this term of government) in support of the Bushfire Risk Management Program (BRMP). Officers managed centrally by DFES support Local Governments to

undertake the development of tenure blind plans, bringing together all landholders across tenures within the Local Government boundary. Local Governments act as the custodians of the plan, which once endorsed by Council and the Office of Bushfire Risk Management are eligible for funding through the State Mitigation Activity Fund. This model has incentivised Local Governments to participate and access funding to treat risks in their communities, along with other agencies and organisations responsible for identified risks.

Funding for the identification, planning and treatment of all natural hazards is critical to minimise and mitigate the impacts on communities. The BRMP model, including human resources, tenure blind planning and availability to mitigation funding is a sound model for consideration in an all hazards context.

Local Governments are prescribed to manage recovery post impact from an emergency as they are the closest level of government to their communities. Recovery is part of emergency management, which includes the broader components of prevention, preparedness, and response. It includes built, environmental and economic elements, as well as social wellbeing. Recovery can provide an opportunity to improve these aspects beyond previous conditions, by enhancing social and natural environments, infrastructure and economies – contributing to a more resilient community. WA has adopted the National Recovery principles which reinforce the need for community led practices and decision making. These include:

Community Context - Successful recovery is responsive to the complex and dynamic nature of both emergencies and the community.

Use community-led approaches - Successful recovery is community- centred, responsive and flexible, engaging with community and supporting them to move forward.

Coordinate all activities - Successful recovery requires a planned, coordinated and adaptive approach, between community and partner agencies, based on continuing assessment of impacts and needs.

Communicate Effectively - Successful recovery is built on effective communication between the affected community and other partners.

Recognise and build capacity - Successful recovery recognises, supports, and builds on individual, community and organisational capacity and resilience.

Managing the impacts of climate change, and specifically recovery, will place increasing demands on the limited resources of Local Governments. Local Governments already report that a major emergency stretches their resourcing in the medium to long term¹⁴. Funding and additional resources are required to meet this demand as well as continue business as usual activities to maintain community services and functioning.

Disaster Recovery Funding Arrangements

The Disaster Recovery Funding Arrangements Western Australia (DRFAWA) provide funding assistance to Local Governments, with essential public assets that have been damaged in an eligible disaster. As it currently stands, betterment is allowed whilst undergoing repairs of a disaster if the Local Government funds this component. DRFAWA will only fund the cost of reinstating the asset to its original form.

WALGA is advocating for disaster recovery funding to allow for betterment of assets, that is, reinstating a damaged or destroyed asset to a more disaster resilient standard. This is to prevent a situation where, for example, valuable infrastructure is washed away and then identically replaced every few years. With increased extreme weather events due to climate change, the return period for a particular event is lessened, therefore the benefits from increasing the resilience of the infrastructure are greater. Disaster relief funding of course remains an essential part of an adequate response to

¹⁴ [State Emergency Management Committee Preparedness Report](#) (2018), p126.

climate change, but of equal importance is ensuring an adequate focus on building resilience, to ameliorate the effects of disasters.

The Local Government sector considers there should be greater emphasis placed on, and resources allocated to, prevention, preparedness and recovery. What we do before will have a significant impact on the long term recovery required post incident.

In particular, Local Governments require:

- **contemporary legislation which supports mitigation and community preparedness. The sector strongly supports the prioritisation of the drafting of the new combined Emergency Services Act;**
- **further investment in local resources and funding to support their emergency management legislative responsibilities including:**
 - **mitigation policy and funding for the sector to implement treatment options emanating from the emergency risk management process required to be undertaken by all Local Governments**
 - **whilst the Mitigation Activity Fund was a commitment of the current State Government, it is currently only available for bushfire mitigation activities; and**
- **access to community recovery funding under the Disaster Relief Funding Arrangements Western Australia (DRFAWA) and funding to support the building of resilient infrastructure.**

State Planning Policy 3.4 Natural Hazards and Disasters (2006)

WALGA has been advocating for the Department of Planning, Lands and Heritage (DPLH) to revise State Planning Policy 3.4 to ensure it adequately incorporates climate change factors. While a review was initiated, it is unclear how far into the review process the DPLH is, or when a draft will be released.

WALGA recommends that a review of State Planning Policy 3.4 Natural Hazards and Disasters (2006) be undertaken as a matter of priority to ensure that it adequately incorporates climate change considerations.

Incorporating climate risk into Local Government governance, decision making and preparedness

Local Governments have repeatedly identified a need for assistance with undertaking extensive, comprehensive climate change adaptation and resilience planning. This priority need is also reflected in WALGA's Climate Change Policy Statement.

A key part of planning for the impacts of climate change is to ensure that these considerations are embedded in Local Governments' decision making and governance arrangements. For example, effectively responding to the more frequent and extreme natural disasters that are expected to occur as a result of climate change requires that this is adequately incorporated into emergency management plans, asset management plans etc.

WALGA, utilising Commonwealth Government Natural Disaster Resilience Program Funding and in conjunction with project partners Department of Local Government, Sport and Cultural Industries, Department of Fire and Emergency Services, Department of Water and Environmental Regulation, and the Local Government Insurance Service, is undertaking a project, 'Climate Resilient Councils – preparing for the impacts of climate change' aimed at building sector capacity in this area. Similar projects have been delivered in other States, such as the Climate Resilient Councils Program in Queensland administered by the Local Government Association of Queensland with financial and technical support from the Queensland State Government.

Based on the experience in other States, WALGA anticipates that this project will be more of a 'jumping off point' than an end in itself, serving as a pointer to areas where Local Governments need

much more assistance and capability to effectively incorporate climate risk across its governance and decision making processes and documents.

WALGA seeks the State Government's continued support to assist Local Governments to embed climate risk, including increased risks of natural disasters, in their governance and planning documents.

1.7 Water security

- ▶ What can we do to encourage Western Australians to use water more efficiently and adapt to a drying climate?
- ▶ Are there policies adopted in other jurisdictions we should consider for Western Australia?
- ▶ What are the best management options to deal with the water security implications of climate change for our agricultural sector?

The WALGA Climate Change Statement calls for the sustainable management of water resources.

Local Governments are at the forefront of implementing water efficiency practices, and understand the value of ensuring that they maximise existing groundwater water allocations, though adoption of hydrozoning non-critical active open space, undertaking groundwater licence rationalisation and participation in water efficiency programs such as the Water Corporations Waterwise Council program.

Irrigation for public open space – strategic water infrastructure fund

There is a significant opportunity to reduce the reliance on both groundwater and potable scheme supplies by taking the Water Corporation treated Wastewater for Community Use policy to the next level through the provision of a strategic community water infrastructure fund. This would constitute the part funding of large scale public open space irrigation schemes for regionally significant active public open space. This will assist the Water Corporation in reaching its stated policy position of achieving 45% wastewater reuse by 2030, and could also assist in realising urban storm water harvesting opportunities from parts of the arterial drainage system, such as Herdsman Main Drain.

This could potentially be facilitated through Infrastructure WA, as could realising urban storm water harvesting opportunities from parts of the arterial drainage system, such as Herdsman Main Drain.

Review of Water Corporation residential charging regime

Currently there is no pricing signal or incentive for greywater reuse at the residential lot level, as the Water Corporation wastewater disposal charge is based on Gross Rental Value, rather than on a volumetric based tariff, as is the case with potable water supply. Moving to a volumetric tariff arrangement would incentivise community uptake of fit-for purpose greywater reuse, reducing inflows into the bulk sewerage system and reducing demand on both groundwater and scheme supply for domestic purposes, such as toilet flushing and garden irrigation, etc.

Other jurisdictions, such as Victoria have long had this charging regime in place. For example, South East Water in Melbourne have a sewerage disposal charge of \$1.8271 per kl.

In acknowledging there is a significant challenge in building community literacy on water efficiency, such a change in pricing methodology should not be discounted when considering market based instruments aimed at broad-scale community behaviour change.

WALGA recommends:

- **the development of an Urban Stormwater Management Framework that can maximise the opportunities for improving water literacy, the harvesting and reuse of excess**

urban stormwater and improving stormwater quality to increase the protection of sensitive receiving environments;

- the creation of a strategic community water infrastructure fund, to realise large scale wastewater reuse schemes for regional community active open space, to assist the Water Corporation is reaching its 45% reuse by 2030 target; and
- the Government examine the cost-benefit, water efficiency and community literacy dividends that could be realised through a move to a volumetrically based sewerage disposal charge for Water Corporation residential customers.

1.8 Liveable towns and cities

- ▶ What are the key barriers to improved energy efficiency for our built environment?
- ▶ What information or tools do you require to improve energy efficiency in your household or workplace?
- ▶ What energy efficiency standards or disclosure measures do you support for our homes and offices and the appliances we use in them?
- ▶ How do you think climate change will affect the liveability of your neighbourhood or region?
- ▶ How can we improve the retention of vegetation, particularly tree canopy, in our cities and suburbs?

The Climate Change Statement calls on the Western Australian Government to ensure that statutory planning policies are consistent with climate change mitigation priorities. This includes, for example, policies to maintain and increase urban forest to reduce heat island effect and best practice building energy efficiency.

Energy efficiency

Since the introduction of the new Building Act in 2011, buildings in Western Australia have been required to incorporate energy efficiency requirements ([energy efficiency of residential buildings & Industry Bulletin](#)). The design and construction of the house's roof, external walls and floors, will have an effect on the heating and cooling comfort of a house. To achieve the required Star Rating the design and build will need:

- insulation of roofs and ceilings;
- insulation under raised floors;
- selection of appropriate glass windows and doors;
- thought to the number and size of roof lights (skylights) and ceiling penetrations including downlights; and
- closing and filling of openings and gaps to stop draughts and fireplaces that are no longer in use.

Compliance with the BCA energy efficiency provisions are required to be documented and provided to an independent building surveyor, to ensure that there is sufficient documentation to be satisfied the building will meet the relevant provisions (as part of the Certificate of Design Compliance).

Compliance with these requirements only occurs at the start of the process, i.e. documentation is required as part of the application for a Building Permit. At the completion of a dwelling, there is no requirement for the Builder or independent Building Surveyor to confirm that the premises has achieved the energy efficiency requirements that were submitted at the Building Permit stage. This is a massive failing in the current system.

The Independent Building Surveyor providing the information about energy efficiency compliance at the Building Permit stage, should provide confirmation that the star rating has been achieved. Other States around Australia require mandatory inspections and submission of Occupancy Permits for residential dwellings, to confirm that the work has been undertaken; this is not the case in WA.

This would also align with the State Governments recent release of proposed improvements to the single residential building approvals process and the State Governments election commitment to strengthen the laws to protect consumers and ensure quality standards are enforced in housing construction, including ensuring that builders and project managers are responsible for achieving the energy rating stipulated in building plans.

WALGA seeks the State Government's assurance that improvements in compliance with energy efficient requirements, through improvements to the *Building Act 2011*, will be undertaken.

Urban Tree Canopy Cover

Tree canopy cover is an important defence against the heat impacts of climate change. For example, research undertaken by Monash University suggests that for Perth, over two consecutive days with an average temperature of 44°C, heat related mortality may increase by 30%. However, this mortality rate can reduce by 20% through reducing air temperature by 1 to 2°C.

There has been a significant, continuing decline in tree canopy cover across the Perth and Peel regions, primarily due to clearing and densification associated with urban development (particularly poorly planned medium and high density development resulting in the loss of trees on verges and private land) and the impacts of climate change. As noted in the [Better Urban Forest Planning Guide](#)¹⁵, this decline in canopy cover also reduces carbon sequestration, impacts the quality of our air and water, increases temperatures in our urban environments, creating urban heat islands, with subsequent health and well-being impacts on our communities. Tree canopy inequity exists across suburbs with the least canopy cover often in the most socially disadvantaged areas.

To address the decline in canopy cover, many Local Governments are developing and implementing urban forest strategies and similar initiatives aimed at reducing the loss of trees and where possible increasing tree canopy cover. WALGA has also convened an Urban Forest Working Group for Local Governments to collaborate on addressing barriers to the retention of tree canopy. In addition WALGA has made urban forest data layers available on its Environment Planning Tool to assist Local Governments in their canopy management.

However Local Governments face a number of barriers to increasing canopy cover including:

- inconsistent statutory and strategic planning documents and associated guidelines;
- inadequate protection for existing trees (particularly on private property);
- lack of a requirement for revegetation in new developments; and
- lack of funding in support of urban forest measures.

WALGA is seeking changes to State Government planning policies to support Local Governments' efforts to maintain their urban tree canopy, particularly on private land where most loss is occurring.

WALGA recommends that the State Government develop and fund the implementation of a State Urban Forest Strategy including:

- **ensuring consistent overarching statutory guidance;**
- **State Planning Policy 7 (Design of the Built Environment), and the complimentary policies that make up Design WA, must include effective requirements for the retention of native vegetation, mature trees and incorporation of trees across all**

¹⁵ [Better Urban Forest Planning Guide – A Guide to the enhancement of urban forests in Western Australia](#), Western Australian Planning Commission (2018).

forms of development, including minimum specified deep soil zones, minimum verge widths and appropriate setbacks

- of particular concern is provision for retention / incorporation trees in medium density housing, the 'missing middle', where the greatest canopy loss is occurring;
- the development of Model Scheme Provisions for native vegetation / tree retention and planting;
- the review of the current subdivision approval process in order to retain mature trees on a site;
- the continued collection and provision of Urban Monitor tree canopy data at regular intervals; and
- a grant program that would match local government investments in delivering their urban forest strategies (and similar initiatives)
 - such a program could draw on initiatives in other States such as the 'Living Melbourne: our metropolitan urban forest' initiative¹⁶ and the 'Five Million Trees for Greater Sydney' grants program. These programs support Local Governments to enhance their urban tree canopy by co-funding tree planting projects in public spaces such as streets, parks and reserves.

1.9 Resilient infrastructure and businesses

- ▶ What are the key climate risks for the primary industry or resources sectors?
- ▶ Do you currently assess the impact of physical climate risks on your business, assets or infrastructure?
- ▶ Is there information which would assist you to do this better?
- ▶ What are the best ways to enhance the resilience of public and private infrastructure?

Legal Liability

The 2012 Productivity Commission inquiry report [Barriers to Effective Climate Change Adaptation](#)¹⁷ included a recommendation that:

Local governments' uncertainty about their legal liability is a barrier to effective climate change adaptation. State governments should clarify the legal liability of councils with respect to climate change adaptation matters and the processes required to manage that liability.

The Australian Government response¹⁸ agreed in principle with this recommendation and acknowledged that Local Governments' current uncertainty about their legal liability is a potential barrier to effective climate change adaptation. As this is primarily a matter for State and Territory Governments it was referred to those governments for consideration.

Furthermore it was highlighted that consistency of approach and measures across jurisdictions would help entities operating across Local Government boundaries to: "cost-effectively maintain a coherent

¹⁶ The Nature Conservancy and Resilient Melbourne, [Living Melbourne: Our Metropolitan Urban Forest](#), (2019).

¹⁷ Productivity Commission, [Barriers to Effective Climate Change Adaptation, Report No. 59, Final Inquiry Report](#), (2012), p26, 169.

¹⁸ Australian Government, [Australian Government response to the Productivity Commission Report: Barriers to Effective Climate Change Adaptation](#), (March 2013), p8-9.

approach and reduce the potential for conflicting or incompatible obligations deriving from federal, state/territory and local government legislation and regulations.”

The issue of uncertain legal liability stems in large part from the unavoidable uncertainty in natural hazard projections and the problems this creates for decision makers, such as Local Governments. There is evidence that climate change is increasing the extent of uncertainty inherent in these natural hazard projections. For instance the IPCC recently observed that sea levels are rising faster than anticipated, meaning that projections of hazards such as coastal inundation, shoreline recession and storm surge erosion may need to be reconsidered in light of this new information.

Decision makers, such as Local Governments, need reassurance that a decision made in good faith based on the best information available at the time a decision is made will be protected from potential claims for damages. Without such assurances, decision makers may be inclined to act conservatively, inhibiting sound decision making that is required to address climate change issues and potentially increasing the extent of liability for future decision makers. WALGA is working to clarify the extent of legal liability for Local Governments on these matters. However it is apparent that the Western Australian legislature does not provide Local Governments with an exemption from liability if it acts ‘in good faith’ in following State policies when making planning and management decisions which must consider the likelihood of future natural hazards. It is recommended that a provision be introduced in the *Local Government Act 1995* (WA) to provide an exemption from liability for Local Governments, such as that enacted in NSW.

The New South Wales legislature has taken action to protect Local Government with Section 733 of the *Local Government Act 1993* (NSW) ‘*Exemption from liability—flood liable land, land subject to risk of bush fire and land in coastal zone*’ limiting the liability of Local Governments in respect of damage caused by bush fire, flooding, or damage to land. Case law has interpreted this provision to limit liability for Council acts performed in the future, as well as in the past.

Advocating that the State Government enact a legally robust ‘good faith’ defence for Local Government is critical to limiting the liabilities of Local Government’s responsible for planning and management in an environment fraught with inherently uncertain hazard information. It is also critical for ensuring sound decision making processes that address risks posed to communities by climate change.

WALGA proposes that Part 9, Division 4 of the *Local Government Act 1995* (Protection from liability) be amended to limit the liability of Local Governments with regard to flooding, erosion, accretion, bushfire and other natural hazards.

The impact of climate change on Western Australia’s coasts

The effects of climate change are already being felt along Western Australia’s coastline. The [Assessment of Coastal Erosion Hotspots in Western Australia report¹⁹](#) released earlier this year identifies 55 locations — 15 metropolitan and 40 regional — spanning 29 Local Government areas, where coastal erosion is expected to have a significant impact on public and private property or infrastructure in the next 25 years. An additional 31 locations (8 metropolitan, 23 regional) have been placed on a watch-list for future monitoring and investigation. The State Government has estimated that the costs for managing the 55 most at risk locations identified in the report could be up to \$110 million over the next five years, with additional funding required in the longer term.

WALGA considers the Hotspots Report provides a basis for all levels of Government to work together to raise the community’s awareness of coastal impacts and to assess, plan and invest in managing these impacts.

Local Governments are already devoting significant resources to coastal hazard mapping and adaptation planning, such as through the development and implementation of Coastal Hazard Risk Management and Adaptation Plans (CHRMAs). CHRMAs seek to put in place long term planning

¹⁹ Seashore Engineering Pty Ltd, [Assessment of Coastal Erosion Hotspots in Western Australia](#), report prepared for the Department of Transport and Department of Planning, Lands and Heritage, (2019).

around risk management and adaptation, that includes adopting an 'adaptation hierarchy' of avoidance, planned or managed retreat, accommodation and protection of assets. Many coastal Local Governments have completed or are in the process of developing CHRMAP's that include hazard mapping and adaptation planning. Approximately 34 Local Governments have completed or are undertaking hazard mapping and around 22 have completed or are developing adaptation plans.

