

**Flying Minute: 2023-24 State Budget Submission Approach  
(05-001-03-0006 DM)**

*By Dana Mason, Manager Economics and Strategic Projects*

**That the State Council endorse WALGA's proposed approach and priorities for the 2023-24 State Budget Submission.**

**RESOLUTION 216.FM/2022**

**CARRIED**

**Executive Summary**

- Each year, WALGA prepares a submission to the State Government outlining the sector's priorities for the upcoming budget.
- The attached presentation outlines WALGA's proposed approach and priority initiatives for inclusion in this submission.
- WALGA's submission will be most influential by putting forward a targeted list of initiatives aligned to Government priorities that demonstrate a benefit to the State and the community.
- The final submission will be provided to State Council for endorsement at the September State Council meeting.

**Attachment**

- 2023-24 State Budget Submission – Proposed Approach

**Policy Implications**

The submission reflects related existing WALGA policy positions.

**Background**

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

For WALGA's submission to have the best chance of success and stand out from the crowd it should be:

- *Targeted* – an extended list of priorities is not likely to be considered by Government given they already have a full agenda of election commitments and other emerging priorities.
- *Aligned to with Government election commitments, policies and priorities (e.g., Diversify WA and supporting key industries, climate action)* – the Government is more likely to fund requests that align with their agenda or that address a pressing or emerging issue.
- *Of demonstrable benefit to the State and the Community* – a strong evidence base is needed to demonstrate the value that the initiatives will deliver for the community. Those which already have a demonstrated track record, or where there is a co-funding arrangement are likely to have a greater chance of success, or where there can be quantifiable, tangible benefits from the investment or legislative/policy/regulatory reform/implementation

WALGA proposes 12 key initiatives to form the basis of its 2023-24 State Budget Submission, as outlined below. These initiatives will strengthen our communities and our economy by focusing on a number of areas:

- Supporting key industries and diversifying our economy
- Responding to climate change
- Supporting the health and wellbeing of West Australians
- Delivering a modern legislative framework

The proposed initiatives for inclusion in the submission are below.

- Additional funding under the **State Road Funds to Local Government Agreement**, to support renewal of Local Government roads and improve safety.
- Create a **training program for building surveyors in Local Government**, to address current and emerging shortages which have the potential to impact on future construction activity.
- Prepare a high-level **Mid-Tier Public Transport Plan and Strategy** for greater Perth, in consultation with relevant Local Governments, to alleviate ongoing congestion on our roads and create a safer and more convenient transport network.
- Additional funding to assist Local Governments to build communities across regional Western Australia through the **Regional Development Assistance Program**, and redefining the program to separate projects in smaller towns and those in larger towns and cities.
- Invest in climate change adaptation, including funding for managing urgent **coastal erosion** hotspots, and enhancing the **urban tree canopy**.
- Increased funding for the **Bushfire Mitigation Activity Funding Grant Program** to enable Local Governments to undertake activities to reduce bushfire risk on high-risk State-owned land across WA, and expand the program to allow Local Governments to manage bushfire risk and deliver programs that support local community bushfire preparedness.
- **Expand the Community Emergency Services Manager** program to all Local Governments that manage bushfire brigades.
- **Ensure adequate capital funding is provided under the Local Government Grant Scheme (LGGS)**. In the first instance funding should be provided to undertake an audit of existing facilities, appliances, vehicles, and major items of equipment for both Local Government Volunteer Bushfire Brigades (BFB) and State Emergency Services (SES) in order to create a comprehensive asset management plan, that can guide future investment decisions. LGGS funding should also be increased to support the unsuccessful capital grants funding applications by Local Governments to the 2020-21 LGGS Capital Grants Committee.
- Address under funding and lack of access to **health services in regional and rural areas** of WA, and improve coordination in the planning and provision of GPs and related primary health services in these areas.
- In partnership with Local Government, continue funding for the **State Underground Power Program** with State Government funding prioritised to project areas where the benefits to the households are less (lower property values) and the financial capacity to contribute is less.
- Provide funding to support the costs associated with the implementation of **Local Government Act Reform Priorities** to ensure the sector has the capacity and capability to transition to the new requirements and fulfil its obligations.
- Funding to support the **implementation of legislative reform priorities**, including:
  - *Aboriginal Cultural Heritage Act*
  - *Public Health Planning under Part V of the Public Health Act*
  - *Consolidated Emergency Services Act*



## **Comment**

The State Budget Submission is an important opportunity to put forward priority issues for Local Governments, and to demonstrate the sector's willingness to work collaboratively with the State Government.

WALGA is seeking endorsement from the State Council on the proposed approach and priorities for the submission.

The draft submission will be finalised in the coming month and provided to State Council for endorsement at the September meeting.

WALGA is developing a detailed advocacy strategy for the State Budget Submission that will also be provided to State Council for information in September. The approach will link into the key milestones associated with the State Government's process for developing the Budget, and target a number of audiences including the Minister for Local Government, Premier/Treasurer, key members of the Expenditure Review Committee, and heads of key agencies.