Once a CHRMAP is produced, there is an expectation from the community that the document will be implemented. The financial costs and legal implications for implementing CHRMAP recommendations can be beyond the capability or responsibility of individual Local Governments, therefore, it is imperative that the State assists in this process, rather than devolve the responsibility to the local coastal manager, which is generally the Local Government.

There is currently not sufficient funding available to Local Governments to address coastal hazards (including erosion and inundation), particularly noting the State Government's own estimates of the costs of managing identified hotspots. The Western Australian Government's level of investment in coastal management and protection is significantly less than that of other States and is not commensurate with the risks being faced along our coastline ([WALGA media release](#) refers). Existing Coastal Adaptation and Protection grants (Department of Transport), Coastal Management Plan Assistance Program and CoastWest grants (Western Australian Planning Commission), which had funding totalling \$1.6 million in 2019, has been oversubscribed for a number of years.

To ensure adequate and ongoing resourcing and funding programs are available for Local Governments to develop and implement CHRMAP's, WALGA is advocating that the State Government implement a CoastWA program, similar to the Queensland Government's QCoast 2100 program. This program provides funding, tools and technical support to enable all Queensland coastal Local Governments to progress the preparation of plans and strategies to address climate change related coastal hazard risks over the long-term. A WA program would incorporate the existing grants programs into one, with increased funding to adequately address coastal hazards. This would also address the issues identified in the Hotspots Report that included identifying and addressing areas at risk of inundation (including estuarine areas).

Unlike other states such as New South Wales, South Australia, Victoria and Queensland there is currently no coastal management legislation in Western Australia. A Coastal Management Act would establish a strategic framework and define and establish the principles, objectives and actions, including roles and responsibilities for integrated coastal zone management. The adoption of such legislation would support a consistent and coordinated approach to the development and implementation of CHRMAPs, which has been (and continues to be) an issue in Western Australia.

Furthermore, the State Government should consider establishment of a Western Australian Coastal Council (similar to the NSW Coastal Council) to provide independent and expert advice in regard to coastal policy and practice. This group would include representatives with specialist coastal expertise and would provide independent advice to the Minister on matters related to the functions under the Act and on the development and implementation of CHRMAP's by Local Governments.

WALGA recommends that the State Government:

- **demonstrate leadership and provide support to Local Governments in managing the legal and financial implications of the implementation of CHRMAPs;**
- **establish and fund a CoastWA Program, similar to the Queensland QCoast 2100 program, to provide matching funding, tools and technical support to enable coastal Local Governments to progress the preparation of plans, strategies and works to address climate change related coastal hazard risks; and**
- **consider enacting specific coastal management legislation and the establishment of a Coastal Council for Western Australia.**

1.10 Protecting biodiversity

- ▶ Can existing land use and biodiversity management practices be modified to reduce vulnerability and improve resilience?
- ▶ Are there opportunities for new collaborations with landholders or communities to address climate risks and improve biodiversity outcomes?

Local Governments in Western Australia manage a variety of rich and diverse natural ecosystems, with the south west of the state being one of the world's 36 internationally recognised biodiversity hotspots. Climate change is exacerbating the existing pressures on Western Australia's unique biodiversity. The threats to Australia's biodiversity are clearly spelt out in the 2016 [Australia State of the Environment Report](#)²⁰, which states that:

The main pressures facing the Australian environment today are *climate change*, land-use change, habitat fragmentation and degradation, and invasive species. In addition, the interactions between these and other pressures are resulting in cumulative impacts.

The biodiversity theme of the Report concludes that:

Australia's biodiversity is under increased threat and has, overall, continued to decline.

And:

Many species and communities suffer from the cumulative impacts of multiple pressures. Most jurisdictions consider the status of threatened species to be poor and the trend to be declining. Invasive species, particularly feral animals, are unequivocally increasing the pressure they exert on Australia's biodiversity, and habitat fragmentation and degradation continue in many areas. *The impacts of climate change are increasing.*

It concludes:

The outlook for Australian biodiversity is generally poor, given the current overall poor status, deteriorating trends and increasing pressures. Our current investments in biodiversity management are not keeping pace with the scale and magnitude of current pressures. Resources for managing biodiversity and for limiting the impact of key pressures mostly appear inadequate to arrest the declining status of many species. Biodiversity and broader conservation management will require major reinvestments across long timeframes to reverse deteriorating trends.

WALGA considers that an ongoing understanding of the State of Western Australia's environment and in particular its globally recognised biodiversity values is essential to managing the impacts of climate change and other threats. Western Australia's last State of the Environment Report was in 2007, and Western Australia still does not have a State Biodiversity Strategy.

WALGA has been a strong advocate of the Strategic Assessment of the Perth and Peel Regions and for the State to develop a more comprehensive approach to protecting and managing native vegetation and biodiversity values in Western Australia (including through submissions on [Cost recovery for the Department of Water and Environmental Regulation](#), the Green Growth Plan and the Review of the Strategic Assessment of the Perth and Peel regions). In this context WALGA notes the comments of the Western Australian Auditor General, referencing the last Western Australian State of the Environment Report 2007:

In some parts of WA (especially the Wheatbelt and parts of the Swan Coastal Plain) native vegetation has been cleared beyond safe ecological limits. Continued clearing will result in

²⁰ Australian Government, Department of the Environment and Energy, [Australia State of the Environment](#), (2016).

loss of biodiversity and extinctions, with fragmented habitats becoming more susceptible to climate change, disease, and weed and introduced animal invasion.

The DWER Cost Recovery Discussion Paper, coming more than 10 years after the last State of the Environment Report and the Auditor General's report acknowledges that ecological limits of clearing have been exceeded in the Wheatbelt and the Swan Coastal Plain.

The Auditor General's 2017 [Rich and Rare: Conservation of Threatened Species Follow-up Audit](#) found that DBCA has less resources for managing threatened species conservation activities than at the time of his first audit in 2009, at the same time that the scale of the task to manage Western Australia's threatened and priority species and ecological communities is growing.

WALGA welcomes the announcement of the development of a State Native Vegetation Policy by the Environment Minister earlier this year. WALGA considers that this policy should have at its core a vision and strategy to address the pressures on native vegetation in the South-West and the Wheatbelt in particular. This could include providing incentives and stewardships for Local Government and landholders to proactively protect and manage native vegetation.

Local Governments have significant responsibilities for managing their local environments, including Local Government owned land, parks, reserves and roadsides as well as through their planning and regulatory functions. Local reserves and roadsides often contain significant biodiversity values, including ecological communities that may not be represented, or are underrepresented elsewhere. They can also provide critical wildlife habitat and corridors especially when linked with other vegetation remnants in the landscape. Yet, there is very limited State support for management of biodiversity at local levels, with no recognition of the varied capacity of Local Government to adequately manage threats.

Local Governments also play a key role in partnering with community groups to actively care for natural areas, with invaluable contributions made by volunteers towards actions that achieve biodiversity conservation and management. In particular, urban bushland areas are vital to foster the learning and nature based activities that develop an appreciation and connection with nature.

Given the impacts on biodiversity outlined in the Issues Paper, WALGA considers that, the State Government should:

- **reinstitute State of the Environment reporting for Western Australia, including information about the extent of clearing of native vegetation;**
- **develop and appropriately fund a State Biodiversity Strategy, including a plan for effective ecological linkages in priority bioregions;**
- **continue funding for the Western Australian Biodiversity Science Institute;**
- **increase funding to DWER, the EPA and DBCA to ensure environmental regulation is efficient and effective and manage WA's parks, forests and reserves;**
- **finalise the Strategic Assessment of the Perth and Peel Regions;**
- **consider a program of biodiversity stewardship arrangements and other incentives to protect biodiversity values;**
- **provide support for building the capacity of Local Government to manage biodiversity locally (including training, funding for on-ground management, integrated and adaptive management of weeds, feral animals and diseases);**
- **implement a program to promote and support leading practice in roadside reserve management across rural Western Australia with an initial focus on local roads in the Wheatbelt and south-west regions, which contain significant biodiversity, including threatened flora; and**

- **centralise data collection and enable the sharing of natural resource management including fire risk management, weed, disease and feral animal distribution with access to information on best practice control of threatening processes.**

Biosecurity

Climate Change will also exacerbate agricultural and environmental biosecurity threats. WALGA has been advocating for a review of the *Biosecurity and Agricultural Management Act (2007)* to ensure that Western Australia's management of post-border biosecurity is effective in addressing on-ground management of pest and disease incursions and established agricultural and environmental biosecurity threats. The terms of reference for this review should incorporate an analysis of the implications of climate change for Western Australia's biosecurity system.

1.11 Strengthening adaptive capacity

- ▶ Are there gaps in the availability of adaptation knowledge, climate information or skills for your community, organisation or sector? How can these be addressed?
- ▶ What are the main barriers to the adoption of effective climate change adaptation?

As a general recommendation in relation to strengthening adaptive capacity, WALGA considers it essential that planning for the impacts of climate change and building adaptive capacity be embedded into policy development and decision making across and between all levels of government.

Specific comments in relation to aspects of climate change adaptation are addressed elsewhere throughout this submission.

Additional comments

WALGA notes the following commentary at the beginning of the Issues Paper:

"While a nationally consistent policy framework which we can rely on to deliver the commitments of the Paris Agreement is urgently needed, Western Australia won't wait on the Australian Government" (Foreword)

"A clear State Government policy and roadmap for action will ensure we manage the low-carbon transition in a considered way" (Foreword)

"The government of WA has committed to working with all sectors of the economy to achieve net zero by 2050. The government's aspiration creates the overarching framework for the State Climate Policy" (p3)

The Issue Paper does not expressly call for comment or input into this part of the Paper, but WALGA wishes to record its strong support for the statements above, in particular that the net zero emissions by 2050 target must be embedded in the State's Climate Policy so that it creates the overarching framework for the State's climate change policies.

WALGA strongly supports a State Climate Change Policy with resulting policy measures and changes that are consistent with a credible trajectory to net zero by 2050. The planned State Climate Change Policy must set out in workable detail the trajectory to this target, and how WA will achieve this target.

WALGA recommends the State Climate Change policy include a detailed plan for getting the State to net zero emissions by 2050.

WALGA notes that best practice energy efficiency across a range of sectors (residential, industrial, commercial etc.) offers an excellent opportunity for climate change mitigation. This submission has outlined some areas where this could be facilitated at the Local Government level, including through

implementation of the Building Upgrade Finance scheme, and through planning policies and education to encourage best practice energy efficiency in our communities.

It is recommended the State's Climate Change Policy consider the range of opportunities for energy efficiency policies across sectors.

Conclusion

Local Government is committed to addressing climate change and recognises that urgent action is required to reduce greenhouse gas emissions, and adapt to the impacts from climate change that are now unavoidable. Local Government considers failing to adequately address this climate change emergency places an unacceptable burden on future generations.

Western Australian Local Governments are calling for strong climate change action, leadership and coordination by all levels of government, including the implementation of effective and adequately funded climate change policies and programs for both mitigation of emissions and adapting to the impacts of climate change.

The sector welcomes the State Government's target to reduce net emissions to zero by 2050 – it is essential that the State Climate Change Policy, informed by this and other submissions charts a robust path to achieving that target.

5.16 Interim Submission – Policy and Application Guidelines for Speed Zoning (05-009-02-0035 MS)

By Mal Shervill, Policy Officer Road Safety, Transport and Roads

Recommendation

The interim submission to Main Roads WA on the Policy and Application Guidelines for Speed Zoning be endorsed.

In Brief

- Main Roads WA revised the Policy and Application Guidelines for Speed Zoning, which provides the principles and objectives applied in setting speed limits for all public roads in Western Australia.
- Local Governments use the Policy to guide their considerations for speed zoning on local roads and as a basis to develop an application for new or to amend existing speed limits.
- Local Governments gave feedback on the revised Policy and an interim submission, as amended by the Infrastructure Policy Team, was provided to Main Roads WA in September 2019.

Attachment

Interim Submission - Policy and Application Guidelines for Speed Zoning:

<https://walga.asn.au/getattachment/Documents/Item-5-16-attachment-Interim-Submission.pdf?lang=en-AU>

Relevance to Strategic Plan

Key Strategies

Engagement with Members

- Deliver a broad range of benefits and services that enhance the capacity of member Local Governments.

Sustainable Local Government

- Continue to build capacity to deliver sustainable Local Government.
- Provide support to all members, according to need

Policy Implications

Consistent with the Association's existing policy and resolutions of State Council:

June 2005:

That the Road Safety Council be advised that Local Government supports the retention of WA's Default Open Speed Limit at 110km per hour and opposes the proposed reduction to 100km per hour.

September 2019:

WALGA opposes the blanket reduction in speed limits and confirms the existing policy position supporting retention of WA's default open speed limit at 110kms per hour.

Budgetary Implications

Nil.

Background

Main Roads WA is the regulatory authority for setting speed limits on the public road network in WA, which includes Local Government roads. As the regulatory authority, Main Roads WA sets policy to govern speed limits and manage vehicle speed on the road network. The Policy and Application

Guidelines for Speed Zoning (the Policy) provides guidance on the principles and objectives applied in setting regulatory speed limits and is the basis for decision-making either for an area of the road network or a specific site.

Local Governments rely on the Policy to manage speed on their road network, and guide applications to set new or review existing speed limits. As the regulatory authority, Main Roads WA investigate and assess applications from Local Government and makes decisions in accordance with the Policy.

The revised Policy is a substantial re-write of the existing policy and some additions include:

- New definitions added under the headings - Speed Terms, Road Function Terms and Common Terms.
- Context, Objectives and Guiding Principles identified for Target Speed.
- Flowchart identifying the procedure for setting a speed zone.
- Use of the Movement and Place Framework: *Movement* describes the use of the roadway for travel (e.g. Primary Distributor, Local Distributor, etc.); and *Place* describes the significance of the destination value of the roadway and adjacent land uses.
- Identification of target speed range based on the Movement and Place Framework.
- References to the Safe System approach.
- Identification and explanation of factors considered in setting new or amending existing speed limits.
- Explanation of speed zones including target speed, fixed and variable speed limits, offset speed zones, and speed zone transitions.
- Identification of common speed zone treatments.
- Expanded section on “Applications for new and amended speed zones” that includes information on general speed zones, area speed zones, heavy vehicle zones, school zones, shared zones and railway level crossing speed limit signing.

Main Roads WA released the revised Policy for a six-week consultation period closing on 13 September 2019. WALGA sought feedback from the Local Government sector to inform a submission.

Comment

WALGA consolidated the feedback from Local Governments into an interim submission provided to Main Roads WA after review by the Infrastructure Policy Team. The WALGA submission sought reconsideration of or amendment to several areas of the revised Policy including the following.

Part 2.1 Definitions

Add definitions for “survivable speed” and “derestricted speed limit/zone”.

Part 2.2 Policy Context

Early recognition in the Policy of the Safe System approach and the Safe Speed cornerstone as they are key to the *Towards Zero – Road Safety Strategy to Reduce Road Trauma in Western Australia 2008-2020*.

Part 3 Movement and Place

Identify the weighting applied to each factor in 3.1 Movement and 3.2 Place. Without identified weighting, different assessment officers may settle on diverse findings based on the weighting they apply leading to an inconsistent assessment process.

Part 3.3 Target Speeds based on Movement and Place framework

Reduce the lower end target speeds for particular road types as identified in Table 1 (Movement and Place Framework and Target Speed Range) and Table 2 (Typical Target Speeds Range for Road Types) to enable future implementation of survivable speed limits.

Part 3.4 Road User Risk

Revise Part 3.4 so speed zoning is not just a secondary treatment, but considered as a primary treatment to reduce death and serious injury or a complementary method in an overall speed

management plan. In justifiable circumstances (based on Movement and Place factors), it may not be possible for a Local Government to implement road treatments to influence the 85th percentile vehicle travel speed. In such circumstances, speed zoning may be the only appropriate intervention.

Part 3.6.1: 85th Percentile Speed and Part 3.6.2: 95th Percentile Speed

The Policy should permit Local Governments to submit raw traffic count files (.ECO files) to Main Roads WA in support of speed limit review applications, as the analysis of hourly speed data, especially for a large number of roads, is resource intensive.

Part 4: Speed Zones Definition

Local Government seeks implementation of speed limits changes at the time of making infrastructure changes, not after. Local Governments design treatments to a design speed; therefore, the design speed should determine the new speed limit.

Part 5: Common Speed Zone Treatments

The Policy focuses on delivering treatments; however, does not outline any interim solutions. Treatments for high-speed roads such as barriers, medians, sealed shoulders, etc. are expensive and funding may constrain Local Governments from implementing treatments in the short term. A Local Government lacking the ability to implement treatments on the current road environment should not prevent a speed limit review.

Part 5.1.4: Single Lane Bridges

Revise the speed limit for a single lane bridge to *not greater than 70 km/h* to mitigate the outcome of head-on crashes. The Policy currently states *not greater than 80 km/h*.

Part 6: Applications for New and Amended Speed Zones

Develop a template and checklist for new and amended speed zone applications. The template will provide a consistent look and feel for an applicant and Main Roads WA.

Identify a feedback process that includes information on factors considered as part of the decision by Main Roads WA. In addition, include target timeframes for Main Roads WA to complete assessments for a new or amended speed zone.

Part 6.2: General Speed Zones

Identify who can apply for a change to a general speed zone. The Association's view is only a Local Government can apply.

Part 6.3: Area Speed Zones

For large-scale subdivisions with a significant road network, include an alternative to Local Governments making the application and undertaking the necessary assessment process e.g. the developer to either assess or instigate an assessment of the speed zoning requirements and provide relevant supporting documentation.

Part 6.4: Heavy Vehicle Zones and Part 6.7 Advisory Speed Limit Signing

Identify who can apply for a change to a heavy vehicle zone; and who can apply for advisory speed limit signing.

Part 6.8: Railway Level Crossing Speed Limit Signing

Align the Policy with and reference to Part 4.2 of the *Railway Crossing Control in Western Australia Policy and Guidelines (April 2017)*, which details Main Roads WA policy for maximum road speed limits at level crossings.

Other

Part 5 Common Speed Zone Treatments:

The Association seeks Main Roads WA consider a future review and consultation with stakeholders in relation to adopting a maximum posted speed limit or a separate default speed limit for unsealed

roads. Should Main Roads WA undertake a review, the Association seeks the Local Government sector be consulted.

Default speed limit of 110km/h:

The Association's policy position supports the retention of WA's default open speed limit at 110km per hour and opposes any proposed reduction to 100km per hour. (State Council resolution June 2005). The WALGA State Council confirmed this policy position at its meeting on 6 September 2019.

5.17 Interim Submission - Response to the Select Committee on Northern Australia (05-049-03-0001 NF)

By Nebojsa Franich, Policy Manager, Economics

Recommendation

That WALGA's interim submission to the Select Committee on the effectiveness of the Australian Government's Northern Australia agenda be endorsed.

In Brief

- On 4 July 2019 the Senate agreed to the establishment of the Select Committee on the effectiveness of the Australian Government's Northern Australia agenda.
- The Australian Government's Northern Australia agenda includes the development and release of the Northern Australia Green and White papers, and the subsequent implementation of the initiatives identified in the White Paper to progress Northern Australia.
- WALGA's Submission to the Select Committee on the effectiveness of the Australian Government's Northern Australia Agenda:
 - applauds the extensive body of work undertaken by the Australian Government in recent years to understand the drivers of economic and social development in Northern Australia;
 - recommends the adoption of a more formalised Program Evaluation structure to report on and evaluate progress;
 - recommends regular reviews of the Northern Australia agenda; and
 - recommends the implementation of other reforms that WALGA has advocated for in the past that would allow Northern Australia to reach its full economic and social potential, including limiting the use of FIFO to when it is necessary, the implementation of designated area migration agreements and increasing the quantum of financial assistance grants provided to Local Governments.

Attachment

WALGA Response to the Select Committee on the Effectiveness of the Australian Government's Northern Australia Agenda:

<https://walga.asn.au/getattachment/Documents/Item-5-17-attachment-Select-Committee-Report.pdf?lang=en-AU>

Relevance to Strategic Plan

Key Strategies

Sustainable Local Government

- Continue to build capacity to deliver sustainable Local Government;
- Provide support to all members, according to need;
- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia;
- Foster economic and regional development in Local Government.

Enhanced Reputation and Relationships

- Communicate and market the profile and reputation of Local Government and WALGA;
- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government;
- Develop simple and consistent messages that are effectively articulated;

Background

- On 4 July 2019 the Senate agreed to the establishment of the Select Committee on the effectiveness of the Australian Government's Northern Australia agenda.
- The Australian Government's Northern Australia Agenda includes the:
 - the development and release of the *Inquiry into the Development of Northern Australia - Final Report*,
 - the development and release of the *Green Paper on Developing Northern Australia*;
 - the development and release of the *Our North, Our Future: White Paper on Developing Northern Australia*; and
 - the subsequent implementation of the initiatives identified in the White Paper to progress Northern Australia – noting that by 2018, 38 of the 51 White Paper commitments had been delivered, amounting to about \$6.2 billion worth of spending in Northern Australia.

Comment

In brief, WALGA's Submission to the Select Committee on the effectiveness of the Australian Government's Northern Australia Agenda:

- applauds the extensive body of work undertaken by the Australian Government in recent years to understand the drivers of economic and social development in Northern Australia, and what changes are required to ensure that the North can reach its full potential;
- recommends the adoption of a more formalised Program Evaluation structure to report on and evaluate progress, which would provide a better view of the progress being made to achieve the overall vision for Northern Australia;
- recommends regular reviews of the Northern Australia agenda, including its objectives, associated activities and priority areas of funding, in order to reflect contemporary and unexpected changes in the economic or strategic landscapes; and
- recommends the implementation of other reforms that WALGA has advocated for in the past that would allow Northern Australia to reach its full economic and social potential, including:
 - the implementation of the recommendations made by the *2013 House of Representative Inquiry into the use of fly-in, fly out (FIFO) workforce practices in regional Australia*;
 - consultation with Local Governments located in Northern WA to understand whether Designated Area Migration Agreements would benefit their communities; and
 - an increase in the quantum of Financial Assistance Grants to at least 1% of Commonwealth taxation.

6. MATTERS FOR NOTING / INFORMATION

6.1 Ministerial Review of State IR System (05-034-01-0001 EC)

By Emma Clements, Employee Relations Service Manager

Recommendation

That State Council notes the sector's position to oppose the State Government's recommendation to amend the *Industrial Relations Act 1979 (WA)* to enable a declaration to be made that WA Local Governments are not "national system employers" for the purposes of the Fair Work Act.

In Brief

- The Final Report (Report) of the review into the WA State industrial relations system was tabled in State Parliament on 11 April 2019.
- This report makes the recommendation to amend the *Industrial Relations Act 1979 (IR Act)* to enable a declaration to be made that WA Local Government authorities are not "national system employers" for the purposes of the *Fair Work Act 2009 (FW Act)*.
- If endorsed at state and federal levels there will be transitional arrangements to assist the 93% of Local Government currently operating in the Federal system transition to the State system.
- A Taskforce comprising of key stakeholders, including WALGA, has been formed to discuss and scope out the 'unintended' consequences of the recommendation and proposed two year transition process.
- State Council endorsed a position opposing the States Governments proposal to place all Local Governments in the State Industrial Relations systems at the March 2018 State Council meeting (Resolution number 8.1/2018).
- To ensure the interests of Local Government are represented WALGA has established a Sector Reference Group to seek feedback and invited the Minister to address the sector at WALGA's annual People and Culture seminar in October 2019.

Attachment

https://www.commerce.wa.gov.au/sites/default/files/atoms/files/ministerial_review_of_state_industrial_relations_system_-_final_report.pdf

Relevance to Strategic Plan

Key Strategies

Sustainable Local Government

- Continue to build capacity to deliver sustainable Local Government;
- Provide support to all members, according to need;
- Foster economic and regional development in Local Government.

Enhanced Reputation and Relationships

- Communicate and market the profile and reputation of Local Government and WALGA;

Background

The Ministerial Review commenced in 2017 and was undertaken by Mr Mark Ritter SC who was assisted by Mr Stephen Price MLA. The Ministerial Review was to consider and make recommendation with regard to eight Terms of Reference including 'consider whether Local

Government employers and employees in Western Australia should be regulated by the State industrial relations system, and if so, how that outcome could be best achieved’.

WALGA provided submissions in response to the abovementioned terms of reference in December 2017 and again in May 2018 in response to the Review of the State Industrial Relations System – Interim Report. Local Governments were consulted with to assist WALGA in the preparation of our submissions and the formulation of responses and recommendations.

WALGA’s submissions included recommendations that:

- The current dual system of industrial relations regulation of the Local Government sector remain unchanged.
- State Government further consult with the Local Government sector regarding the cost and impact of the jurisdictional uncertainty under the current industrial relations regime to assess the need for change.
- The Minimum Conditions of Employment Act 1993 are reviewed and updated to reflect the National Employment Standards, including incorporating Family Domestic Violence leave.
- No legislation is introduced to parliament to declare that Local Government is not a national system employer.

Further if the State Government were to propose the recommendation 69 pursuant to recommendations 70 and 71 WALGA recommended that:

- Award modernization be undertaken prior to Local Government’s transition to the State IR System.
- The proposed modernization of the State Local Government awards be aligned to the modern Local Government Industry Award 2010.
- The proposed taskforce composition be revised to include two Local Government Officers, to be appointed by WALGA in line with WALGA’s Selection Committee process, and the CCI WA.
- That State Government provide funding and resources to Local Government to assist the transition including the development and review of workplace documentation.

Comment

The recommendations, made by Mark Ritter SC, in the Final Report do not reflect any of those sought by the WALGA on behalf of the Local Government sector.

Further in the two Taskforce meetings that have been conducted and at a presentation at WALGA’s annual People and Culture seminar the Minister’s office confirmed it has no intention to modernise the State industrial relations system nor will it commit to provide resources to the sector to assist in the transition from federal to state IR systems.

It is evident that the State Government has very little concern about the amount of work, time, cost and resources involved in transitioning from one IR system to another, indicating this is a politically motivated decision.

On this basis WALGA has surveyed the sector to gauge the level of opposition to the recommendation and the expectations that it is the sector’s problem how this transition will occur, if the recommendation is endorsed by the WA parliament and the Federal Minister for Industrial Relations. In total 85 Local Governments responded to the survey and of those 98% oppose the State Government’s recommendation, 8.2% are neutral and 4.8% support the State Government’s recommendation.

The position of WALGA and the majority of its Local Government Members will not impact on those WA Local Governments that currently operate in the State industrial relations system.



WALGA will now commence lobbying against the change in jurisdiction to the Federal Minister for Industrial Relations and State politicians on the basis that the majority of the sector do not support the recommendation or the manner in which it is being imposed on the sector.

6.2 Action Plan for Planning Reform (05-04702-0015 VJ)

By Vanessa Jackson, Policy Manager, Planning and Improvement

Recommendation

That the release of the Action Plan for Planning Reform be noted.

In Brief

- The Minister for Planning has released an Action Plan for Planning Reform, in response to the Independent Planning Reform Team's Green Paper - *Modernising WA's Planning System: Concepts for a strategically-led system* released in 2018.
- The Action Plan proposes three overarching goals and 19 reform initiatives to achieve these aims, with Stakeholder Reference Groups and Initiative Working Groups established to guide the implementation of these reform projects.
- Nominations for the Stakeholder and working groups were sought from the Local Government Sector and forwarded to the Department of Planning Lands and Heritage to meet their deadline of the 6 September 2019.

Attachment

The Action Plan documents are located here - <https://www.dplh.wa.gov.au/action-plan>

Relevance to Strategic Plan

Sustainable Local Government

- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia.

Enhanced Reputation and Relationships

- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government
- Develop simple and consistent messages that are effectively articulated.

Background

At the State Council meeting on the 7 September 2018, it was resolved that WALGA: -

1. Endorse the interim submission to the Independent Planning Reform Team's Green Paper - *Modernising WA's Planning System: Concepts for a strategically-led system*.
2. Continue to discuss the review of State Planning Policy for Development Contributions with the State, as it is the more appropriate planning mechanism for managing Development Contributions.

RESOLUTION 104.6/2018

On 13 August 2019, the Minister for Planning released the *Action Plan for Planning Reform* to ensure the Western Australian planning system sustains liveability and continues to deliver great outcomes and great places for Western Australians. The Action Plan sets out three overarching goals and 19 reform initiatives to achieve these aims and assist in achieving the State Government's priorities (as shown in the diagram on the following page).

Comment

The release of the *Action Plan for Planning Reform* is welcomed, as there is a clear commitment from the State to work with the Local Government Sector, prior to implementing any of the proposed reforms.

The Minister for Planning and the Department of Planning, Lands and Heritage (DPLH) will be establishing three Stakeholder Reference Groups (SRGs) and three Initiative Working Groups (IWGs) to commence work on and consider several of the reform initiatives. The groups will be established for an initial 12-month period and the groups and membership may be extended, if and as required.

The purpose of the SRGs is to validate and test ideas and proposals prepared by the IWGs and to provide advice and guidance on issues and sectoral interests for the various initiatives. The SRGs may also assist in identifying testing and pilot project opportunities and challenges and key considerations relevant to the area of expertise of each group.

The IWGs will be comprised of members with a range of experience and expertise relevant to the reform initiatives. Generally, the IWGs will focus their attention on the detailed matters relating to the reform initiatives.

Initially, three IWGs will be established to commence work on the following matters:

- Consolidated and Connected Growth (Initiatives A1, A2 & A3)
- Development Assessment & Consultation (Initiatives C7 & B2), and
- Data Collection (Initiative C10).

On the request of the DPLH, WALGA sought nominations from the sector to attend the Local Government Stakeholder Reference Group and three Initiative Working Groups, as shown in the diagram on the following page. A call for nominations was circulated through Councillor Direct (15 & 29 August) and LG News (16 August) and to the Planning Improvement Portal contacts (15 August).

Representatives have been chosen to provide a diverse range of skills and expertise while also to ensure a diverse range of people from across the State. The Local Government nominations for SRG and IWGs were submitted on the 6 September to meet the Department's deadlines.

As the reform program progresses, individual projects will be presented to State Council for notice and consideration.



The Department sought the following representatives: -

Stakeholder Reference Group	
Local Government	8 representatives*
Initiative Working Groups	
Connected and Consolidated Growth	3 representatives
Development Assessment and Consultation	4 representatives
Data Collection	3 representatives

**If possible, it is requested that up to 3 representatives be current elected members/ councillors with a sound pre-existing understanding of town planning matters.*

representatives chosen: -

Stakeholder Reference Group

Name	Local Government	Position
Cr Dylan O'Connor	Kalamunda	Councillor; Deputy Mayor; DAP member; Deputy Chair EMRC
President Michelle Rich	Serpentine-Jarrahdale	Councillor; Shire President; DAP Member
Cr Donna Shaw	Armada	Councillor; Qualified Town Planner
Mr Chadd Hunt	Northam	Executive Manager, Development Services
Mr Paul Needham	Busselton	Director, Planning & Development Services
Mr Ross Povey	Stirling	Director, Planning & Development
Mr Sergio Famiano	Armada	Executive Manager, Development Services
Ms Vicki Lummer	South Perth	Director, Development and Community Services

Initiative Working Group 1 – Connected and Consolidated Growth

Name	Local Government	Position
Ms Carol Catherwood	Cockburn	Coordinator Strategic Planning
Ms Lidija Langford	Belmont	Coordinator Design Projects
Mr Brett Cammell	Cambridge	Manager Strategic Planning

Initiative Working Group 2 – Development Assessment and Consolidation

Name	Local Government	Position
Ms Fiona Mullen	South Perth	Manager, Development Services
Mr Mike Ross	Rockingham	Manager, Statutory Planning
Mr Murray Connell	Greater Geraldton	Manager, Urban & Regional Development
Mr Stevan Rodic	Stirling	Manager, Development Services

Initiative Working Group 3 – Data Collection

Name	Local Government	Position
Mr Christopher Hossen	WALGA	Senior Planner
Ms Vanessa Jackson	WALGA	Manager, Policy & Improvement

6.3 Parliamentary Inquiry into Short Stay Accommodation – Final Report (05-036-03-0016 CH)

By Christopher Hossen, Senior Planner, People and Place

Recommendation

That State Council note:

- 1. the findings and recommendations of the Economics and Industry Standing Committee's Inquiry into Short-Stay Accommodation, and**
- 2. the contribution by the sector to this Inquiry and the positive impact this has had on the findings and recommendations of the Inquiry.**

In Brief

- In 2017, WALGA requested a review of the planning framework in relation to short-stay accommodation, while recognising that Local Government is best placed to determine specific controls on short-term rental accommodation
- On 13 February 2019 the Association appeared before a hearing of the Committee
- The Committee released its findings in September 2019 in a report titled, '*Levelling the Playing Field: Managing the impact of the rapid increase of Short-Term Rentals in Western Australia*'.

Attachment

Nil

Relevance to Strategic Plan

Key Strategies

Sustainable Local Government

- Provide support to all members, according to need
- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia.

Enhanced Reputation and Relationships

- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government
- Develop simple and consistent messages that are effectively articulated.

Policy Implications

State Council Resolution 128.6/2017 and 11.3/2019

Budgetary Implications

Nil.

Background

Over the last several years, a number of Local Governments have raised concerns over the emergence and rapid rise, in the 'sharing economy' with peer to peer platforms connecting customers and the providers of services, such as short-term rental accommodation.

Whilst the appearance and growth in these platforms and associated services has been rapid, planning legislation governing short-stay accommodation in Western Australia has not been revised since 2009. The absence of any clear guidance from the State Government about how to manage the sharing economy has been challenging for some Local Governments. Within this policy void many

Local Governments have acted to regulate more proactively short-stay accommodation through the planning system and *Local Government Act 1995*.

In 2017 the Association prepared a *Short Term Rental Accommodation Discussion Paper* in response to members' concerns, which reviewed the effectiveness of current policy responses concerning short-term rental accommodation. The paper outlined policy approaches around Australia, while focusing on Local Government responsibilities governing short-stay accommodation. The recommendations of the December 2017 WALGA State Council reflect the varied nature of Local Government in Western Australia, noting that there is clearly no 'one-size-fits-all' approach to short-stay accommodation.

Following this, the Association began a dialogue with the Department of Planning, Lands and Heritage (DPLH) with the intent on bringing about changes to the planning framework consistent with the Association's position. As part of these discussions the DPLH was working to modernise and simplify the planning framework around short-stay accommodation, as well as provide a definition for 'home-sharing'. Both key elements of WALGA's formal position. However the announcement of the Inquiry brought this work to a halt.

The Association welcomed the establishment of the Inquiry, as well as the nature and scope of its Terms of Reference. Such Inquiries allow for the consideration of a broader range of matters that go to the regulation of such land uses, and in time can facilitate a more comprehensive review of the options open to government. The intent of the Inquiry was to look into and report on matters relating to the regulation of short-stay accommodation in Western Australia, with particular reference to:

1. The forms and regulatory status of short-stay accommodation providers in regional and metropolitan Western Australia, including existing powers available to Local Government authorities
2. The changing market and social dynamics in the short-stay accommodation sector
3. Issues in the short-stay accommodation sector, particularly associated with emerging business models utilising online booking platforms, and
4. Approaches within Australian and international jurisdictions to ensure the appropriate regulation of short-stay accommodation.

The Committee presented its report titled, *Levelling the Playing Field: Managing the impact of the rapid increase of Short-Term Rentals in Western Australia*, in September 2019. The report provided 45 findings and 10 recommendations that sought to 'suggest policy responses that are fair, sensible, practical and most importantly, workable'. The ramifications and considerations that require consideration by Local Government are discussed below.

Comment

The provision of short-term rental accommodation is vital to the success of the Western Australian tourism industry and many local economies. However, ensuring that there is a reasonable, functional, and contemporary local regulatory framework is also vital. The regulation of short-term rental accommodation providers, including those utilising 'sharing economy' platforms, is a common occurrence throughout the world. As always, finding the appropriate balance between the needs of the wider community, and those of the accommodation provider is a key factor. The Committee in its recommendations have attempted to find this 'balance' through the establishment of an interdepartmental working group that would coordinate a whole-of-government policy response, which would be responsible for, amongst other things, the:

1. framing of a state-wide registration scheme for short-term rentals properties, and
2. development of regulatory mechanisms to mandate data sharing by online-platforms, and determining how this data will be shared.