## FLYING MINUTE OUTCOME

Poll created: 18/07/2022 at 17:04

Poll closed: 26/07/2022 at 08:00

Total invited to survey: 24

Total finished survey: 21

Endorse the Recommendation: 12

Endorse the Recommendation subject to comment below: 9

Do not endorse: 0

First Name	Last Name	Completed Date
Carol	Adams OAM	25/07/2022 12:02
Phillip	Blight	24/07/2022 9:10
Laurene	Bonza	25/07/2022 19:10
Ruth	Butterfield	25/07/2022 15:51
Carl	Celedin	19/07/2022 3:13
Cheryl	Cowell	25/07/2022 18:58
Frank	Cvitan	Not completed
John	Daw	20/07/2022 11:21
Tony	Dean	18/07/2022 18:09
Catherine	Ehrhardt	21/07/2022 15:36
Russ	Fishwick	22/07/2022 11:57
Moira	Girando JP	24/07/2022 9:36
Logan	Howlett JP	19/07/2022 10:46
Mark	Irwin	Not completed
Paul	Kelly	19/07/2022 22:19
Peter	Long	25/07/2022 14:54
Chris	Mitchell JP	22/07/2022 15:30
Chris	Pavlovich	Not completed
Les	Price	23/07/2022 22:08
Michelle	Rich	26/07/2022 5:32
Helen	Sadler	25/07/2022 21:40
Ken	Seymour	25/07/2022 20:31
Stephen	Strange	22/07/2022 12:08
Doug	Thompson	20/07/2022 15:14

## Responses

(12) Endorse the Recommendation: Carl Celedin (on: 19/07/2022 3:13), Logan Howlett JP (on: 19/07/2022 10:46), Paul Kelly (on: 19/07/2022 22:19), John Daw (on: 20/07/2022 11:21), Doug Thompson (on: 20/07/2022 15:14), Catherine Ehrhardt (on: 21/07/2022 15:36), Chris Mitchell JP (on: 22/07/2022 15:30), Peter Long (on: 25/07/2022 14:54), Ruth Butterfield (on: 25/07/2022 15:51), Cheryl Cowell (on: 25/07/2022 18:58), Michelle Rich (on: 26/07/2022 5:32), Ken Seymour (25/07/2022 20:31)

(9) Endorse the Recommendation subject to comment below: Tony Dean (on: 18/07/2022 18:09), Cr Russ Fishwick JP (on: 22/07/2022 11:57), Stephen Strange (on: 22/07/2022 12:08), Phillip Blight (on: 24/07/2022 9:10), Les Price (on: 23/07/2022 22:08), Moira Girando (on: 24/07/2022 9:36), Carol

Adams OAM (on: 25/07/2022 12:02), , Helen Sadler (on: 25/07/2022 21:40), Laurene Bonza (on: 25/07/2022 19:10)

(0) Do not endorse

## Comments

### **President Cr Tony Dean on 18/07/2022 18:09**

*When is the next State Budget? May 2023? This seems a little premature in the light of developing economic conditions. Happy to see a review of our position in September.*

### **Cr Catherine Ehrhardt on 21/07/2022 15:36**

*Supporting the health and wellbeing of West Australians - including local area childhood immunisations.*

### **Cr Russ Fishwick JP on 22/07/2022 11:57**

*Generally the recommendation to endorse the proposed approach and priorities for the 2023/24 State Budget Submission are supported with the following comments made related to the initiatives:*

#### ***Recommended Priority – Supporting Key Industries and Economic Diversification***

*It is suggested that economic diversification be removed from the title as the three identified initiatives are focused on roads, building surveyors and Metronet, or alternatively include as an initiative:*

*Invest in the delivery of programs by local governments to support small to medium businesses to thrive in a more diversified economy – as outlined in Diversify WA, and through the Department of Jobs Tourism Science and Innovation and the Small Business Development*

*It is considered that it may be appropriate for the State Council to give consideration to the following matters to be included as priorities for the 2023/24 State Budget Submission:*

#### ***Proposed State Industrial Relations (IR) Transition***

*It is noted that WALGA has previously advised it is asking for \$15 million in funding for Local Governments over two years based on a comprehensive sector survey, and further State Government support by way of educational resources. However, this funding does not appear in the budget proposal.*

*It is recommended that funding for the proposed State Industrial Relations (IR) transition be listed as a recommended priority. Please see below the transition cost issues the City of Joondalup has identified.*

### **INDUSTRIAL RELATIONS AMENDMENT ACT 2021 Proposed transitional arrangements for local government**

*Funding and resources:*

- *The buoyant Western Australian economy has led to significantly higher staff turnover levels, and difficulty in recruiting new employees to replace those who leave. As a result, many local governments, including the City of Joondalup, don't have the necessary internal resources to make or manage the transition.*
- *Local governments will need to engage skilled industrial relations consultants and legal practitioners to supplement internal resources; and those consultants and high lawyers will be in high demand, driving prices up.*
- *The City, and other local governments, are likely to incur significant legal costs navigating the transition into the State system, and the impacts that transition will have on existing employment arrangements (such as employment instruments, contracts of employment, policies and protocols). Of immediate impact will be legal costs to "future proof" Enterprise Agreements currently being negotiated under the federal system and drafting of Enterprise Agreements that are about to pass their nominal expiry date. For example, existing Enterprise Agreements contain references to federal instruments such as the National Employment Standards and will need to be reviewed to ensure they do not bind the organisation to federal requirements as well as state requirements.*
- *The cost of upskilling our leadership and human resource professionals will be high given the probability that excessive demand for training together with a limited number of practitioners or organisations capable of that training delivery will have an inflationary effect on costs.*
- *There are unbudgeted costs that will be incurred with making the necessary configuration changes to internal payroll and record keeping systems and requirements.*

Transition period:

- *We are currently updating and assessing compliance with the new Work Health and Safety Act which is a priority for human resources and organisational management.*
- *We are currently negotiating two Enterprise Agreements with a third about to commence shortly and having to transition mid negotiation further complicates the bargaining process, not only for the organisation but for the employees affected by those negotiations. This includes but is not limited to ensuring that our future Enterprise Agreements do not empower federal instruments as well as state instruments given, they are currently written with the Federal jurisdiction being the jurisdiction of authority.*
- *The City is required by law to complete a new Workforce Plan in the first half of the 2022/2023 financial year, a project that will consume a high degree of existing Human Resources capacity.*
- *A six month transition period will allow the City to develop and implement a proper plan to prepare for the changes which we cannot formally commit to until the Commonwealth Minister for Industrial Relations signs the required declaration under the Fair Work Act. In particular:*
  - *Human Resource professionals within the organisation have been exclusively operating within the Federal System for at least the last 15 years. Time is needed to identify appropriate learning and development to upskill these professionals to be able to operate within the State system. This will be occurring at the same time for other WA local governments and demand for training providers will be high.*
  - *Understanding a totally new legislative framework and gaining a detailed understanding of the content of new State Awards is not quickly accomplished.*
  - *Our senior executives, managers and supervisors will need training to understand the different requirements of the State system compared with the Federal system.*
  - *The entire workforce will need to become familiar with the State system to remove any ambiguity or anxiety that moving to a new system will create within sections of the workforce.*

- *As identified in our comments related to funding support, given the number of local governments currently operating in the federal system, the demand on professionals to support Western Australian Local governments make the transition will be high. That demand will impact particularly on:*
  - *Legal requirements – the time needed to review existing instruments, policies and protocols to make them consistent with the State system and/or ensure that the conditions of employment contained within the Enterprise agreements are compliant and fair with issues such as converting federal conditions to state conditions able to be considered.*
  - *Professional Consultancy and Subject Matter Experts - Managing the demand and subsequent scarcity of professionals (consultants etc.) for the purposes of upskilling of Human Resources professionals, leadership and awareness for the workforce will be challenging given both the small number available and the number of local governments competing for those services.*

**Cr Stephen Strange (on: 22/07/2022 12:08)**

*Dana, I would suggest beefing up the Regional Development assistance program to fund projects of a regional significance through Vrocs and Regional Subsidiaries as they are formed. The Country Local Government fund through the R4R program did just that and encourage regional cooperation.*

**Les Price on 23/07/2022 22:08**

*Rural health must have a focus. Major regional towns and cities generally receive some form of recognition however the more remote rural towns are seriously short of any form of reasonable health service. Funding for increased service offerings across mental health and wellbeing is a priority. Increased funding for regional projects and infrastructure is also of high concern.*

**Phillip Blight on 24/07/2022 9:10**

*The request for training of building surveyors could be expanded to other skills shortages. There appears to be a shortage of Environment Health officers, finance, pool managers and CEOs and more. Also, in past times, Main Roads provided apprenticeships for road building and construction staff all of which are now in very short supply. A career in Local Government needs promotion backed by education opportunities of the various skills required.*

**Moira Girando on 24/07/2022 9:36**

*The Shire of Mingenew would also like the comments below to be submitted with our affirmative vote.*

- *Housing – agree with Shire of Northampton's sentiments regarding housing development and strategy to address in regional areas. This goes further to capital and asset maintenance works in general. The outrageous tenders and quotes for new construction and maintenance works in regional areas is contributing to extended delays in projects, increasing risks for Shires (as key community assets cannot be repaired or replaced in a timely manner contributing to safety hazards and decrease in community amenity), and inefficiencies in procurement placing further strain on Regional Local Government's limited HR. There needs to be some advocacy for incentivisation for suppliers to service regional areas or be more competitive in their quotes and tenders – a temporary relaxing of some procurement to encourage small to medium size businesses to provide quotes and tenders? It's a massive issue as estimates received for grants and planning seem to be so*

far off RFQ and RFT responses and we can't currently apply for grants with a +30% contingency.