Importantly the Committee has recognised that in the framing of these state based initiatives that there is a need for the working group to '*ensure that local governments maintain the ability to require the provision of additional information and impose additional licensing or operational requirements*,

depending on their particular circumstances'. The Committee has been very clear in its finding around the need for Local Governments to be able to determine any additional conditions or licensing requirements, in line with their local contexts. The Committee has suggested matters such as, setting caps on the number of nights a place can be rented, and setting additional registration or compliance fees, as areas where Local Governments could retain greater control. The ability to choose to opt-in or opt-out of additional measures is positive as it allows empowers Local Governments to frame context appropriate responses and adapt those responses should the situation or community attitudes to short-term accommodation change in the future.

Secondly, the Committee made a number of recommendations and findings related to the modernisation and review of the planning framework in relation to short-term accommodation. These changes largely relate to updating the model provisions in the Planning and Development (Local Planning Schemes) Regulations 2015 to provide decision makers with an appropriate set of land-use definitions that reflect the nature of accommodation offerings today. Further to these changes, the Committee has recommended that the Western Australian Planning Commission provides greater guidance to Local Governments about ways to appropriately regulate short-term Accommodation. These recommendations are largely consistent with the formal position of the Association (128.6/2017).

It is important to note the comprehensive and positive contributions the Local Government sector made to this Inquiry. In total 19 Local Governments, as well as WALGA, provided submissions to the Committee. While 9 Local Governments and WALGA presented to the Committee at its hearings. These contributions provided the Committee with a sound understanding of how this new and growing issue is affecting Local Governments and their communities. The benefit of these contributions can be seen in the findings and recommendations of the Committee, and the clear message that any State regulatory regime must include the ability for Local Governments to apply additional requirements in line with the local conditions.

In accordance with Standing Order 277(1) of the Standing Orders of the Legislative Assembly, the relevant Ministers are required to report to the Parliament as to the action, if any, proposed to be taken by the Government with respect to the recommendations of the Committee. The Association will monitor these responses and report back to State Council as appropriate.

A copy of the Committee's report can be found on the [Parliament's website](#).

6.4 Draft State Planning Policy 7.2: Precinct Design – Submission (05-036-03-0067 AR)

By Chris Hossen, Senior Planner and Ashley Robb, Project Officer, Planning and Improvement

Recommendation

That the submission to the draft *State Planning Policy 7.2: Precinct Design* be noted.

In Brief

- In August 2019 the Western Australian Planning Commission released the draft *State Planning Policy 7.2: Precinct Design* (SPP7.2) with policy guidelines and a discussion paper.
- The purpose of the policy is to facilitate precinct planning which achieves good design quality and built form outcomes in both greenfield and developed areas.
- This submission was prepared in consultation with Local Governments, reviewed by WALGA's People and Place Policy Team, endorsed by State Council and submitted to the Department of Planning, Lands and Heritage (DPLH) in October 2019.

Attachment

Link to – [Draft State Planning Policy 7.2: Precinct Design submission](#)

Relevance to Strategic Plan

Key Strategies

Sustainable Local Government

- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia.

Enhanced Reputation and Relationships

- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government
- Develop simple and consistent messages that are effectively articulated.

Background

In August 2019 the Western Australian Planning Commission (WAPC) released the draft [State Planning Policy 7.2: Precinct Design](#) (SPP7.2) with the draft policy guidelines and discussion paper. The purpose of the policy is to facilitate precinct planning which achieves good design quality and built form outcomes in both greenfield and developed areas.

The Western Australian planning framework has traditionally been weighted towards ensuring positive greenfield development outcomes. Due to the State's infill targets and increasing development in existing urban areas, there is an emerging need to improve planning for a broader range of precinct contexts such as existing neighbourhood and local centres, infill and heritage areas, transit precincts and urban corridors.

The draft policy and guidelines outline a number of important considerations to guide and administer precinct planning in Western Australia, which include:

- A set of seven *precinct design elements* which are to be considered during the preparation of precinct plans, including: urban ecology, urban structure, movement, built form, land use, public realm, and services and utilities
- *Precinct plan outputs* which should be provided with each precinct plan, including: reports, site assessments, maps, illustrations and diagrams covering the various design elements
- Guidance on *development incentives and community benefits*, which indicate that proposed development incentives and community benefits should be able to be valued in dollar terms,

to enable easier comparison of the development incentive being offered and the community benefit to be received

- *Determining authorities*, for approving precinct plans
- *Design review processes*, for unique and complex precinct plans, and
- *Stakeholder engagement* considerations.

Comment

Local Governments have indicated their general support of the policy and guidelines. In particular, it is pleasing that the policy and guidelines acknowledge the numerous types of precincts that exist and the need for precinct planning to be informed by and reflective of local context.

The DPLH has consulted broadly with the sector and other stakeholders during policy and guideline preparation. However, as we have noted in the submission, the policy and guidelines require further refinement in consultation with Local Governments prior to adoption. Key recommended changes are outlined below.

Precinct planning applies to all station and transit precincts, neighbourhood and local centres, urban corridors, heritage precincts and the majority of infill sites. This broad range of locations means that the WAPC must: (1) provide additional resources to assist Local Governments in preparing precinct plans; and (2) allow adequate timeframes for preparing and delivering precinct plans. Existing precinct plans still apply.

The policy guidelines outline a number of design elements which must be considered during precinct plan preparation. The policy guidelines also outline a range of precinct plan outputs which need to be provided with each precinct plan. However, there is no guidance articulating which design elements and plan outputs are required of each type of precinct plan, i.e. complex and standard. The guidelines need to clearly articulate which design elements and plan outputs are required of each precinct plan type. This can be achieved using a simple categorisation of design elements and plan outputs. This categorisation needs to be completed in consultation with Local Governments.

The formal introduction of precinct plans has the potential to establish unnecessary complexity in the planning system by introducing an instrument which overlaps with the current application of Local Development Plans (LDPs). The submission proposes the introduction of a third type of precinct plan, basic precinct plans, to replace LDPs while also meeting the needs of the policy. Local Governments would be the sole determining authority of basic precinct plans.

The policy indicates that the WAPC is the determining authority for complex precinct plans and may choose to determine standard precinct plans at its discretion where a precinct plan is of strategic importance. However, there is no criteria or definition to determine when a precinct is of strategic importance. This raises questions of transparency and accountability and therefore, the submission recommends a clear set of criteria for making these determinations.

The Association's submission was prepared in consultation with Local Governments. During the consultation period Association officers met with Local Governments, the DPLH and other stakeholders, such as the Planning Institute of Australia. The draft submission was provided to all members for comment and reviewed by WALGA's People and Place Policy Team.

The submission due date was 15 October 2019. However an extension until 30 October 2019 was sought and granted by the DPLH. The submission was endorsed by State Council by Flying Minute on 29 October 2019 and submitted to the DPLH on 29 October 2019.

6.5 Managing Public Health Risks Associated with Pesticides in WA (05-031-01-0001 MM)

By Marissa MacDonald, Senior Policy Advisor, Community

Recommendation

That the submission to the Department of Health in response to the Managing Public Health Risks Associated with Pesticides in WA discussion paper be noted.

In Brief

- The *Public Health Act 2016* is progressing through a five-stage process of implementation and is currently at Stage 4. All regulations from the previous *Health Act 1911* will be repealed and replaced with new regulations at the commencement of Stage 5, which is anticipated to commence in 2021.
- The Department of Health released the “Managing Public Health Risks Associated with Pesticides in WA” discussion paper for public comment with three options for consideration.
- WALGA’s Submission discusses the majority of Local Governments preference for Option C, with Local Governments rejecting two of nine proposals that would see a transfer of responsibilities to Local Governments.

Attachment

[WALGA Submission to Department of Health: Managing Public Health Risks Associated with Pesticides in WA](#)

Relevance to Strategic Plan

Key Strategies

Engagement with Members

- Improve communication and build relationships at all levels of member Local Governments;
- Provide ongoing professional development and interactive opportunities for Elected Members to contribute to debate on sector issues;
- Build a strong sense of WALGA ownership and alignment.

Sustainable Local Government

- Continue to build capacity to deliver sustainable Local Government;
- Provide support to all members, according to need;
- Represent the diversity of members’ aspirations in the further development of Local Government in Western Australia;
- Foster economic and regional development in Local Government.

Enhanced Reputation and Relationships

- Communicate and market the profile and reputation of Local Government and WALGA;
- Promote WALGA’s advocacy successes with the sector and the wider community;
- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government;
- Develop simple and consistent messages that are effectively articulated;

Background

Local Government is an enforcement agency under the *Public Health Act 2016* (the Public Health Act), with Local Government Environmental Health Officers (EHOs) playing a key role in administering the Public Health Act and Regulations.

The Department of Health released the “Managing Public Health Risks Associated with Pesticides in WA” discussion paper for public comment. The discussion paper outlines three options for consideration for Western Australia. These options include:

- **Option A:** Repeal the existing regulations without replacement.
- **Option B:** Retention of the existing regulatory regime by making new regulations under the *Public Health Act 2016* identical to those in force under the *Health (Miscellaneous Provisions) Act 1911*;
- **Option C:** Develop new, updated regulations to manage public health risks. This option considers regulations that would uphold the current regulatory requirements and includes **nine proposals** to enable a modern regulatory structure. Proposal 3 and Proposal 7 within Option C have the most impact on Local Government.

Comment

The Submission provides feedback on 25 questions in the discussion paper with the main enquiry requesting a response to the Options. WALGA received 28 responses from Local Governments, plus a submission from the Metropolitan Environmental Health Management Group which represents approximately 30 Local Governments in the Perth Metropolitan area. Local Governments do not support Option A and there was feedback provided supporting both Option B and Option C.

The majority of Local Governments (16) plus MEHMG provided in-principle support for Option C. Option C is favourable because the introduction of new, updated regulations will reflect the new expectations and requirements of the Public Health Act which is based on a risk based framework. The Local Governments that favour Option C are strongly opposed to two of the nine proposals within this option.

Local Government do not support the following:

- Option C, Proposal 3: to remove the current exemption from licensing for State and Local Government employees, meaning all employees involved in pest management will require an individual licence, and
- Option C, Proposal 7: that Local Government replaces the Department of Health (DOH) as the enforcement agency, which is a transfer of responsibilities.

The Submission was reviewed by the People and Place Policy Team and was endorsed by Flying Minute by WALGA State Council on 28 October 2019. The Submission was then submitted to the Department of Health by the deadline.

6.6 Local Government Grants Scheme Working Group (05-024-03-0034 MP)

By Melissa Pexton, Policy Manager Emergency Management

Recommendation

That State Council note the establishment of the Local Government Grants Scheme Working Group and that sector wide consultation will be undertaken as discussion papers are released regarding proposed amendments to the Local Government Grants Scheme operating manual.

In Brief

- The Association has been advocating for a review of the Local Government Grants Scheme (LGGS) following the review of the Emergency Services Levy (ESL) undertaken by the Economic Regulation Authority.
- The Department of Fire and Emergency Services (DFES) have initiated and formalised a working group consisting of DFES, WALGA, Association of Volunteer Bushfire Brigades (AVBFB) and State Emergency Services Volunteers Association (SESVA). The working group have agreed to priority areas within the LGGS that require consideration and review.
- WALGA will be consulting with members on the various priority areas as the discussion papers are released.

Attachment

Nil.

Relevance to Strategic Plan

Key Strategies

Engagement with Members

- Deliver a broad range of benefits and services that enhance the capacity of member Local Governments.

Enhanced Reputation and Relationships

- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government
- Develop simple and consistent messages that are effectively articulated.

Background

Following the report of the Economic Regulation Authority on the Review of the Emergency Services Levy (ESL), WALGA have been working with DFES to establish a working group to review aspects of the Local Government Grants Scheme (LGGS). In August 2019, DFES held the first meeting and formalised the Local Government Grant Scheme (LGGS) Working Group (the working group).

The role of the working group is to provide a consultative forum between key stakeholders for matters pertaining to the operations of the LGGS. The main function of the group is to promote and provide open dialogue with the aim to make the LGGS process more streamlined, democratic, visible, sustainable and fit for purpose.

The working group is concerned with matters that include:

- LGGS budget and allocation of funding methodology including benchmarks

- Reviewing details of proposed changes in relation to the DFES administration of the LGGs
- Contributing to improving LGGs education and continuous information across all stakeholders at all levels
- Contributing to continuous improvement in the development of best practice fit for purpose guidelines
- Supporting greater transparency and visibility of the LGGs process through online solutions to assist administration, education, communication and consistent messaging
- Providing recommendations for the inclusion of new funded items, process improvements and ineligible listing adjustments, and
- Providing recommendations and strategies to improve LGGs administration at local government and brigade/unit level.

At its second meeting held on 26 July 2019 the following priority bodies of work were identified and agreed by all working group members.

Body of work	Lead
1. Operating grants establishment and methodology	WALGA
2. Authorisation process and authorisation requirements	DFES
3. Eligible and ineligible list	AVBFB
4. LGGs manual updates	DFES
5. Transparency and communications improvements	DFES

These bodies of work will translate to consultation papers being developed and circulated to the sector and other key stakeholders for consultation and feedback. The culmination of the feedback gained will inform changes to the LGGs capital and operating manual in line with the aims of the working group.

Comment

The working group is finalising the first discussion paper for release on the topic of Operating Grant Funding - Eligible Items. The Association will be circulating the discussion paper to all Local Governments and will be out for comment for a period of four weeks. This is in line with the State/Local Partnership agreement consultation timeframes and allows the working group opportunity to consider all feedback prior to the 2020/21 grants scheme round.

6.7 Australian Fire Danger Rating System (AFDRS) Program (05-024-03-0035 MP)

By Melissa Pexton, Policy Manager Emergency Management

Recommendation

That State Council note

- **the implementation of the Australian Fire Danger Rating System (AFDRS) program as a national project being overseen by the Australian New Zealand Emergency Management Committee and,**
- **advice from the Department of Fire and Emergency Services (DFES) for Local Governments to suspend investment in current fire danger rating signage (including electronic signs) until a final prototype is announced.**

In Brief

- The Australian Fire Danger Rating System (AFDRS) Program will design, develop and implement a national fire danger rating system to better describe the overall fire danger and risk to firefighters, land managers, broader government including Local Governments, utilities, businesses and the community.
- The project has been endorsed and overseen by the Australian New Zealand Emergency Management Committee and commenced in 2016. Critical research and prototypes are being socialised with all jurisdictions with workshops having been held in WA in September 2019. Implementation of the revised system is scheduled for 2020/21.
- There are possible changes to the current fire danger rating system signage and it is recommended that Local Governments suspend investment into signage until a final prototype is announced.

Attachment

<https://www.afac.com.au/docs/default-source/afdrs/afdrs-brochure-for-reading.pdf>

Relevance to Strategic Plan

Key Strategies

Engagement with Members

- Deliver a broad range of benefits and services that enhance the capacity of member Local Governments.

Enhanced Reputation and Relationships

- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government
- Develop simple and consistent messages that are effectively articulated.

Background

The AFDRS program aims to build a new national fire danger ratings system that is based on updated science and decades of research into fire behaviour.

The current method of setting fire danger ratings was developed in the 1960's and is no longer effective in dealing with Australian bushfires. Significant advances in science, technology and the understanding and management of fires means that the current system no longer has the capacity or capability to effectively assist Australia in dealing with its most significant fires.

Since 2016, the AFDRS Program is being overseen by a project board reporting to the Australian New Zealand Emergency Management Committee (ANZEMC). The National program team has been working with national stakeholder groups to design and develop an updated system.

The Program consists of four key phases:

- Phase I - delivered high-level functional requirements, implementation approach and high level technology solution develop costs (now complete)
- Phase II - is a Planning phase that will deliver detailed requirements, solution design and detailed solution costings
- Phase III - is the Developing phase for the technology solution and underpinning fire science and social science research, and
- Phase IV - is Transitioning to the new National Fire Danger Rating System including the delivery of a Fire Behaviour Index (Year 4) and Fire Impact Index (Year 5) as well as targeted community messaging, education and awareness.

Western Australia will be required to identify and enact the appropriate legislative and policy changes that support the implementation of a new National Fire Danger Rating System.

The NFDRS Program is estimated to cost in the order of \$42 million over five years with ongoing technology costs of approximately \$1.4 million.

The cost of fires is expected to rise significantly in the future, largely due to the substantial increases in Australia's population over the next 30 years. Climate will also play a role in increasing costs for Australia. Globally, and in Australia, the number of large fires significant in their size, destruction and inability to suppress is increasing. Accurately predicting and preparing for these events is well beyond the capacity of the current system

Comment

The first WA working group meeting was held on 6 September 2019, comprising 23 representatives from 10 different government departments, industries and associations across WA.

The workshop was hosted by the Department of Fire and Emergency Services (DFES) and facilitated by representatives from the AFDRS National Project Team. It forms part of an extensive consultation with all jurisdictions to finalise the design of the new AFDRS and understand the implications of change including the complexity, costs and time to effect change.

Participants were informed about the Research Prototype project that built a new fire behavior index and ratings scale.

Western Australia had extensive involvement in the development of the prototype, including fuel sampling and testing in a broad range of fuel types that the new model will include such as spinifex. In live trials the prototype has performed better than the current system on several statistical measures and is expected to greatly improve with future refinements.

Findings from extensive social research were also presented, providing sound evidence of the national desire for an optimised and simplified version of the system currently displayed on fire danger rating signs.

The AFDRS Project Board will consider the outcomes of all national workshops before recommending a final design to the Australian New Zealand Emergency Management Committee during the 2020/2021 fire season.

As the layout and names of the current system may change, DFES recommends that Local Governments postpone purchasing additional, non-urgent electronic fire danger rating boards ahead of the final system being finalised.

A WA Change Management Group is being established to further consider the implications of these changes in our State. The group will assess projected impacts to legislation, operations, systems, training, communications and infrastructure. WALGA will be participating in this group representing the sector.

6.8 WALGA Emergency Management Engagement Project (05-024-02-0059 EDR)

By Evie Devitt-Rix, Senior Policy Advisor Emergency Management

Recommendation

That the announcement of the consolidation of the three WA Emergency Services Acts be noted.

In Brief

- Currently Western Australia has three Emergency Services Acts: the *Fire Brigades Act 1942*, *Bush Fires Act 1954* and *Fire and Emergency Services Act 1998*.
- The Minister for Fire and Emergency Services has announced the consolidation of these three Acts into the Consolidated Emergency Services Act (CES Act).
- The Association's recent engagement of Local Governments has noted that their number one priority in the State Emergency Management Framework is the simplification of legislation by consolidating of the three Acts. WALGA will ensure that once the CES Act is drafted a robust consultation process will be held across the sector.

Attachment

Nil.

Relevance to Strategic Plan

Key Strategies

Engagement with Members

- Deliver a broad range of benefits and services that enhance the capacity of member Local Governments
- Improve communication and build relationships at all levels of member Local Governments
- Provide ongoing professional development and interactive opportunities for Elected Members to contribute to debate on sector issues
- Build a strong sense of WALGA ownership and alignment.