- CESM – indicates 24 more positions to add to the current 35. Assuming this means regional sharing of CESM, how have they worked this out? Also, it refers to management of bushfires brigades but doesn't indicate fit with LEMA more broadly?
- Health and attracting GP and health staff – absolutely support but there is a broader need for more 'health' resources in regional areas which goes beyond the WACHS system and doctors. We are facing a crisis with our ambulance service in the Northern Country Zone (and this is mirrored across the state). The advocacy paper Mingenew put forward was unanimously supported by the Zone yet there is no mention of ambulance services in this health budget item. Very frustrating.
- The Northampton Council supports the submission as presented however consider that WALGA on behalf of our industry needs to emphasize to the state government the lack of affordable housing which is having a negative effect on the economic viability of many towns in WA, in a similar way to what is happening in Kalbarri. The President advised that in her discussions with Councillors from Busselton and from speaking to Karen Chappel after she'd visited communities in the South West, where populations are growing rapidly, it will be the rental markets that are under intense pressure. That's when homelessness and all the associated negative social implications such as crime and decreased health/education outcomes will skyrocket. We therefore consider that the following urgent measures are required.
  - Affordable modest sized, pod-style/portable accommodation options for the rental market.
  - In WA, especially in desired areas and rapidly growing areas, we need a more creative approach to housing which seriously incentives smaller, more modest housing set among public recreational spaces.
  - There also needs to be more incentives and real support for people who do want to enter the housing market, especially to the older homes in rural towns. The figures about the decline of rural populations in WA, compared to regionalization increases in the Eastern states is alarming.

#### **Carol Adams OAM on 25/07/2022 12:02**

*The Budget Submissions are supported but there are a few areas that the City of Kwinana believe should be the main priority focus areas:*

- *WALGA are proposing to expand the CESM program across a further 24 local governments that are not participating in the program at a cost of \$4.5m per annum. Kwinana does not have a CESM after this was disbanded a few years ago and DFES do not have funding to support the program. In our view this initiative should be the highest priority in the budget submission as the operation of VBFB's are one of the highest risks facing local government, particularly with new work health and safety legislation and the operation of the Brigades, which is not a core competency of local government. The CESM has a vital role in ensuring compliance of the VBFB, systems and process are in place and acting as a conduit between the Brigade, DFES and LG. \$10m per annum is proposed for bushfire mitigation activity to support the funding of the grant program to enable work to be undertaken on State owned land across WA. While this should be undertaken by State Departments we know that the work is not being done and is an extreme risk during bushfire season. We for instance have just received funding to undertake work on the Puma tank land. Without this funding the work will not be completed – the consequences could be major disruption to business and the State should a fire occur on the State land.*
- *Funding is proposed to support a number of Local Government Act reform priorities. What appears to be missing is the funding request to support any transition to the State IR*

system. There will be a cost in transitioning and we do not have the funding to enable this to occur. Can you please refresh my memory as to why this has not occurred

- *A proposal of \$6.5m over 2 years for a training program for building surveyors is included. A good initiative but what is unknown is where the State is at with the introduction of building inspections and the comment from DMIRs that they think this should with local government. Building inspections are needed to ensure the quality of building is maintained but we are not resourced for this activity should it commence and there will be significant cost in setting it up.*

**Laurene Bonza on 25/07/2022 19:10**

*In relation to the State Road funding Agreement item, we need to move away from the 'preservation' model and work on getting enough funding to improve our road infrastructure, thereby, increasing road safety. Sticking to the 'preservation model' means we are forever stuck in a cycle of piecemeal improvements which do not enhance the overall safety and general improvement of the road infrastructure.*

*In relation to the items on bush fire funding – there are three separate funding options here. I think we need to consolidate bush fire funding and request enough funding to manage fire risk/mitigation/adequate PPE and equipment without it being a burden on our communities. Local Government is not the lead HMA in any emergency and therefore we should not be left to fund firefighting and related activities and equipment. This is not our core business, notwithstanding, that some Local Governments can and do, manage their local brigades and should have autonomy and funding to do so. Particularly when considering the amount of money collected by Local Government and remaining in the account as the 'Emergency services Levy'.*

**Helen Sadler on 25/07/2022 21:40**

Based on my own views and that of another Central Zone member, I am providing the following feedback:

- Initiative 3: Mid-tier transport planning to support METRONET
  - Recommend broadening the initiative to “Integrated transport planning to support METRONET” to address both connections between Metronet and other forms of public transport AND cycle and walking access.
  - Rationale for including cycle and walking – many of the train stations are easily accessible by car and public transport but difficult to access by active mobility (walking and riding). Enabling easy access to Metronet stations frees up car parking bays and increases usage. It aligns with the key focus areas regarding “*climate change*” and “*supporting the health and well-being of West Australians*”. The Department of Transport/Metronet have already done some studies in this area demonstrating increased walking and cycling when access to train stations has been improved.
- Initiative 7: Increased funding to the Mitigation Activity Funding Grant Programme
  - Recommend broadening what will be funded to read “Funds will be provided to Local Governments to carry out mitigation activities for State Government owned land including but not limited to bushfire, flood and cyclones”
  - Rationale broadened to say “Fire, flood and cyclone mitigation & preparedness will be funded under the grants to reduce the risk of and impact on of other natural disasters on regional and rural communities”
  - This aligns with the focus areas of “*climate change*” and “*supporting the health and well-being of West Australians*”. It makes sense for the Mitigation Activity Funding Grant Programme not just to address bush fires. It may be appropriate to ask for more money if the scope is broadened.

- Additional initiative under the heading of Increasing Community Health & Wellbeing
  - Increased funding of the Shared Path Networks (Walking & Cycling) in Metropolitan and Regional Centres. Aligns with the focus areas of climate change & supporting health and well-being of West Australians.
  - Rationale: A State Active Mobility Strategy is currently be completed as part of the state government's 2021 election commitments. This is likely to set targets for walking and cycling. Local Governments are now required to have Public Health Plans as part 5 of the *Public Health Act*. Increasing grant funding to Local Governments to complete cycling/walking networks will assist local governments to implement public health plans that deliver on their strategies. There is close alignment with the State Government's aspirations to increase public transport use, reduce congestion and achieve net zero carbon emissions.

## Secretariat Comment

*In response to comments on timing of the submission (President Cr Tony Dean):*

In order for sufficient time to be provided for WALGA to brief relevant Ministers and key Departmental staff and to influence proposals put forward by agencies to meet the State Government's November 2022 deadline for Budget submissions, it is necessary for WALGA's submission to be completed in time for endorsement at the September State Council meeting.

*In response to comments on local area childhood vaccinations (Cr Catherine Ehrhardt):*

Noted. For this submission, we are focusing on inequitable access to primary healthcare in the regions.

*In response to comments on removing the reference to Economic Diversification (Cr Russ Fishwick JP):*

Noted. The commentary in the submission has been updated to refer to the delivery of programs by Local Governments to support small to medium businesses to thrive in a more diversified economy. The discussion for the road funding and skills shortages initiatives also directly refers to the role these initiatives play in delivering a more diversified economy, given this is a key focus area for the State Government.

*In response to comments on the transition to the State Industrial Relations System (Cr Russ Fishwick JP, Mayor Carol Adams OAM):*

WALGA has prosecuted the case to the State Government over the last 2 years for transition funding on this issue.

The State Government has rejected the \$15 million request as per the Local Government surveyed information put forward by WALGA. We are currently in discussion with the Department of Mines, Industry Regulation and Safety (DMIRS) and the Office of the Minister for Industrial Relations on a contribution to funding. The State Government have advised that they will not be supporting a \$15 million funding request, however they are prepared to discuss with WALGA the possibility of providing funding/resource assistance in respect to advice, training and educational resources.



It is suggested that discussions continue with the DMIRS and the Minister's office and that a further budget submission not be pursued.

*In response to comments on the Regional Development Assistance Program (President Cr Stephen Strange):*

Noted. Budget submission has been revised, to include reference to funding projects of regional significance, administered through VROCs and Regional Subsidiaries.

*In response to comments on rural health (Cr Les Price, Cr Moira Girando JP):*

Noted. For this submission, we are focusing on inequitable access to primary healthcare in the regions with an initiative focused on addressing under funding and lack of access to health services in regional and rural areas of WA and improve coordination in the planning and provision of GPs and related primary health services in these areas.

The submission makes specific reference to the need for access to health services in rural areas and identifies issues with access to ambulance services.

*In response to comments on the building surveyor's training program (President Cr Phil Blight, Mayor Carol Adams OAM):*

Noted. This item has been updated to include reference to skills shortages in other occupations across the Local Government sector, and the need for a career in Local Government to be promoted and backed by education opportunities.

The budget proposal for a training program for building surveyors has been highlighted due to its alignment with WALGA's current advocacy position, the State's commitment to build regulatory reform, and the success of the similar program in Victoria. Should the program be funded it could be used as a model for other difficult to fill professions.

WALGA also continues to advocate to the State on the demands some of the proposed building regulatory reforms may place on Local Government resources.

*In response to comments on housing (President Cr Moira Girando JP):*

Noted. Local Government's concerns about housing in rural areas are referenced in the Regional Development Assistance Program initiative. Housing is a significant issue for the sector which requires a complex policy response and is being explored through a number of advocacy opportunities outside of the State Budget Submission process.

*In response to comments on the CESM program (President Cr Moira Girando JP, Mayor Carol Adams)*

The CESM Initiative has been further refined. The proposal to expand the Program to an additional 24 Local Governments is based on the number of Local Governments that indicated an interest in participating in the Program in WALGA's 2021 Emergency Management survey. The CESM Program was developed to provide an enhanced approach to bushfire risk management, and this often remains a focus. However, developing and maintaining LEMA can be part of their role.



Expansion of the CESM program and MAF are considered critical to enabling Local Government to discharge its emergency management obligations in relation to bushfire and more broadly.

*In response to comments on road funding (President Cr Laurene Bonza)*

WALGA will negotiate with the State Government to increase funding for road safety improvements, and increased road funding in general. There is a dedicated process for negotiating this agreement, in addition to this budget submission.

*In response to comments on bushfire funding (President Cr Laurene Bonza)*

The most effective approach for this submission was determined to be selection of three key initiatives, for which specific funding asks could be developed, rather than requesting a global sum of additional funding that is difficult to calculate. WALGA's recent Emergency Management Advocacy Positions advocate for increased Emergency Services Levy and Local Government Grants Scheme funds for Local Government, as well as the principle that the State Government should provide financial and resourcing support as necessary to enable Local Governments to adequately deliver their extensive emergency management roles and responsibilities under the State Emergency Management Framework

*In response to comments on Mid-Tier Transport Planning (Cr Helen Sadler)*

This item relates to a process being undertaken by a group of 15 Local Governments to propose a mid-tier public transport network (i.e. light rail, trackless trams or bus rapid transit). This process has already resulted in a proposed network, and the group of Local Governments is seeking funding to undertake detailed planning.