Sustainable Local Government

- Continue to build capacity to deliver sustainable Local Government
- Provide support to all members, according to need
- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia.

Enhanced Reputation and Relationships

- Promote WALGA's advocacy successes with the sector and the wider community
- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government
- Develop simple and consistent messages that are effectively articulated.

Background

Fire and emergency services in WA is managed under three Acts of Parliament: *Fire Brigades Act 1942*, *Bush Fires Act 1954*, *Fire and Emergency Services Act 1998* (the three Acts).

Local Governments in Western Australia have obligations under the three Acts. These include preventing and responding to bushfires and establishing and running volunteer bush fire brigades.

These Acts have been amended to a degree over the years, but do not reflect the considerable change emergency services have undergone over the past 70 years, reflect the ways emergency services organisations interact and rely on each other, or fully support the creation of operational efficiencies.

The Department of Fire and Emergency Services (DFES) commenced a comprehensive review (the Review) of the three Acts in November 2012. The Review has progressed through the following stages:

- Stage 1: Preliminary Consultation
- Stage 2: Expert Panel Discussions
- Stage 3: Concept Paper
- Stage 4: Decision Document and Drafting Instructions

Although the Review considered the impacts on the *Emergency Management Act 2005* (EM Act), the EM Act was not part of this review. The EM Act is administered by the State Emergency Management Committee (SEMC) and was the subject of a recent and separate review by that body.

The Review's preliminary consultation ran from 5 November 2012 to 30 April 2013. Stakeholders were invited to attend DFES' road show presentations, or access the volunteer portal to learn about the Review process and how they could participate. The issues identified during Stage 1 were categorised into eleven key topics. Expert panel discussions and workshops were then held involving stakeholders with specific expertise, knowledge or interest in each topic. This process concluded with drafting of the Concept Paper.

In May 2014, DFES released a Concept Paper: Review of the Emergency Services Acts, for stakeholder consultation.

WALGA then held five consultation workshops across the State in May 2014 to ensure that Local Governments were meaningfully represented in the response to the Review. Subsequently the Association provided a submission to the Concept Paper in June 2014 (Resolution 59.3/2014).

A number of years has passed since Stage 3 of the Review. During this time a change of Government and machinery of Government alterations have impeded progress of the Review.

In March 2019, WALGA commenced the development of a Local Government sector-wide engagement project. The project commenced in August with the *Before – During - After* engagement workshop for Local Governments. The workshop was attended by more than forty participants, with an even mix of regional and metropolitan Local Governments represented.

Key themes identified from the workshop were Funding, Policy and Governance, Workforce Planning and Capacity Building. Consolidation of the three Acts emerged as a key priority for participants.

Feedback from the workshop was then used to shape an Emergency Management Engagement Survey to further consolidate and prioritise responses.

The survey opened on 12 September, and closed on Monday, 4 November. The survey yielded responses from over 75 Local Governments, with two-thirds of respondents from regional areas. Survey respondents were asked about what they would change in the State Emergency Management Framework. More than 65% of respondents chose the response: simplifying fire and emergency services legislation to a single act.

The Association will use this information to inform the development of a WALGA Emergency Management Strategy, to drive activities in advocacy, member representation and capacity building over the next five years. A draft of the Survey will be circulated to all Local Governments for consultation prior to being brought to WALGA State Council for endorsement. Once endorsed, the

Strategy will be reviewed and reported on annually. Comments will also be used to provide feedback to the development of the new Act.

Comment

In October 2019, Cabinet approved the consolidation of the three Acts into a single piece of legislation. The next step to progress the Consolidated Emergency Services Act (CES Act) is to draft a new Exposure Draft Bill. This document will be prepared by professional drafters from the Parliamentary Counsel's Office who have extensive experience in drafting complex legislation.

The Government has stated that given the complexity and importance of the CES Act, the drafting of the Exposure Draft Bill will take some time.

Once the Exposure Draft Bill (the Draft Bill) is completed, it will be released for public comment and a comprehensive consultation period will be conducted. WALGA will ensure that all Local Governments are invited to consult on the Draft Bill, and that this comment is incorporated into the Association's final submission.

6.9 WALGA Submission to the Inquiry into 5G in Australia (05-001-02-0014 MB)

By Mark Bondietti, Policy Manager Transport and Roads

Recommendation

That the WALGA Submission to the Inquiry into 5G in Australia be noted.

In Brief

- The Federal House of Representatives Standing Committee on Communications and the Arts is undertaking an inquiry into the deployment, adoption and application of 5G in Australia.
- WALGA has prepared a submission that has been endorsed by the Infrastructure Policy Team and State Council by Flying Minute.
- The submission draws attention to the negative impacts of uncontrolled installation of a network of antennas on Local Government infrastructure.
- The submission recommends that telecommunications carriers must consult and obtain agreement with Local Governments before installing infrastructure.

Attachment

Nil.

Relevance to Strategic Plan

Key Strategies

Engagement with Members

- Deliver a broad range of benefits and services that enhance the capacity of member Local Governments;

Sustainable Local Government

- Provide support to all members, according to need;
- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia;

Enhanced Reputation and Relationships

- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government;
- Develop simple and consistent messages that are effectively articulated;

Background

The Federal House of Representatives Standing Committee on Communications and the Arts is undertaking an inquiry into the deployment, adoption and application of 5G in Australia. The Committee will:

1. Investigate the capability, capacity and deployment of 5G;
2. Understand the application of 5G, including use cases for enterprise and government.

The Committee is inviting submissions addressing the Terms of Reference. Submissions are requested by Friday, 1 November.

Based on questions and requests from Local Governments during this year, there are serious concerns about the equipment deployment approaches of the telecommunications carriers, and the highly permissive regulatory framework that is in place. WALGA has been working with ALGA through a national working group to seek changes to the policy and regulations that would provide Local Governments some decision making authority when telecommunications infrastructure is being installed in the public realm.

WALGA has prepared a submission that has been endorsed by the State Council Infrastructure Policy Team and State Council by Flying Minute on 31 October 2019.

Comment

The submission makes the following points:

Councils have contacted the Association for advice in relation to the requirements for telecommunications carriers to consult with them before installation of 5G infrastructure. The concerns highlighted are risks to the functionality of existing infrastructure such as light poles that 5G antennas may be attached to and potential cost impacts when existing infrastructure is relocated or removed to facilitate other developments within the road reserve.

5G antennas would appear to be defined as low impact according to the industry code, C564:2011 Mobile Phone Base Station Deployment and the Telecommunications (Low Impact Facilities) Determination 2018 and therefore Carriers are only required to follow the notification process. It appears that one individual aerial would fall under the Schedule 5 process in the Code but the Code does not address the scenario of a network of many aerials required say on every other pole down a street which is the likely scenario for 5G.

We are of the view that this scenario is not “low impact”, that a Schedule 5 process is inadequate and there should be an obligation to follow a Schedule 6 type process. For example installing many aerials on light poles down a street can have numerous impacts that require careful consideration by the asset owner e.g. operations of LED lighting and associated smart controllers, restricting functionality and access to install flags and banners for events and adverse effect to the aesthetics of decorative poles (e.g. colour, bulk and position). The view is that carriers should consult and obtain agreement with Councils and stakeholders in line with Schedule 6.

The Association proposes that the Inquiry consider amending the Code to include the following: “If a small scale installation requires the installation of multiple facilities that are to be attached to Council poles or other infrastructure, then the Carrier must adequately engage and consult with Council and may not proceed until they have agreement on the proposal.” It is further recommended that the enquiry consider the drafting of a standard agreement after consultation with the affected parties.

6.10 WALGA Comments on the Environmental Offsets Framework Review Report (05-025-03-0000 MB)

By Nicole Matthews, Environment Policy Manager

Recommendation

That WALGA's endorsed submission on the Environmental Offsets Framework Review Report be noted.

In Brief

- The Department of Water and Environmental Regulation (DWER), at the request of the Environment Minister, has conducted a review of the effectiveness of the WA Environmental Offsets Framework and its implementation in delivering its environmental objectives.
- The review found that 'environmental offsets approved since the release of the offsets policy have not fully counterbalanced the significant residual impacts of approvals' and made 12 recommendations (a summary of 25 recommendations are in the body of the report) designed to improve the effectiveness of the offsets framework.
- WALGA participated in the review as a member of the Stakeholder Reference Group (SRG).
- WALGA supports the review recommendations with some qualifications, as detailed in the attached comments.
- On 1 October 2019 State Council resolved by Flying Minute that the submission to DWER on the Environmental Offsets Framework Review be endorsed.

Attachment

Environmental Offsets Framework Review Report – WALGA Comments

[https://walga.asn.au/getattachment/Documents/WALGA-comments-on-draft-offsets-review-report-sent_011019-\(002\).pdf?lang=en-AU](https://walga.asn.au/getattachment/Documents/WALGA-comments-on-draft-offsets-review-report-sent_011019-(002).pdf?lang=en-AU)

Relevance to Strategic Plan

Key Strategies

Engagement with Members

- Deliver a broad range of benefits and services that enhance the capacity of member Local Governments;
- Improve communication and build relationships at all levels of member Local Governments;
- Provide ongoing professional development and interactive opportunities for Elected Members to contribute to debate on sector issues;
- Build a strong sense of WALGA ownership and alignment.

Sustainable Local Government

- Continue to build capacity to deliver sustainable Local Government;
- Provide support to all members, according to need;
- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia;
- Foster economic and regional development in Local Government.

Enhanced Reputation and Relationships

- Communicate and market the profile and reputation of Local Government and WALGA;
- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government;
- Develop simple and consistent messages that are effectively articulated;
- Promote WALGA's supplier agreements to assist Local Governments.

Policy Implications

Nil.

Budgetary Implications

Nil.

Background

Environmental offsets are actions that provide environmental benefits that counterbalance the significant residual environmental impacts or risks of a project or activity. Offsets are often required as a condition of approval for projects under the *Environmental Protection Act 1986*.

The Department of Water and Environmental Regulation (DWER) was tasked by the Environment Minister to conduct a review of effectiveness of the WA Environmental Offsets Framework and its implementation in delivering its environmental objectives in late 2018. WALGA participated in the review process as a member of the Stakeholder Reference Group (SRG).

The review found that 'environmental offsets approved since the release of the offsets policy have not fully counterbalanced the significant residual environmental impacts of approvals'. 12 recommendations (a summary of 25 recommendations in the body of the report) have been made that are designed to improve the operation and effectiveness of the offsets framework.

The draft review report was provided to members of the SRG for comment by 1 October 2019. DWER approved the limited circulation of the draft report for comment on the basis that the document be treated as a draft and confidential.

Comment

WALGA broadly supports the review findings and recommendations, in particular where they will result in improved:

- clarity and transparency in the offsets process;
- compliance and improved reporting; and
- environmental effectiveness.

WALGA also supports recommendations that reduce duplication and achieve appropriate, effective offsets at least cost.

In providing comment WALGA's stressed that in considering any changes to the Offset Framework, priority must be given to ensuring there is no increase regulatory burden or costs for Local Governments, either as proponents themselves or in their roles as administrators, regulators or land managers.

Where relevant these comments are consistent with previously endorsed WALGA submissions on cost recovery for clearing permit applications and the review of the Strategic Assessment of the Perth and Peel Regions (SAPPR).

WALGA's comments incorporated feedback from Local Government officer representatives on the Local Government Roadside Clearing Regulation Working Group. The comments were endorsed by the Environment Policy Team prior to endorsement by State Council out of session by flying minute on 1 October 2019 (RESOLUTION 129.FM/2019).

6.11 Report Municipal Waste Advisory Council (MWAC) (01006-03-0008 RNB)

By Rebecca Brown, Manager, Waste & Recycling

Recommendation

That State Council note the resolutions of the Municipal Waste Advisory Council at its 28 August and 9 October 2019 meetings.

In Brief

- This item summaries the outcomes of the MWAC meetings held on 28 August and 9 October 2019.

Attachment

Nil

Relevance to Strategic Plan

Key Strategies

Engagement with Members

- Deliver a broad range of benefits and services that enhance the capacity of member Local Governments;
- Improve communication and build relationships at all levels of member Local Governments;
- Provide ongoing professional development and interactive opportunities for Elected Members to contribute to debate on sector issues;
- Build a strong sense of WALGA ownership and alignment.

Sustainable Local Government

- Continue to build capacity to deliver sustainable Local Government;
- Provide support to all members, according to need;
- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia;
- Foster economic and regional development in Local Government.

Enhanced Reputation and Relationships

- Communicate and market the profile and reputation of Local Government and WALGA;
- Promote WALGA's advocacy successes with the sector and the wider community;
- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government;
- Develop simple and consistent messages that are effectively articulated;
- Promote WALGA's supplier agreements to assist Local Governments.

Background

The Municipal Waste Advisory Council is seeking State Council noting of the resolutions from the **28 August and 9 October 2019** meetings, consistent with the delegated authority granted to the Municipal Waste Advisory Council to deal with waste management issues.

Minutes of the meeting are available from the WALGA website <http://walga.asn.au/About-WALGA/Structure/State-Council/Agenda-and-Minutes.aspx>. Copies of specific items and further supporting information are available on request from Municipal Waste Advisory Council staff.

Comment

The key issues considered at the meetings held on **28 August and 9 October 2019** included:

Submission on the DWER Issues Paper Legislative Framework for Waste Derived Materials

In July 2014, the former DER released a Consultation Paper on a draft Guidance Statement: Regulating the Use of Waste Derived Materials. The Consultation Paper flagged the former Department's intent to introduce an administrative framework for waste derived materials, where material guidelines would be used to guide the Department's assessment of when certain waste derived materials were no longer considered to be a waste. This approach was withdrawn in 2016, following the outcome of the Eclipse court case. In June 2019, the DWER released an Issues Paper that outlined potential legislative reforms to support the use of waste derived materials.

WALGA has formulated a draft Submission on the Issues Paper. The Submission provides comment on the outcomes sought through the establishment of a legislative framework for waste derived materials. Feedback is also provided on the need to adopt an outcomes based approach when developing the legislative framework, where the requirements that fit for purpose waste derived materials must meet are clearly identified in guidance and/or supporting documents.

MUNICIPAL WASTE ADVISORY COUNCIL MOTION

That the Municipal Waste Advisory Council endorse the Submission on the DWER Issues Paper Legislative Framework for Waste Derived Materials.

Moved: Cr Price Seconded: Cr Court
CARRIED

Submission on the Battery Product Stewardship Scheme

The Battery Stewardship Council has released the latest draft of a Consultation Paper (Version 3) on the proposed voluntary Product Stewardship Scheme for Batteries to key stakeholders. The development of the Consultation Paper has been informed by meetings with representatives from the battery industry and external stakeholders such as the retailers and Government Departments.

It is currently proposed that an annual levy of 4 cents per equivalent battery unit (AA Battery) is put in place on all imports of batteries included in the Scheme, adjusted in line with CPI. A capped rebate will be provided to accredited members undertaking collection and sorting activities - subject to the fulfilment of a number of obligations.

The latest outline of the Scheme structure does not address previous MWAC feedback regarding the need to cover all costs associated with battery collection, sorting and recycling. The MWAC Executive Officer attended a Consultation Session on the Scheme design and has provided specific feedback to the Battery Stewardship Council. At the Officers Advisory Group meeting, the membership of the Battery Stewardship Council was requested. To ensure the Scheme is implemented in a timely manner correspondence to the Federal and State Environment Ministers has also been drafted.

MUNICIPAL WASTE ADVISORY COUNCIL MOTION

That the Municipal Waste Advisory Council endorse:

1. The Submission on the Battery Product Stewardship Scheme
2. Sending correspondence to the State and Federal Environment Ministers on the Scheme implementation.

Moved: Cr Abetz Seconded: Cr Court
CARRIED

Sharps and Medical Waste Disposal

Sharps and medical waste have been highlighted as significant issues for the recycling, GO and FOGO, collection systems. Currently the Department of Health advises that sharps be placed in sealed containers and disposed of in the general waste bin. WALGA and Local Government have engaged with the Department to change this advice on several occasions in the past, with limited

success. Through the Consistent Communications Collective, it has been highlighted that there is a broader issue about what advice health care professionals are providing to patients on medical waste disposal.

When this issue was discussed by the Officers Advisory Group it was agreed that the Department of Health is currently providing the community with advice that contravenes Local Government waste local laws. With a rise in home treatment, particularly chemotherapy, the issue regarding health care professionals advising patients to dispose of medical waste in their general waste bin is also of concern.

When disposed of in unlined landfills, medical waste could potentially contaminate groundwater as well as release harmful substances into the environment. As a number of Local Governments have committed material collected from general waste bins as feedstock for waste-to-energy (WtE), the incineration of medical waste requires further examination. The temperature achieved in WtE facilities processing MSW may not be maintained at a high enough level to adequately incinerate medical waste that is infectious, toxic or radioactive. Therefore the management of medical waste that enters kerbside collection systems needs to be considered carefully since the incineration of hazardous medical waste could lead to the emission of pollutants that pose a risk to the health of humans and the environment. This issue could also extend to veterinarians and animal health professionals.

MUNICIPAL WASTE ADVISORY COUNCIL MOTION

That the Municipal Waste Advisory Council write to the Director General of the Department of Health identifying the issues with the end of life management of sharps and medical waste.

**Moved: Cr Price Seconded: Cr Court
CARRIED**

FOGO Implementation

The Waste Avoidance and Resource Recovery Strategy 2030 identified Recover Targets – that by 2025 – increase material recovery to 70% and all Local Governments in the Perth and Peel region provide consistent three bin kerbside collection systems that include separation of FOGO from other waste categories.

WALGA, in a Submission on the Better Bins Program, developed an outline of some of the key steps necessary for the implementation of these Targets in relation to FOGO. The SMRC has undertaken an initial analysis of the potential amounts of FOGO material being produced and the processing capacity available. The meeting on 5 August, with DWER, SMRC, EMRC, MRC and AORA, was to review the key steps for implementation and identify processing and end market issues relating to the implementation of FOGO.

Not all Local Governments in the Perth/Peel Regions are progressing FOGO and it was requested at the meeting that MWAC write to Local Governments in the Perth/Peel Region to identify their future plans regarding FOGO which would assist in infrastructure planning and DWER budgeting processes.

MUNICIPAL WASTE ADVISORY COUNCIL MOTION

That the Municipal Waste Advisory Council write to Local Government CEO's in the Perth/Peel Region requesting their position on Food Organic and Garden Organic Collections.

**Moved: Cr Price Seconded: Cr Court
CARRIED**

Response to WALGA Zones

The WALGA Zones raised the following issues, following discussion at the Officers Advisory Group the following response have been developed.

Zone Comments	Response from MWAC
That WALGA continue to support Western Australia's Waste Strategy and seek firm commitments from the State Government about how the waste avoidance, resource recovery and diversion from landfill targets will be achieved, including local options for reprocessing, recycling and waste to energy.	MWAC is equally concerned about the need for firm commitments from the State about achieving the targets in the Waste Strategy and will ensure this is part of MWAC's ongoing advocacy.
That WALGA Seek a commitment from the Waste Authority to complete an audit into downstream processing of mixed plastic that are shipped overseas to ensure this waste is not ending up in illegal recycling centres with large amounts either burned or buried in landfill.	An audit of downstream processing of any waste stream would be costly and complex, particularly once waste materials leave highly regulated jurisdictions. The need for greater accountability of waste and recyclables shipped overseas will in part be addressed by the Council of Australian Governments (COAG) decision to ban the export of waste plastic, paper, glass, and tyres. The COAG announcement is anticipated to provide some certainty to the market which will garner stakeholder support and investment for onshore processing. The action is also addressed in the Waste Authority's draft Data Strategy and MWAC will include the Zone's feedback in the Submission on this document.
That WALGA advocates to the State Government to consider a State Government rescue package using the Waste Levy as is the case in other States.	MWAC, through the Waste Taskforce and Waste Reform Advisory Group, has raised this issue and will ensure this is part of MWAC's ongoing advocacy. The current review of the Community and Industry Engagement Grants provide an opportunity for this feedback to be provided again.

MUNICIPAL WASTE ADVISORY COUNCIL MOTION

That the Municipal Waste Advisory Council endorse the Response to the Zones.

**Moved: Cr Price Seconded: Cr Court
CARRIED**

MWAC Structure and Funding

The majority of MWAC's current funding is from Regional Councils, WALGA and the Waste Authority (through the Household Hazardous Waste Program). Regional Councils and WALGA contribute the same amount – with the Regional Council contributing on the basis of population (and a minimum contribution). If Local Governments withdraw from Regional Councils this impacts the cost distribution for the remaining members.

MWAC exists to ensure all Local Government entities with an interest in waste are represented and have the opportunity to provide input into the sector's advocacy and policy development. The proposed new structure and approach, in line with this purpose, is to expand MWAC's Membership to include all Local Government organisations with a material interest in waste management. MWAC considered this issue at the August meeting.

The Officers Advisory Group discussed the potential for the base level contribution to MWAC (currently \$5,000 – plus a portion of funding related to population) to be a barrier for non-metropolitan Local Government entities. This issue has previously been raised by OAG members as there are substantial costs associated with travel and accommodation to attend meetings. Therefore the Officers have recommended that a differential base level contribution be applied to MWAC, with metropolitan Local Government entities paying \$5,000 base level contribution and non-metropolitan Local Government entities paying \$2,000. This was in recognition of the additional costs for participation for Local Government entities in the non-metropolitan area.

MUNICIPAL WASTE ADVISORY COUNCIL MOTION

That the Municipal Waste Advisory Council:

1. Endorse Scenario 1 for MWAC Structure subject to the increase of State Council representation to 3 – one metropolitan and one non-metropolitan and one other member.
2. Endorse Scenario 1 for MWAC Structure and Funding which is to expand the Council's membership to include:
 - a. Regional Subsidiaries
 - b. Beneficial Enterprises
 - c. Regional Centres (Cities)
 - d. Metropolitan Local Governments, with significant waste infrastructure (landfill/transfer station), not currently member of Regional Council
 - e. Voluntary Regional Organisations of Councils (VROC).
3. Agree that a differential base rate for MWAC membership be applied to Local Government entities in the Metropolitan (\$5,000) and Non-Metropolitan areas (\$2,000) in acknowledgement of the travel and associated costs for MWAC members in the Non-Metropolitan area.

Moved: Cr Price Seconded: Cr Cook
CARRIED

Submission on Local Government Waste Plans

The Department of Water and Environmental Regulation have released a Resource Kit – comprised of a Guidance Document and Template – for Local Government Waste Plans. MWAC staff provided DWER with some initial feedback on the Waste Plans prior to the release of the Draft requesting a more streamlined approach to the structure of the Plans. This feedback has only had limited incorporation.

MWAC discussed the draft MWAC Submission on the Waste Plans at the August meeting and the feedback from the Council was incorporated into the Submission. The draft Submission was also circulated to Local Governments for any comment.

At the Officers Advisory Group meeting it was raised that the Department had also developed a Waste Plan Template for Regional Councils. Concern was expressed regarding what the Plan would include, as Regional Councils operations vary greatly and many waste related activities are carried out by the Regional Councils individual Local Government members. Additional commentary was included in the draft Submission regarding the Regional Council Waste Plan concept.

MUNICIPAL WASTE ADVISORY COUNCIL MOTION

That the Municipal Waste Advisory Council endorse the Submission on DWER Local Government Waste Plan Resource Kit.

Moved: Cr Price Seconded: Cr Cook
CARRIED

Submission on Waste Authority Data Strategy

MWAC has an existing Policy Statement on *Waste Management Data and Information Management* and this has been used to guide the development of the draft Submission.

MWAC considered the draft Submission at the August MWAC meeting and no amendments were made.

MUNICIPAL WASTE ADVISORY COUNCIL MOTION

That the Municipal Waste Advisory Council endorse the Submission on Waste Authority Data Strategy.

Moved: Cr Price Seconded: Cr Cook

CARRIED

Submission on Auditor General Report on Local Government Performance

The Auditor General identified that the revised *Waste Avoidance and Resource Recovery Strategy 2030* was published in February 2019 and outlines 3 key objectives and targets to 'avoid' waste generation, 'recover' resources and values from waste, and 'protect' the environment. The Auditor General considers that Local Governments have a key role to help the State progress best practice waste management approaches and encourage community participation.

The objective of the audit is to determine whether Local Governments plan and deliver effective waste management services to their communities.

The Auditor General identified the following lines of inquiry:

- Are waste services planned to minimise waste and meet community expectations?
- Do local government entities deliver effective waste services?
- Does the State Government provide adequate support for local waste planning and service delivery?

Tabling of the Audit is anticipated in the first quarter of 2020.

The Auditor General is focusing on auditing specific Local Governments – metropolitan and non-metropolitan and Regional Councils in relation to these objectives. The draft Submission that has been developed draws on previous Submissions and identifies the constraints on the Local Government sector in relation to service delivery and the relatively recent direction being provided by the State Government.

The Officers Advisory Group discussed the relevance of the questions in the review to Regional Councils – particularly as one Regional Council had been included in the Audit. Commentary has consequently been included in the draft Submission identifying the variety of operations, approaches, Constitutions / establishment agreements which govern Regional Council operations.

MUNICIPAL WASTE ADVISORY COUNCIL MOTION

That the Municipal Waste Advisory Council endorse the Submission to the Office of the Auditor General on Local Government Waste Management.

Moved: Cr Price Seconded: Cr Cook
CARRIED

7. ORGANISATIONAL REPORTS

7.1 Key Activity Reports

7.1.1 Report on Key Activities, Environment and Waste Unit (01-006-03-0017 MJB)

By Mark Batty, Executive Manager Environment & Waste

Recommendation

That the report from the Environment and Waste Unit to the December 2019 State Council meeting be noted.

The following report outlines key activities for the Environment and Waste Policy Unit since the September 2019 State Council meeting:

Policy and Advocacy

Climate Change

National Disaster Resilience Program (NDRP) funding for *Climate Resilient Councils – preparing for impacts of climate change* project

WALGA is delivering a project to assist WA Local Governments to prepare for the increased incidence and severity of natural disasters as a result of climate change. The *Climate Resilient Councils - preparing for impacts of climate change* project is being funded with a Natural Disaster Resilience Program grant in partnership with the Department of Local Government, Sport and Cultural Industries, Department of Fire and Emergency Services, Department of Water and Environmental Regulation, and the Local Government Insurance Service.

The first stage of the project is a desktop assessment, survey and benchmarking exercise of the extent to which Local Governments in WA are embedding climate change and disaster management in decision-making and governance documents.

In the coming months, a customized report with access to an online dashboard will be provided to each Local Government. This will include assessment of a number of key indicators and recommendations for improvement for each indicator along with graphed results.

Stage two of the project that will commence in early 2020 will include workshops and the development of targeted guidance materials that will assist in building the capacity of Local Governments to adapt to climate change.

State Climate Change Policy

The State Government released the Climate Change in Western Australia Issues Paper for public comment on 4 September 2019. The feedback from the Issues Paper will inform the development of the State's Climate Policy due for release in 2020. The Issues Paper outlines the key issues facing Western Australia in the transition to a resilient, low-carbon economy, and identifies opportunities to build on actions already underway.

WALGA hosted a DWER climate change consultation session for Local Government on 23 October, attended by 3 Elected Members and 33 Local Government Officers.

WALGA's has developed a comprehensive draft submission, consistent with the WALGA Climate Change Policy Statement and incorporating sector feedback. The submission has been provided for State Council endorsement (agenda paper for decision 5.14 refers).

Climate Health WA inquiry

WALGA has also made a submission to the Climate Health WA Inquiry being undertaken by the former Chief State Health Officer, Professor Tarun Weeramanthri. The aim of the Inquiry is to review the current planning and response capacity of the health system in relation to the health impacts of climate change, and make recommendations for improvement.

WALGA's submission has been provided for State Council endorsement (agenda paper for decision 5.14 refers).

Local Government Urban Forest Working Group

The WALGA Environment and Planning teams hosted the second Urban Forest Working Group meeting on 16 October with 33 officers in attendance. The purpose of the meeting was a 'scene setting' session with the Department of Planning, Lands and Heritage (DPLH) giving a presentation on their suite of Design WA policies and guidelines aimed at better retention of the State's urban forest. Other presentations included a consultant speaking on research around community perceptions of urban forest and the way communities respond to specific words used commonly in this space, and the City of Stirling giving an update on their planning scheme amendment which was adopted in 2017, providing an analysis of the latest data in its effectiveness and lessons learnt from the process thus far.

WALGA currently has an intern from Murdoch University undertaking a project on Urban Forest Research Gaps. The project outputs will provide a synthesis of the current research on urban forest applicable to the West Australian context, a gap analysis of the significant areas missing within the research and recommend future areas of research needed to address the issues currently being experienced by the Local Government sector. The findings of the project will help to inform the work of the Urban Forest Working Group and potentially identify future research that could be undertaken by the group in progressing their agreed key priorities.

WALGA has also developed a pre-budget submission proposal for the development, implementation and funding of a State Urban Forest Strategy.

Local Government Roadside Clearing Regulation Working Group

The Working Group, comprising DWER clearing permit assessment and compliance officers, DBCA, WALGA Environment Policy Manager Nicole Matthews; Senior Environmental Officer, City of Armadale Luke Rogers; Environmental Management Officer, City of Busselton Kay Lehman; and Executive Manager Operations, Shire of Gingin Allister Butcher has met twice, finalising the group's terms of reference and priorities, including:

1. Review existing DWER guidance material and make recommendations for improvement and/or additional guidance.
2. Improve Local Government access to relevant data.
3. Identify opportunities to streamline assessment of low impact clearing.
4. Continue development and encourage further trialling of Strategic Purpose Permit approach.
5. Identify options for developing strategic offsets in the Wheatbelt and the Swan Coastal Plain.

Upcoming Issues

There are a number of upcoming issues relevant for Local Government on which WALGA will be seeking sector feedback and making submissions over the coming weeks.

Proposed amendments to the Environmental Protection Act 1986

The State Government is proposing amendments to the Environmental Protection Act 1986. DWER has released a [discussion paper](#) and [Exposure draft Bill](#) for feedback until 28 January 2019.

The proposed amendments aim to improve regulatory efficiency and effectiveness and facilitate the implementation of the bilateral agreements under the Commonwealth Environment Protection and Biodiversity Conservation Act 1999 to deliver better environmental protection and sustainable development outcomes.

WALGA will seeking sector comments on the amendments and preparing a submission.

Review of the Environment Protection and Biodiversity Conservation (EPBC) Act 1999

The Commonwealth Government is undertaking the second compulsory [10-year review of the EPBC Act](#). The review will report to the Environment Minister in October 2020. A discussion paper will be released for formal submissions in November.

Native Vegetation Policy

We expect an issues paper on the management of Native Vegetation in Western Australia to be released for comment before the end of 2019.

Wetland Algal Bloom Management

WALGA and New Water Ways have created an [Interactive Map](#) with case studies from Local Governments on the outcomes of wetland algal bloom treatments. The aim of the initiative is to assist Local Governments to identify and adopt effective treatments, optimise use of scarce resources and increase our collective understanding of options for wetland management.

Case studies detailing enzyme, phoslock and HT-clay treatments implemented over the past two years are available from the Local Governments of Busselton, Canning, Mandurah, Perth and Subiaco. Treatments are to manage blue-green algae (cyanobacteria) blooms, which generally occur as water levels drop and temperatures increase. Positive results have been reported for all treatments trialled, ranging from rapid improvements in visual water clarity, through to reductions in total phosphorus concentration by over 90%. Case studies will continue to be added as they are received from Local Government.

Environmental Planning Tool (EPT)

There are currently 47 Local Governments subscribing to the Environmental Planning Tool.

Demonstrations of EPT capabilities were delivered to the Forest Products Commission in Bunbury and during the Local Government Professionals Conference held in November at Burswood. One EPT training session was held at WALGA and in-house EPT training was delivered to staff at the City of Mandurah, Shires of Collie and Harvey.

In October, the process for re-branding of the EPT service was initiated, to improve awareness of the broad scope of the service beyond environmental assessments. The launch of the new branding is scheduled for early December.

Events and Newsletters

Plant (Native and Weed) Recognition in Natural Areas

WALGA hosted a field training day to assist Local Government staff to identify native plants and weeds in different vegetation communities on 26 September, with 34 attendees from 17 Local Governments attending. The training focused on understanding the key diagnostic characteristics of different native vegetation complexes, and weed recruitment biology, to assist with the implementation of effective management programs for natural areas.

Sites visited included coastal heathland at CY O'Connor Beach, banksia woodland at Bibra Lake, and the jarrah forest at Bungendore Park. Participants also learnt about vegetation recovery post-disturbance at Roe 8, and weed management in riverine environments at Canning River Regional Park. The training highlighted the distinguishing features of native and weed species with a similar growth form, including grasses and herbaceous daisies. Led by experienced bushland regenerators Julia Cullity and Liz Penter, with input from Local Government natural area teams and Friends Groups, the day was commended as a great networking opportunity. WALGA will offer the training on an ongoing basis every spring, for both metropolitan and regional areas.

Managing Sediment Loss During Urban Development

WALGA and Perth NRM hosted a workshop on Managing Sediment Loss During Urban Development on 8 November, proudly sponsored by the Sediment Task Force.

Local Government plays a key role in managing urban development, and helping to ensure the adoption of best practice by the development and building industry. The workshop focused on management approaches and tools to ensure that soil erosion and sand drift from construction sites does not enter stormwater drains, which incurs considerable expense for Local Government and results in the declining health of waterways.

Case studies were provided by the Local Governments of Augusta Margaret River, Bayswater, Serpentine Jarrahdale and Subiaco, and the Cooperative Research Centre for Water Sensitive Cities, UWA. The workshop finished with an open discussion on priorities for the Sediment Task Force's strategic planning in 2020.

SONG Meeting on Electric Vehicle Charging Infrastructure and Management Systems

WALGA organised a Sustainability Officers Network Group (SONG) meeting on Electric Vehicle Charging Infrastructure and Management systems on 21 November. Over the past year, WALGA has received several requests for guidance from Local Governments on this topic. Main Roads provided an overview of the activities and progress of the EV Working Group (Infrastructure sub-group), which has developed a draft strategic plan for WA's public electric charging infrastructure. The City of Swan discussed the work they have done on EVs /EV charging stations over the past seven years, and their future direction. The City of Fremantle discussed a trial they participated in, which tracked the travel distance and fuel usage of their corporate vehicle fleet, to assist with the transition to electric vehicles.

EnviroNews

The September, October and November editions of EnviroNews can be accessed electronically on the WALGA website [here](#). The final edition for 2019 is scheduled for release on 18 December.

7.1.2 Report on Key Activities, Governance and Organisational Services (01-006-03-0007 TB)

By Tony Brown, Executive Manager Governance & Organisational Services

Recommendation

That the Key Activity Report from the Governance and Organisational Services Unit to the December 2019 State Council meeting be noted.

Governance and Organisational Services comprises of the following WALGA work units:

- Governance Support for Members
- Employee Relations
- Training
- Regional Capacity Building
- Recruitment
- Strategy & Association Governance

The following provides an outline of the key activities of Governance and Organisational Services since the last State Council meeting.

Sector Governance Support

Size and Scale Compliance Regime

During the current Local Government Act review process, WALGA following consultation with the sector, developed key principles and advocacy positions which were subsequently endorsed through the Zone and State Council meeting process.

One of the key principles was relating to amending the current one size fits all approach to compliance requirements and to “Promote a *size and scale compliance regime*”

To assist with advocacy to the State Government as part of the Local Government Act review process, sector assistance was requested in identifying examples of where a size and scale compliance regime could be identified in the Act and Regulations.

At the time of writing this report, 11 Local Governments and a Regional Local Government VROC had responded. The following items have been submitted from Local Governments;

1. General

Consideration of the Salaries and Allowances Tribunal bands being used in regulations to govern what level of compliance is required.

Further comments received advised that Local Governments should be able to choose standards – if Act was written providing Minimums, Middle and High standards of compliance, governance, public policy, engagement, Integrated Strategic Plans etc – the Local Government should be able to mix and match to suit the resources available as long as they meet minimum standards.

This then would be more of a place based approach than prescriptive.

2. Financial Management Regulation 17A - Assets Valuations

Currently all assets are to be revalued every three years. A recent change has now seen the regulation amended to at least 3 years but no more than 5 years after the day on which the asset was last valued or revalued.

This is still considered onerous and a costly exercise in rural remote areas where asset values do not change a great deal. Therefore, the revaluation period should be linked to the LGA Band level, ranging hypothetically from 5 to 10 years depending on the Band level.

A further example in this regulation relates to 17A(5). This regulation requires local governments to capitalise assets greater than \$5,000.

\$5,000 would be appropriate for larger, tier 1 local governments, while \$2000 will be more reasonable for a smaller Local Government.