The Submission has been revised to request that both mid-tier public transport and METRONET planning take account of pedestrian and cyclist access, as a matter of course, noting relevant existing policy documents, including: METRONET's Delivering Successful Station Precincts; the Public Transport Authority's Station Access Strategies (not publicly available) and the WA Bike Network Plan, which include "connecting stations" as one its policy objectives.

*In response to comments on the Mitigation Activity Funding Grant Program (Cr Helen Sadler)*

MAF is currently limited to Local Governments with an endorsed Bushfire Risk Management Plan and is available for bushfire risk mitigation works.



# 2023-24 State Budget Submission

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Proposed Approach - July 2022

# Background

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- Each year, WALGA prepares a submission to the State Government outlining the sector's priorities for the upcoming budget.
- There is significant competition for funding from the State Budget. WALGA's submission will be one of many put forward by industry associations, advocacy groups, Government agencies and individuals.
- The Budget will be handed down in May 2023.
- WALGA is the State Council's endorsement on the proposed direction and priorities for inclusion in the 2022-23 State Budget Submission.
- The final submission will be provided to State Council for endorsement at the September meeting.



# 2023-24 – Economic and Fiscal Context

Metric	2023-24 Projection
Net Operating Balance	\$3.5 billion
Net Debt	\$32.2 billion
Asset Investment	\$8.86 billion
Economic Growth (GSP)	1%
Unemployment Rate	3.75%
Wages Growth (WPI)	3.0%
Inflation (CPI)	2.5%

- A sizeable surplus is projected for the 2023-24 Budget year, which will provide significant capacity to invest in priority areas.
- Asset investment will be affected by the constraints in the construction sector, which will affect the ability to progress the pipeline of projects and may see cost escalations.
- Economic growth is set to slow as stimulus spending unwinds and overseas travel resumes.
- But the economy remains strong, with low unemployment, and wage pressures emerging. This will add to pressures for pay increases for public servants now that the wage freeze has been lifted.
- Inflation still remains high, but will moderate as the worst of the impacts of global price pressures ease. However, cost of living will remain a focus with prices stabilising at a high level.
- COVID will remain the backdrop for the budget, but the focus will be recovery rather than dealing with the outbreak of infection. Pressure will remain to continue to spend on health, given concerns around stretched capacity in hospitals.
- With the next State election in 2025, the 2023-24 Budget will be an important opportunity to deliver on election commitments and start to set up for a new term of Government



# WALGA's Proposed Approach

# Proposed Approach

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- There is significant competition for funding from the State Budget. WALGA's submission will be one of many put forward by industry associations, advocacy groups, Government agencies and individuals.
- It is proposed that WALGA has the best chance of success and standing out from the crowd by putting forward a submission that is:
  - Targeted and succinct – An extended list of priorities is not likely to be considered by Government given they already have a full agenda of election commitments and other emerging priorities.
  - Aligned to Government priorities – The Government is more likely to fund requests that align with their agenda or that address a pressing or emerging issue.
  - Return for the State and the Community – A strong evidence base is needed to demonstrate the value that the initiatives will deliver for the community. Those which already have a demonstrated track record, or where there is a co-funding arrangement are likely to have a greater chance of success.

# Budget context and narrative

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- The past few years have seen Government, the community and businesses focus on navigating the COVID-19 pandemic.
- This was a difficult task, as Government sought to balance the conflicting objectives of protecting the health and wellbeing of Western Australians, while supporting the economy.
- While the experts say that the COVID pandemic still has a way to run, focus is now shifting back towards a return to a 'new normal' as we look to live with the virus and deal with emerging challenges such as the rising cost of living.
- COVID was a reminder of the need to invest in resilient communities and a strong economy that can withstand the emerging challenges that we are aware of, and those that are unexpected.
- The State Government, in partnership with Local Government, can continue to strengthen our communities and our economy by focussing on a number of areas:
  - Supporting our key industries and diversifying our economy
  - Taking action on climate change
  - Supporting the health and wellbeing of Western Australians
  - Delivering a modern legislative framework



## Recommended Priorities – Supporting key industries and economic diversification

# Recommended Priorities – Supporting key industries and economic diversification



Initiative	Funding Request	What will be funded	Rationale
State Road Funds to Local Government Agreement	Additional \$79 million between 2023-24 and 2025-26	<p>Funding to be used for a variety of projects across the State related to:</p> <ul style="list-style-type: none"><li>• Renewal of Local Government roads, which represent 87% of the total road network.</li><li>• Inclusion of safety improvements as part of renewal projects.</li><li>• Mass action safety improvements across targeted parts of the network.</li></ul>	<p>Additional funding for local roads is required due to:</p> <ul style="list-style-type: none"><li>• Very steep increase in the cost to undertake road construction and maintenance activities.</li><li>• Continued deterioration in the standard of the Local Government road network, particularly in rural Western Australia.</li><li>• Cost of road trauma on the Local Government road network.</li><li>• Growth in road freight task and opportunities to improve supply chain efficiency</li></ul>

# Recommended Priorities – Supporting key industries and economic diversification



Initiative	Funding Request	What will be funded	Rationale
Creation of a training program for building surveyors	\$6.5 million over 2 years	<p>\$75,000 a year for 40 Local Government building surveyor positions.</p> <p>The funding would be used to pay for candidates to study an Advanced Diploma of Building Surveying or Bachelor of Building Surveying, gain paid work experience with their Local Governments as well as attending professional development events and other training opportunities.</p> <p>Funding request includes cost of managing the scheme.</p>	There is a state wide shortage of building surveyors and an ageing workforce with a significant increase in workloads and lack of experienced staff available. Current building surveyor numbers are not sustainable and, if the current trend continues, this may inhibit future construction activity and the implementation of the recommendations of the building confidence report.

# Recommended Priorities – Supporting key industries and economic diversification



Initiative	Funding Request	What will be funded	Rationale
Mid-tier transport planning to support METRONET	\$10 million over two years	Funding to prepare a high level Mid-Tier Public Transport Plan and Strategy for greater Perth, in consultation with relevant Local Governments.	<p>Currently there is no comprehensive metropolitan Mid-Tier Public Transport Strategy endorsed for Perth.</p> <p>The creation of a Plan will be critical to address the gap in transport planning between METRONET and local area travel plans, and will support the delivery of the Directions 2031 and Beyond urban infill targets.</p> <p>This will assist to alleviate ongoing congestion on our roads and create a safer and more convenient transport network.</p>

# Recommended Priorities – Supporting key industries and economic diversification



Initiative	Funding Request	What will be funded	Rationale
<p>Additional funding for the Regional Development Assistance Program</p>	<p>Additional \$5 million per annum to a total of \$9 million per annum over four years.</p> <p>Program to be redefined to separate projects in smaller towns and projects in larger towns and cities.</p>	<p>The funding will contribute to the cost of headworks and other land development costs.</p>	<p>The costs of water, wastewater and power supply associated with land development in regional WA can be prohibitive, which makes creation of new residential or industrial lots unviable for private developers.</p> <p>The lack of housing and industrial land then constrains economic development in these towns as there is no accommodation available for workers.</p> <p>In nominal terms, funding to the program has not changed since 2006.</p>



# Recommended Priorities – Taking action on climate change

# Recommended Priorities – Taking action on climate change



Initiative	Funding Request	What will be funded	Rationale
Create Urban Forest Grant Program	\$20 million over 4 years	<p>Creation of a competitive grant program for Local Governments, with a focus on planting trees in areas with low canopy cover and increased exposure to heat.</p> <p>Funds to be spent on tree purchase, planting and associated works to support ongoing tree health and will support the planting of approximately 60,000 trees.</p> <p>Funding request includes cost of managing the scheme.</p>	<p>The loss of mature trees in urban areas, combined with the impacts of climate change, is contributing to hotter cities, suburbs and regional centres. Infill development is reducing canopy cover in established suburbs, 85% of Perth's canopy loss is occurring on private land. Additional financial support from the State Government will allow Local Governments to accelerate and expand their tree planting efforts in the public realm and create a greater buffer against the loss of trees on private land.</p>

# Recommended Priorities – Taking action on climate change



Initiative	Funding Request	What will be funded	Rationale
<p>Additional funding for coastal erosion and inundation</p>	<p>\$55 million over 4 years to be provided to Local Governments through a competitive grant program</p>	<p>Funds are to be used to complete and implement coastal hazard risk assessment and adaptation plans (CHRMAP).</p>	<p>Sea level rise is expected to be at least 0.9m by 2100, making coastal areas highly vulnerable to both erosion and inundation.</p> <p>The intensity of storm events will also increase, leading to acute erosion and inundation events at the coast. Erosion and inundation is a significant threat to infrastructure, including ports and roads, public assets, private houses and natural coastal ecosystems.</p> <p>There is a funding shortfall to address the known erosion hotspots, and the yet to be identified inundation hotspots</p>

# Recommended Priorities – Taking action on climate change



Initiative	Funding Request	What will be funded	Rationale
Increased funding to the Mitigation Activity Funding Grant Program	Additional \$10 million per annum, and extension of the program to include preparedness activities that support local community bushfire preparedness.	<p>Funds to be provided to Local Governments for activities to reduce bushfire risk on high-risk State-owned land across WA, such as physical bushfire risk treatments including mechanical works, chemical works, prescribed burns, firebreaks, fire access roads, fencing and gates.</p> <p>Expansion of the program will allow Local Governments to manage bushfire risk and deliver programs that support local community bushfire preparedness.</p>	<p>The current Royalties for Regions funding to the MAF program end in 2023-24.</p> <p>Continuation of the Program will support Local Governments to carry out priority mitigation works to reduce the bushfire risk to WA regional communities.</p>

# Recommended Priorities – Taking action on climate change



Initiative	Funding Request	What will be funded	Rationale
Expand the Community Emergency Services Manager(CESM) program to all Local Governments that manage bushfire brigades	\$4.5 million per annum to be funded through the Emergency Services Levy	Funding to be provided directly to Local Governments for the continuation of 35 existing CESM positions, and the creation of 24 new CESM positions in Local Governments that are not currently participating in the program.	Ensure the effective implementation and delivery of preparedness, prevention, response and recovery services at an operational level within Local Government. CESM foster effective and working relationships between DFES, Local Government, and other relevant stakeholders. They also facilitate the mitigation of fire and other hazards on the community by coordinating a range of strategies in partnership with the community, Local Government, and volunteers.