3. LG Act Section 5.56 Planning for the Future -Integrated Planning & Reporting

The current requirements for Integrated Planning & Reporting (IPR) are too onerous and expensive, specifically for smaller LGAs with limited resources.

There should be different levels of requirements placed on LGAs of different sizes & resource capacity. The current IPR set up has resulted in smaller LGAs having to increase rate revenue to obtain external services/consultants to step these LGAs through the process.

Long Term Financial Plans and Asset Management Plans linked to basic Strategic Community Plans or Corporate Business Plans is all that should be required for LGAs on the lower Band levels.

4. Audit Regulation 17 - CEO to review certain systems and procedures

Currently the CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:

- (a) risk management; and
- (b) internal control; and
- (c) legislative compliance.

This is onerous and should be removed or amended. It is also confusing as to why this would need to go to the Audit Committee in the first instance then to Council. If this requirement is retained then the period for LGAs on the lower Bands should only have to do the reviews less often than those on the higher Band levels. Also, the outcomes of the reviews should go directly to Council with the Council then determining if any items raised needs further investigation and then putting this to the Audit Committee. This will remove the need to hold a Finance Committee Meeting for the sake of it and only have these meeting if/when needed.

In many instances the process is very onerous on the CEO and therefore external assistance is used which comes at a cost to the Council.

Different requirements for different Bands of local governments is important and the DLGC's expectations need to be amended to allow reviews to be done in house.

5. Financial Management Regulations Reg 20 – Financial Reporting Requirements

Currently there is a one size fits all model for the annual financial reporting requirements. A scenario where there is a tiered process, which requires a higher level of financial reporting requirements for larger LG's (i.e. higher Band levels) and a lower requirement for those LGAs on the lower Bands (i.e. develop a "tiered" process on the level of financial reporting requirements for each LG and on the level of compliance).

6. Australian Accounting Standards

The AAS are similarly onerous and with new Standards coming out annually, the lack of suitably qualified staff in rural LGA's to meet all of these requirements places undue pressure on all involved. The previous AAS27 requirements were achievable and met the requirements of Elected Members and residents in understanding the financial reports presented. Council considers that SAT Bands 3 and 4 should be afforded some lenience in the presentation of Annual Financial Reporting to that of SAT Bands 1 and 2.

7. Section 5.53 – Annual Report Requirements

Not dissimilar to the Financial Reporting requirements above (Item 4), there should be a tiered process, which requires a higher level of Annual Reporting requirements or larger LG's (i.e. higher Band levels) and a lower requirement for those LGAs on the lower Bands.

8. Schedule of potential Size and Scale Local Government Act sections

The following items of the Local Government Act and regulations were also provided for consideration.

Section	Smaller Local Governments	Larger Local Governments
2.17 (1)	Prescribe fewer Councillors than the current maximum	Retain the current maximum of 14 or 15 Councillors (dependent on the mechanism used to appoint the Mayor)
3.2	Delete the section which allows a Local Government to undertake functions similar to those taken by the State	Retain the current clause
3.16 (1)	Require a review of local laws to occur every 16 years	Retain the current eight year review requirement
3.16 (2)	Only give local public notice of a local law review	Retain the current requirement to give State wide public notice
3.47 (2b)	Reduce periods for holding non-perishable goods to two weeks and one month, respectively	Retain the current requirement for holding non-perishable goods as one month and two months
3.54 (4)	Drop the requirement to keep plans of road levels and alignments	Maintain this requirement
3.58 (4) (c)	Allow a market valuation to be obtained within 12 months of a disposition	Maintain the current requirement to obtain a valuation within six months
3.59 (4)	Only give local public notice of a business plan	Maintain the requirement to give State wide public notice
3.60	Maintain the current requirements in relation to prohibiting the establishment of corporate entities	Provide a capacity for a local government to form a body corporate
4.17 (2)	Allow a Local Government the opportunity to avoid calling an extraordinary election if an office becomes vacant after the third Saturday in October of the year prior to an ordinary election	Maintain the current requirement which allows an extraordinary election to be avoided if a vacancy occurs after the third Saturday in January
5.46	Review delegations every two years	Maintain the current requirement to review delegations every year
Schedule 2.2 (6)(1)	Review ward boundaries every 16 years	Maintain the current requirement to review ward boundaries every eight years

Functions and General Regulation 11A (1)	Maintain the requirement to produce a purchasing policy for purchases below \$150,000	Allow a purchasing policy to be prepared for purchases below \$250,000
11 (1)	Maintain the current tender limit of \$150,000	Increase the tender limit to \$250,000
30 (2)	Maintain the current value of \$5,000 for exempt land dispositions	An exempt land disposition would occur if the market value is less than \$10,000
30 (3)	Maintain the current value of \$20,000 for exempt dispositions other than land.	Increase the amount of an exempt disposition to \$40,000 for dispositions other than land.

The above information provided by Local Governments will be included in advocacy to the Department of Local Government, Sport & Cultural Industries in the Local Government Act Review process.

Local Government Act Review – Phase 1 Update

The Local Government Legislation Amendment Act 2019 received the Governor's Assent on 5 July 2019, however various parts of the amendment bill are being introduced in stages as regulations are prepared.

Some of the provisions have commenced at the time of reporting. The public information access amendments that will require certain information to be posted to official Local Government websites were proclaimed at this time.

Further regulations have been developed relating to Universal Training and the gift provisions.

The gift provisions have come in, however the reference to notifiable and prohibited gifts relating to employees which was to be removed from the Act has remained. The Department of Local Government, Sport and Cultural Industries has advised that this will be rectified when the regulations relating to Codes of Conduct comes in.

Discussion papers relating to the other Act Amendment issues around Codes of Conduct, CEO Recruitment and Performance are currently out for sector comment. Please refer to State Council agenda items in these two issues.

Local Government Act Review – Phase 2

Following the close of submissions on 31 March 2019 to the Phase 2 Act review process, the Department of Local Government, Sport & Cultural Industries received over 3000 submissions and are currently reviewing and collating the submissions.

The Minister for Local Government has recently announced that he is forming an expert panel to progress the next stage of the Act review process, which will include carrying out work to prepare for a Draft Local Government Act (Green Bill) to be developed in 2020.

WALGA's position is that the State Government need to identify the key principles for the Act in the first instance and then develop supporting policies. The detail of the Act then follows after the principles and policies are established.

WALGA we keep the sector informed when further information is available.

Employee Relations

Local Government Industry Award

WALGA ER has continued to advocate for WA Local Governments with regard to the casual and overtime provisions in the Local Government Industry Award 2010 (**Award**). WALGA ER has filed a number of submissions and advocated on behalf of the Australian Local Government Associations to propose clearer wording to the casual employee provisions to clarify that casual loading is not payable to a casual employee when they are working overtime or on public holidays.

Since the previous update to State Council, WALGA ER has:

- (a) liaised with Australian Business Lawyers and Advisors regarding the proposed amendments; and
- (b) filed a further submission on behalf of the Local Government Associations to confirm the proposed amendments sought.

In addition to the casual and overtime issue, on 14 October 2019 the Fair Work Commission (**FWC**) published a new Exposure Draft of the Award. In the new Exposure Draft, the FWC accepted the amendments proposed by WALGA in April 2019 to retain the current higher duties clause in the Award, among other things.

WALGA ER is currently preparing submissions to be filed with the FWC in November 2019 regarding the Exposure Draft and it is likely WALGA ER will be required to appear before the Full Bench of the FWC in December 2019 to ensure any further amendments to the Award are in the best interests of our member Local Governments.

Training

Local Government Training Package

The Draft 1 consultation process for the complete rework of the Local Government Training Package closed on 11 October. National consultation for Draft 1 was open for public comments for approximately 1.5 months. The consultation process within the Local Government sector included face-to-face workshops in every State and multiple webinars.

The Local Government Industry Reference Committee (of which WALGA is a Committee representative for both WA and NT Local Government) met on 21 October 2019 to discuss the consolidated feedback from Draft 1 Consultation. The Industry Reference Committee (IRC) have endorsed a number of actions to be taken in the preparation of Draft 2 of the Local Government Training Package.

One of the actions is to seek direct input from the National LGA Workforce Development Committee (of which WALGA is a member) and specialists within the Local Government network to help develop Draft 2. To begin this process the IRC have organized a focused planning meeting with the LGA Workforce Development group scheduled for 7 November in Sydney.

Recruitment

National Local Government Careers and Jobs website

All State Local Government Associations as part of the Local Government Workforce Development Group have been working to establish a national jobs and careers website to attract people to applying for Local Government careers across the nation.

As part of a strategic review to future-proof the Local Government workforce, talent attraction at a sector level was highlighted as both a concern and opportunity. Local Governments are finding it difficult to source talent for hard to fill roles, gain reach and offer a cohesive proposition to candidates.

An output of the Strategic review was to develop a national careers website. This was to establish a brand and platform created to benefit all 537 Local Government nationally. The brand is Careers at Council.

The website www.careersatcouncil.com.au has recently been launched as a content hub, telling the story of what's it is like to work in Local Governments. In November 2019 the website will begin publishing jobs supplied by Local Governments.

Careers at Council Objectives

A platform has been built that showcases the proposition of Local Government through informative and aspirational content.

This will remove barriers and encourage candidates prior to them proceeding to an application.

Purpose

The model for Careers at Council is that it is a platform to first nurture and connect candidates to Local Government. The candidate is the product within this model. The Local Government is the customer.

The Nurture and Connect model requires the user journey to inform, engage and show Candidates before connecting them to a Local Government.

Strategy

The Strategy requires two Marketing streams.

The first is to educate and engage stakeholders. The Second is to reach and nurture Candidates.

Success of both streams will create the Feedback loop making Careers at Local Government a thriving platform.

Local Governments will pay a fee to subscribe to the website.

WALGA has distributed information to the sector in the week of 4 to 8 November 2019. Any queries please contact Recruitment Manager Lydia Highfield.

WALGA Recruitment work

Currently WALGA Recruitment are assisting a number of Local Governments with the following positions:

- Chief Executive Officer – Shire of York
- Chief Executive Officer – Shire of Perenjori
- Plant Operator – Shire of Irwin
- Executive Manager Corporate and Community - Shire of Morawa
- Manager Recreation and Events – East Pilbara

7.1.3 Report on Key Activities, Infrastructure (05-001-02-0003 ID)

By Ian Duncan, Executive Manager Infrastructure

Recommendation

That the Key Activity Report from the Infrastructure Unit to the December 2019 State Council meeting be noted.

The following provides an outline of the key activities of the Infrastructure unit since the last State Council meeting.

Roads

Pavement Marking

The Association has been working with senior officers from Main Roads WA to reduce the amount of time required to have pavement marking installed by contractors to Main Roads WA, and to receive invoices for this work. In June WALGA State Council resolved that:

1. WALGA write to MRWA seeking an urgent meeting to call for procedure changes to ensure timely delivery and invoicing of line marking.
2. Where a request for line marking was submitted on or before 30 April 2019 the outstanding claim amount (final 20%) is accrued at 30 June, the project recorded as being complete in 2018/19 and no penalties on future grants be applied.
3. Through the State Road Funds to Local Government Advisory Committee, WALGA seek a change to the Procedures so that invoices are always provided within four weeks of line marking work being completed and Main Roads WA to invoice on the basis of an estimate where this is not achieved.

The first two resolutions have been completed. The timely provision of invoices to Local Governments remains in progress. The contract between Main Roads WA and its head contractor for pavement marking requires that all jobs are completed within 20 working days. At the end of October none of the 34 requested pavement marking projects on Local Government roads are overdue for completion. This is consistent with advice from Local Governments. However, there remain long delays for the receipt of invoices that remains the subject of on-going work with Main Roads WA and its contractors and sub-contractors.

Condition Assessment of Roads of Regional Significance

The *State Road Funds to Local Government Agreement* makes provision for an annual amount of \$500 000 to be set aside for a documented visual condition survey of the sealed roads of regional significance. It is envisaged that every significant sealed road will be assessed once every five years. In consultation with the Regional Road Groups, Main Roads and WALGA will manage the program and the data will be provided to each relevant Local Government and will also be used to assess the condition of the network at a regional and State level. The first stage of the survey is scheduled to commence in the Midwest in the current financial year.

Road Safety Management System

The *State Road Funds to Local Government Agreement 2018/19 to 2022/23* requires WALGA, Main Roads WA and Regional Road Groups work towards establishing a Road Safety Management System to suit the needs of Local Government. It is proposed the system be used by all Local Governments to assess Black-Spot and other grant funded projects. WALGA and Main Roads WA surveyed the member Local Governments of the South West Regional Road Group to inform components of a Road Safety Management System and identify information and process gaps. WALGA continues to work with Main Roads WA on system requirements and parameters based on the guidance provided by Local Governments in the South West Region.

State Road Funds to Local Government Procedures

The *State Road Funds to Local Government Agreement 2018/19 to 2022/23* provides an opportunity to review the associated Procedures. The procedures identify the structures and processes that support the Agreement. Work reviewing the procedures continues between WALGA and Main Roads WA to ensure they meet the needs of the State Road Funds to Local Government Advisory Group and Regional Road Groups. WALGA and Main Roads WA are close to completing a draft of the procedures for consideration by Regional Road Groups.

Review of the Restoration and Reinstatement Specification

The Local Government Guideline for Restoration and Reinstatement has been drafted, endorsed by the IPWEA Executive Committee and has been circulated to all Local Governments and other stakeholders for feedback. The Specification was originally published in 2002 and IPWEA has endorsed a comprehensive review to be performed by a working group of industry experts. The working group comprises members from WALGA, IPWEA, Local Governments and Main Roads WA. The working group agreed to substantially rewrite the specification which will be titled "Local Government Guidelines for Restoration and Reinstatement in Western Australia". The feedback period closed on 31 October and the working group will consider all comments before finalising the Guide.

Funding

State Road Funds to Local Government Agreement 2018/19 to 2022/23

A consultation process with Regional Road Groups and the Infrastructure Policy Team has commenced to develop a proposal and negotiation strategy for the review of funding under the *State Road Funds to Local Government Agreement*. A commitment to review the level of funding to the Agreement after two years was included in the proposal supported by WALGA State Council in July 2018.

The *State Road Funds to Local Government Agreement* provides an allocation of funds to Local Governments in Western Australia for the maintenance, preservation and upgrading of roads and bridges. The amount of funding is based on a percentage of the motor vehicle license fee (MVLF) revenue collected by the WA State Government. The agreements are traditionally negotiated for a five year period. The previous Agreement provided an allocation of 27% of MVLF. However, this was decreased by the State Government to approximately 20% over a period from 2014/15 to 2017/18 amongst a program of budget repair cuts.

Wheatbelt Secondary Freight Network

The Wheatbelt Secondary Freight Network Steering Committee has been formally established and the Program Governance Plan and Multi-criteria Analysis unanimously supported by the 42 Local Governments that are members of Wheatbelt North and Wheatbelt South Regional Road Groups. All Local Governments in the region were invited to provide an expression of interest to host the Program Manager, who is yet to be appointed. The responses have been evaluated and the process to recruit a Program Manager commenced.

Development work on the first two projects is continuing with the aim of commencing on-ground works by February 2020.

Level 1 Bridge Inspections

The *State Road Funds to Local Government Agreement* states that WALGA and Main Roads WA will implement a framework during 2019 to monitor and support all Local Governments to fulfil the obligation of performing annual Level 1 bridge inspections.

In order to be eligible for Special Project funding from the *State Road Funds to Local Government Agreement*, Local Governments must be able to show that Level 1 inspections have been performed

and that adequate routine and preventative maintenance have been undertaken to prevent undue deterioration.

WALGA developed a framework that sets out the obligations of Local Governments and Main Roads and introduces timelines for completion and submission of inspections. The document also details potential financial and training support. The framework is available on the WALGA website, and will be uploaded to the Main Roads website.

State Underground Power Program

Delivery of projects under the State Underground Power Program is in full swing with six projects under construction and a further eight projects in advanced stages of design, finalising cost estimates or contracting.

A workshop of Senior Officers and Elected Members from sixteen Local Governments indicated strong support for a new round of projects. The current Round 6 projects will be completed in 2020/21.

Urban and Regional Transport

Revitalising Agricultural Region Freight Strategy

The scope of the State Government Revitalising Agricultural Region Freight Strategy has been expanded to include the South West region. A separate stakeholder consultation process has been completed in the region, with all Local Governments invited to contribute.

Review of the Asset Preservation Model

WALGA has commenced a review of the Local Government Grants Commission's Asset Preservation Model, which is used to distribute road funding to Local Governments to assist in maintaining their road assets. The purpose of this review is to improve understanding of the Model among members of regional road groups.

This review is being undertaken in partnership with the Department of Local Government, Sport and Cultural Industries.

Road Safety

Road Safety Council Update

The Road Safety Council participated in an annual planning day on 15 August. During the facilitated planning session members received presentations and considered: road crash performance and trends; the national direction; community attitudes results; feedback from the road safety strategy consultation and the international horizon. The day culminated in determining the road safety priorities for road safety in WA and the Road Trauma Trust Account going forward. In accordance with section 5 of the *Road Safety Council Act 2002* the following priority areas were confirmed: safe speed, impaired driving (alcohol and drug), safe intersections, run off road crashes and education, engagement and supporting implementation. These priorities together with consideration of stakeholder and community feedback and modelling will guide the development of recommendations to the Minister for the next WA road safety strategy.

RoadWise Road Safety Workshop Series

On 14 October, WALGA's RoadWise welcomed Local Government Mayors, Elected Members and officers to a free workshop with State Technical Leader NSW, and National Leader Transport Safety from the Australian Road Research Board (ARRB), David McTiernan. This was the first event in a series of road safety workshops to be presented by WALGA's RoadWise.

The workshop, titled 'Road Safety – Is It a Local Government Priority? (What Does the Experience Suggest?)', included Local Government case studies and provided an opportunity to discuss opportunities and barriers when implementing the safe system approach across local road networks.

Details of future workshops will be promoted through *LG News* and *Councillor Direct*, the *WALGA RoadWise Road Safety Newsletter*, WALGA RoadWise Facebook page, and WALGA RoadWise website.

Road Ribbons for Road Safety® Campaign 2019

The annual *Road Ribbon for Road Safety®* campaign commenced on Sunday, 17 November.

The campaign enables Local Governments to engage with communities and individuals to support local road safety initiatives, directly contributing to WA's road safety strategy, Towards Zero 2008-2020 and zero deaths and serious injuries on our roads.

To assist Local Governments involvement in *Road Ribbon for Road Safety®* campaign events, displays and publicity, RoadWise has prepared a suite of resources and tools. Visit the RoadWise website; www.roadwise.asn.au/onlineform to download copies or email Matt Martinovich, Road Safety Project Officer; mmartinovich@walga.asn.au for further information.