# Recommended Priorities – Taking action on climate change



Initiative	Funding Request	What will be funded	Rationale
<p>Adequacy of capital grant funding provided under the Local Government Grant Scheme</p>	<p>Funding from the Local Government Grants Scheme to DFES to establish a baseline of existing assets and enable the preparation of a Comprehensive Asset Management Plan to guide future investment decisions.</p> <p>Increase in Local Government Grant Scheme (LGGS) funding to support the unsuccessful capital grants funding applications by Local Governments to the 2020-21 LGGS Capital Grants Committee.</p>	<ul style="list-style-type: none"> <li>• Audit of existing facilities, appliances, vehicles, and major items of equipment for both Local Government Volunteer Bushfire Brigades (BFB) and State Emergency Services (SES)</li> <li>• Creation of a Comprehensive Asset Management Plan.</li> <li>• Establishment of a working group to guide the creation of an Asset Management Plan.</li> </ul>	<p>LGGS funding has not kept pace with increasing costs of assets and the scheme is currently oversubscribed. There is no centralised comprehensive asset management plan for Local Government emergency services facilities or equipment for BFBs or SES, which means that future funding requirements are unclear.</p> <p>A robust basis for LGGS capital grant funding will ensure that it is sufficient to meet the current and future requirements of BFB and SES units.</p>



## Recommended Priorities – Investing in community health, wellbeing and safety

# Recommended Priorities – Community health, wellbeing and safety



Initiative	Funding Request	What will be funded	Rationale
<p>Address under funding of health services in regional and rural areas of WA, and improve coordination in the planning and provision of GPs and related primary health services in these areas.</p>	<p>Unquantified request</p>	<p>Attraction and retention of GPs and other health professionals in rural and regional areas.</p>	<p>Regional and rural Local Governments consistently identify shortages in the provision of GP and related health services as a serious long-standing issue in their communities.</p> <p>Local Governments as the 'provider of last resort' are compelled to enter costly medical services contracts to support housing, medical centre operations and other benefits to attract and retain GPs and related health professionals to regional areas.</p>

# Recommended Priorities – Community health, wellbeing and safety



Initiative	Funding Request	What will be funded	Rationale
<p>Continue the State Underground Power Program</p>	<p>\$34 million per year from 2024-25, in partnership with Local Governments</p>	<p>The gap between the cost of providing underground power and the cost of replacing the overhead electricity distribution network (which is funded by Western Power as part of their on-going asset replacement program).</p> <p>Program arrangements to be designed to provide the greatest level of support in those project areas where the private benefits are the smallest (lower than median property values) and the capacity of ratepayers to pay is the least.</p>	<p>Converting to underground electricity distribution delivers a range of benefits to the community, including more secure electricity supply; improved safety for pedestrians and road users; reduced maintenance costs for Western Power; and enhanced streetscapes.</p> <p>Additional funding will address equity in State Government support for underground power.</p>



# Recommended Priorities – Delivering a modern legislative framework

# Recommended Priorities – Modern legislative framework



Initiative	Funding Request	What will be funded	Rationale
Implementation of Local Government Act reform Priorities	\$2.5 to \$3 million (to be determined)	Funding will support the costs associated with reforms to the Local Government Act, including funding of the Office of the Chief Inspector of Local Government.	The Office of the Inspector will perform significant new functions. Funding will be required to ensure that it has the capacity to effectively deliver on these.

# Recommended Priorities – Modern legislative framework



Initiative	Funding Request	What will be funded	Rationale
<p>Funding to support the implementation of legislative reform priorities, including:</p> <ul style="list-style-type: none"><li>• Aboriginal Cultural Heritage Act</li><li>• Public Health Planning under Part V of the Public Health Act</li><li>• Consolidated Emergency Services Act</li></ul>	<p>Unquantified funding</p>	<ul style="list-style-type: none"><li>• Consultation and engagement with Local Governments and other relevant stakeholders</li><li>• Training and support for Local Governments to fulfill their obligations under new legislative frameworks (e.g. implementation of Public Health Plans)</li><li>• The establishment and ongoing functioning of the new Aboriginal heritage system, in particular with respect to the ACH Council, LACHS and Local Governments</li></ul>	<p>Since elected, the Government has been progressing an agenda of legislative reform. To ensure that the full benefits of these reforms are realised, it will be necessary to allocate appropriate funding for the implementation of these changes, including support for transition and any recurrent functions that arise out of the reform program.</p>