Showcasing RoadWise

On Thursday, 19 September, WALGA welcomed representatives from road safety organisations (including the Road Safety Council and the Road Safety Commission), for an open session with all staff to showcase how the RoadWise Program works with Local Governments and the community to take action to prevent road trauma.

The event provided an opportunity to talk about WA's regional diversity, how RoadWise helps local communities identify and address local road safety issues and how the team uses specially developed tools and resources to address road safety priorities and challenges.

All of the presentation boards have been uploaded to the WALGA RoadWise website at <https://www.roadwise.asn.au/image-gallery/> as an online tour or can be downloaded as a kit from <https://www.roadwise.asn.au/onlineform/>.

RoadWise Road Safety Newsletter

The August to October 2019 editions of the *RoadWise Road Safety Newsletter* can be accessed electronically at <http://roadwise.asn.au/roadwise-road-safety-newsletter.aspx>.

New subscribers can register to receive the newsletter directly through the following link: <http://eepurl.com/PHFsr>.

The newsletter is currently distributed to more than 1800 members of the community road safety network in Western Australia. Readership of the newsletter is estimated to be significantly higher than distribution.

WALGA RoadWise Facebook page

With more than 300 followers the WALGA RoadWise Facebook page is designed to help promote the community road safety network's road safety initiatives, enable the network to interact more, raise community awareness of road safety and promote RoadWise campaigns and projects. The WALGA RoadWise Facebook page can be found at <https://www.facebook.com/WALGARoadWise/>.

7.1.4 Report on Key Activities, People and Place (01-006-03-0014 JB)

By Jo Burges, Executive Manager Planning and Community Development

Recommendation

That the Key Activity Report from the People and Place Team to the December 2019 State Council meeting be noted.

The following provides an outline of the key activities of the People and Place Team since the last State Council meeting.

EMERGENCY MANAGEMENT

Stretch Thinking Training for Emergency and Crisis Management

Researchers from the Disaster Resilience Research Group at the University of Tasmania received AWARE Grant funding to deliver two separate training sessions to Local Governments in late October. The project was a partnership between WALGA and the Bushfire Natural Hazards CRC, to assist Local Government recovery staff in emergency and crisis management. Associate Professor Ben Brooks and Dr Steven Curnin from the University of Tasmania delivered the targeted capability development program on 22 and 23 of October at Technology Park Function Centre to over thirty Local Governments from across the State. The training was based on cognitive psychology and research in emergency and crisis management, and aimed to stimulate a creative approach to recovery in Local Government. Local Recovery Coordinators were encouraged to attend the workshops, which included an evolving discussion exercise scenario to utilise the new skills taught throughout the course of the training. Participants were enthusiastic in their engagement with the content, and information collected after the workshops demonstrated that they had improved their understanding and skills in effective decision-making during an incident or crisis over the course of the day. Data collected at the workshop will be analysed and a report provided to WALGA by late November. The Association will share this information with participants.

Animal Welfare in Emergencies Update

The State Support Plan – Animal Welfare in Emergencies (the Plan) was conditionally endorsed by the State Emergency Management Committee (SEMC) in March this year, with a caveat that the Plan to be exercised within six months and the outcomes reflected in an updated plan. A discussion exercise was held on Friday, 13 September 2019 at the DFES Simulation centre. The exercise involved a bushfire in a peri-urban area, with a number of injects over the course of the day. The scenario was based in the Serpentine Jarrahdale boundaries, and a representative from the Shire participated in the exercise. A number of issues were raised as a result of the workshop which have informed changes to the Plan.

Additionally, as an outcome of the Department of Primary Industries and Regional Development (DPIRD)'s two Animal Welfare in Emergencies Workshops, held in Hillarys and Albany in August, DPIRD has prepared a Local Government Animal Welfare in Emergencies Guide and Template, which can then be integrated into the LEMA. DPIRD would like Local Governments to continue to inform the development of the Draft Guide and Template. The document will be circulated by WALGA to Local Governments for comment in the coming weeks.

SEMC meeting

The last meeting of the State Emergency Management Committee (SEMC) was held on 4 October 2019. Key outcomes include:

- A new Subcommittee, the Public Safety Communications (PSC) Subcommittee was established. The Government Chief Information Officer will Chair the Subcommittee which

will support the development and operation of effective and efficient Public Safety Communications (PSC) in Western Australia.

- A competitive Natural Disaster Resilience Program (NDRP) grant round of approximately \$1.34 million was approved. This will be released in quarter one of 2020.
- SEMC discussed the publishing of harvest and vehicle movement bans and undertook to research opportunities to streamline the availability of this information.

The full SEMC communique can be found [here](#).

COMMUNITY

National Redress

The Association is awaiting release of information from the relevant State Government agencies since the receipt of State Council Resolution 66.5/2019. Local Governments are encouraged to continue to raise awareness of the [National Redress Scheme](#) and to continue conducting Working with Children Checks. Community organisations are welcome to assess their current child safeguarding practices by using DLGSC's [Self-Assessment Tool](#)

Please contact Gordon MacMile, Director Strategic Coordination and Delivery, Department of Local Government Sport and Cultural Industries, 9492 9752 or gordon.macmile@dlgsc.wa.gov.au with any queries or to arrange for a direct presentation/discussion with your Local Government.

Community Industry Reference Group (CIRG)

The second meeting of the CIRG was held on 22 November 2019 to progress the Health and Wellbeing Indicator Project scope and WALGA Pre-budget Submission to State Government. For more information on the CIRG please go to the [WALGA website](#).

Public Health Regulatory Review

In 2019, Local Governments participated in six regulation reviews as part of the implementation of the *Public Health Act 2016*. This included air-handling and water systems, public buildings, drinking water, commercial garden soils, offensive trades and events management. Additionally, a review of the safety of pesticides is being considered by State Council in this agenda. WALGA is now coordinating submissions on behalf of Local Governments to review a [Discussion Paper](#) on the *Health (Laundries and Bathrooms) Regulations and the Sewerage (Lighting, Ventilation and Construction) Regulations 1971*. Local Governments can send their feedback via [email](#) to Bec Waddington, Policy Officer – Community by **20 December 2019**.

Local Government and Public Health Planning

The Association met with the Chief Health Officer, Department of Health and relevant staff for an update on key activities relating to Local Government and public health planning. Relevant information is available on the [WALGA website](#). From this meeting Local Government can anticipate the release of a Department of Health endorsed Roles and Responsibilities document to guide interactions between Local Government and the Department, Health Service Providers (HSPs) and WA Country Health Services (WACHS) when conducting public health planning.

Local Government must produce a health status report in accordance with section 45(4)(b) of the *Public Health Act 2016*. To ensure consistency across Local Government and through the support provided by the HSPs and WACHS, the Public Health Planning Health Status Report Working Group, with WALGA representing Local Government will consider and provide a means for:

- Baseline health data requirements
- Health status profile and infographics templates
- Data accessibility and interpretation

- Ongoing Health Status reports (once Part 5 is enacted and new plans every 5 years), and
- A Local indicators framework

Planning for a Health and Wellbeing Forum for early 2020 is currently being scoped that will consider any remaining unanswered questions. Specifically, the implementation of the Sustainable Health Review and Local Government's role, with reference to Recommendation 1: to increase and sustain focus and investment in public health, with prevention rising to at least 5% of the total health expenditure by July 2029 together with further clarity and strengthened support for regional health partnerships and service delivery. A key component of the event will be the activities designed for CEOs and Elected Members to provide them with the decision-making tools required to successfully conduct public health planning.

Type 2 Diabetes

In March 2019 WALGA advocated for the role of Local Government under the *Public Health Act 2016* to the Health and Education Standing Committee inquiry into the role of diet in type 2 diabetes prevention and management. Parliament is due to receive a final report that the Association anticipates may have recommendations that intersect with Local Government. Information will be provided to members when available.

Community Housing Governance Committee

The Department of Communities and Community Housing Engagement Governance Committee met for the first time May 2019 and confirmed the Committee's role and working arrangements. Matters relating to community housing are managed through various means, including policy, contracts, regulation and commercial partnerships, and involve many different stakeholders. To facilitate engagement on matters relating to community housing, the Committee is calling for expressions of interest for proposals for engagement projects. To access the project template required for project proposals please contact Kirstie Davis kdavis@walga.asn.au.

2020 Western Australian Heritage Awards

Nominations for the 2020 Western Australian Heritage Awards close on Friday December 13 2019 to which Local Government are strongly encouraged to apply to the prestigious awards and receive well-appointed State recognition. More information on the 2020 WA Heritage Awards can be found online at <http://www.dplh.wa.gov.au/heritage-awards> or by contacting the Department of Planning, Lands and Heritage by emailing HeritageAwards@dplh.wa.gov.au or telephoning 6552 4000.

Multicultural Communities Forum

WALGA hosted a Multicultural Communities Forum on Monday 21 October 2019. The forum explored the role of Local Government in supporting diverse, multicultural communities through its many strategic and statutory functions. Expert speakers included Aleem Ali, the CEO of Welcoming Cities, and Annabel Brown the Project Lead from the Centre for Policy Development in Sydney, as well as the Shire of Katanning and City of Stirling. Sarah Janali, Manager Community and Culture at the City of Canning facilitated a panel discussion and workshop exploring opportunities for mainstreaming multiculturalism in Local Government.

Mental Health Local Government Forum

WALGA held a full day forum on mental health and the role of Local Government on **Monday 11 November 2019**. The initiative was driven through the Association Zones with several Local Governments involved in the program. Participants heard key presentations from national and local presenters on the role of Local Government in addressing increasing complex situations in their communities.

Access and Inclusion Forum

WALGA hosted the annual Access and Inclusion forum on **Thursday 29 August** with over 80 registrations. The event focused on building and strengthening partnerships and addressing key aspects of inclusion for communities for Elected Members and Officers. The Department of Communities also used this as an opportunity to consult with the sector on the development of the State Disability Strategy.

Community Development Officer – Aboriginal Engagement Network Meeting

On 15 October 2019 WALGA hosted the meeting of the Community Development Officer Aboriginal Engagement Network. The Network provides an opportunity for Aboriginal and non-Aboriginal Local Government staff working in reconciliation and Aboriginal projects to meet, network and share knowledge and ideas. Landgate attended the meeting as guests and presented about dual naming opportunities for Local Government.

PLANNING

Performance Monitoring Report – 2018-19 edition

The third iteration of the Association's Performance Monitoring Report on the planning and building functions of Local Government is currently underway. This year data from the 26 participating Local Governments has now largely been collected, with analysis and compiling of the data currently underway. It is hoped that the final report will be brought to State Council for noting in the first quarter of next year. The importance of this project has been elevated in recent months with the announcement of the State Government's Action Plan for Planning Reform initiative. This has seen the establishment of a data industry working group. WALGA has two representative on this group, and this project will be presented at its first meeting.

Local Government Car Parking Discussion Paper

The primary aim of this paper is to discuss policy options which provide an alternative to minimum parking ratios. The discussion paper was prepared in response to: (1) a 2017 workshop convened by WALGA, which raised potential issues with the application of minimum parking ratios as an approach for managing parking and transport demand generated by new development; and (2) a 2018 report commissioned by WALGA and the Department of Transport (DoT), which found that minimum ratios are likely to be poorly related to demand for parking generated by new development.

The paper was open for member comment in November and will be used to help inform the preparation of a car parking guideline for Local Governments in 2020. The discussion paper was prepared by WALGA and the DoT in collaboration with a Local Government Car Parking Reference Group and the Department of Planning, Lands and Heritage (DPLH).

State Planning Policy (Water Resources)

The DPLH is currently amalgamating State Planning Policies (SPP) 2.1, 2.2, 2.3, 2.7, 2.9 and 2.10 into one State Planning Policy. In October, WALGA met with the DPLH to discuss progress of the amalgamation and WALGA's comments on an early version of the draft policy and guidelines. DPLH were generally supportive of the comments raised by WALGA. WALGA is expecting the draft policy and guidelines to be available for public comment in mid-2020.

Briefing Session - State Planning Policy 5.4 – Road and Rail Noise

The Planning team in conjunction with the DPLH recently held a briefing for Local Government officers in the field of planning, transport and environmental noise assessment to explain the key changes made to the revised policy. The session was attended by approximately 40 officers, with an additional 15 participating through webinar from across the State.

Community Benefits for Development Incentives Report

WALGA has prepared a report with Local Government members, which analyses the local, state and international examples and proposes recommendations and principles which could be applied.

Officers from the Cities of Melville, South Perth, Stirling, and Perth, Town of Victoria Park and the Metropolitan Redevelopment Authority were interviewed and assisted in preparing the report.

The report proposes specific actions based on evidence gathered through an academic literature review, State Administrative Tribunal judgements, analysis of local, national and international case studies and interviews with Local Governments. The report also focuses on development incentives where they are linked to the cash contribution or delivery of community benefits, either on-site, or off site.

The report proposes 8 main recommendations, which could be considered when preparing or amending a local planning scheme, policy or plan to implement community benefits for development incentives.

Although the recommendations are not exhaustive, they provide an important starting point and attempt to address issues that have arisen in other jurisdictions, covering the following aspects in the preparation of any planning framework:

1. Context
2. Community Needs Plan
3. Market Analysis and Balancing of Benefits and Incentives
4. Valued and Measurable System
5. Staged or Stepped Approach
6. Reasonable Planning Relationship
7. Apply a Maximum Bonus Height or Plot Ratio
8. Implementation

The resource is available on WALGA's Planning Improvement Program Portal at <https://walgapip.ning.com>.

Local Planning Policy Guide

WALGA initiated this project in collaboration with eight metropolitan Local Governments

Local Planning Policies (LPPs) are often criticised due to perceptions that there is limited consistency across jurisdictions both in content and style, which can be detrimental to the legibility of the planning system

The Guide has been developed to address these perceptions while supporting Local Government's desires for the content of LPPs to provide local context

Local Governments developing or reviewing their local planning frameworks are encouraged to consider using the Guide.

The Local Planning Policy Guide can be found here:

<https://walga.asn.au/getattachment/Documents/Local-Planning-Policy-Guide-Final.pdf?lang=en-AU>

Draft AS 1926.1:2019, Swimming Pool Safety, Part 1: Safety Barriers for Swimming Pools

Standards Australia have released a draft AS 1926.1:2019, Swimming pool safety, Part 1: Safety barriers for swimming pools, for public comment until the 31 December 2019.

A workshop with Local Government Building Surveyors and Swimming Pool inspectors was held to assist in providing technical feedback to Standards Australia.

Feedback on the draft AS 1926.1:2019, Swimming pool safety, Part 1: Safety barriers for swimming pools (<https://walgapip.ning.com/submissions/as-1926-1-2019-part1>)

7.2 Policy Forum Reports

7.2 Policy Forum Reports (01-006-03-0007 TB)

The following provides an outline of the key activities of the Association's Policy Forums since the last State Council meeting.

Recommendation

That the report on the key activities of the Association's Policy Forums to the December State Council Meeting be noted.

7.2.1 Mayors/Presidents Policy Forum

Tony Brown, Executive Manager Governance & Organisational Services

The Mayors/Presidents Policy Forum has been tasked with addressing the following key issues;

- i. Advise the WALGA President on emerging policy issues;*
- ii. Serve as a stakeholder forum to effectively support and complement the broader work of the Western Australian Local Government Association*
- iii. Provide a networking opportunity for all Mayors and Presidents across the State.*
- iv. Provide a forum for guest speakers to present on topical sector issues.*

Comment

A Mayors/President Policy Forum has not been held since the last State Council meeting.

7.2.2 Mining Community Policy Forum

Nebojsa Franich, Policy Manager Economics

The Mining Communities Policy Forum has been tasked with addressing the following key issues;

- i. Monitor and assess the continuing impacts of State Agreement Acts on Local Government revenue raising capacity and service delivery;*
- ii. Monitor and assess the impacts of State Government legislation, regulation and policies on the capacity of Local Governments to appropriately rate mining operations.*
- iii. Develop and recommend relevant advocacy strategies in relation to i & ii;*
- iv. Consider and recommend relevant strategies in respect to "Fly-in, Fly-out (FIFO) and "Drive-in Drive-out" (DIDO) workforce practices with specific reference to;*
 - a. The effect of a non-resident, FIFO/DIDO workforce on established communities, including community wellbeing, services and infrastructure;*
 - b. The impact on communities sending large numbers of FIFO/DIDO workers to mine sites.*

Comment

A meeting of the Mining Communities Policy Forum has been scheduled for 4 December 2019.

7.2.3 Container Deposit Legislation Policy Forum

Mark Batty, Executive Manager Waste and Environment

A Container Deposit Scheme (CDS) is a form of Extended Producer Responsibility which seeks to place financial/physical responsibility for a product (at end of life) on the original producer

The objectives of the Container Deposit Scheme Policy Forum shall be to:

- Provide constructive input into the development of a CDS for WA*
- Ensure that regional and remote communities have access to the benefits of a CDS*
- Engage with Local Government, and collectively negotiate with the Scheme operator, to ensure the sector has the opportunities to be involved in the implementation of a CDS.*

Comment

The CDS Policy Forum met on Monday 2 September 2020 to discuss the progress of the Scheme.

There have been a number of milestones achieved in relation to the Scheme, including:

- Development of Regulations for the implementation of the Scheme
- Official appointment of the Scheme Coordinator and publication of the conditions of appointment.
- Reporting requirements announced for the Scheme Coordinator
- Refund Network Procurement process commenced
- WAPC Planning document released
- Agreement regarding sharing the benefits of the Scheme between Material Recovery Facilities and Local Government.

The Policy Forum agreed that there was ongoing work to ensure that Local Governments were included in the ongoing development of the Scheme.

7.2.4 Economic Development Policy Forum

Tony Brown, Executive Manager Governance & Organisational Services

The Economic Development Policy Forum has been tasked with addressing the following key issues;

- 1. Provide sector leadership on Local Government's role in economic development*
- 2. Provide guidance on effective engagement with Elected Members to inform the Economic Development Framework Project*
- 3. Review and provide input into the draft outcomes of the Economic Development Framework Project, including the Local Government Economic Development Framework, Economic Development Discussion Paper, Economic Development Policy and Advocacy Strategy and Sector Support Strategy*
- 4. Monitor the outcomes and effectiveness of the Economic Development Framework Project*
- 5. Provide guidance on ongoing work to support the sector in its economic development activities*
- 6. Provide input into the development of economic development policy and advocacy*
- 7. Provide input and guidance into WALGAs responses to emerging issues as they relate to economic development*

Comment

The Policy Forum has not met since the last State Council meeting.