

# State Budget Submission



2020-21



# Western Australian Local Government Association

The Western Australian Local Government Association (WALGA or 'the Association') is the peak organisation for Local Government in Western Australia. The Association is an independent, membership-based group representing and supporting the work and interests of 136 mainland Local Governments in Western Australia, plus the Indian Ocean Territories of Christmas Island and Cocos (Keeling) Islands.

The Association provides an essential voice for more than 1200 Elected Members, more than 22,000 Local Government employees, and the 2.6 million constituents that they serve and represent. The Association also provides professional advice and offers services that provide financial benefits to Local Governments.

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

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

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# CEO'S MESSAGE



The number of touchpoints the Local Government sector now has with WA's communities and residents is remarkable. The sector has transitioned from one that had the primary responsibilities of 'roads, rates and rubbish', to one that now contributes across many facets of economic, social and environmental community development.

Much of the growing role of Local Governments has come about due to community demand for more local services and infrastructure. It is no surprise that community members see Local Government as the level of Government that can most effectively meet their local needs. The sector is the closest level of Government to citizens and over 50% of Australians want Governments to involve them in decisions about local service delivery.

The Local Government sector is now a significant contributor to the State's economy. Each year, Local Governments spend in excess of \$4 billion on important community services, with an employee base of more than 22,000 people. On top of this, the sector manages more than \$48 billion of assets, including close to 90% of the public road network in WA.

The growing and changing role of the sector has been appropriately recognised by the McGowan Government through the 2017 announcement that the *Local Government Act 1995* will be reviewed and updated. The stated objective of the review is to 'have a new and modern Act that empowers Local Government to better deliver for their community.'

In addition to reviewing the Act, the McGowan Government has also established a State-Local Government Partnership Agreement with the sector, which provides an important opportunity for a closer, more collaborative relationship

between the two levels of Government across a range of issues. The Partnership Agreement notes that the State Government, with its leadership and ability to set policy and implement programs for all of Western Australia, and the Local Government sector, with a presence in all Western Australian communities, have complementary strengths that can be combined to benefit the state overall.

It is within the overarching theme of State and Local Government collaboration that WALGA has framed its 2020-21 State Budget Submission. WALGA's Submission recognises the challenging economic context that the State Government is currently operating in. In this regard, we have not presented an extensive 'shopping list' of the sector's funding asks. Instead, we have put forward a list of initiatives that we believe will deliver value for money outcomes for the State, and will assist the McGowan Government to achieve the ambitious targets set out in its *Our Priorities* document. Throughout WALGA's Submission, alignment with Government priorities will be demonstrated through the use of the State Government's *Our Priorities* icons:



- A strong economy



- A safer community



- Regional prosperity



- Aboriginal wellbeing



- A bright future



- A liveable environment

WALGA's Submission is focussed on four strategic themes:

**1. Empowering Local Governments to contribute to the State's priorities**

**2. A strategic approach to economic development in WA**

**3. Investing in important local infrastructure**

**4. Ensuring a sustainable environment for our communities**

Across these four themes, WALGA has put forward 20 initiatives totalling \$297 million across the four year forward estimates period, with \$91 million of this spend recommended in 2020-21. Some 87 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, in order to ensure future budget surpluses are maintained.

Many of the high spend initiatives recommended by WALGA 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.

WALGA welcomes the opportunity to engage with the State Government over the coming months to discuss its Budget Submission.

**Nick Sloan**

Chief Executive Officer

# EMPOWERING LOCAL GOVERNMENTS TO CONTRIBUTE TO THE STATE'S PRIORITIES

Despite the role of Local Governments transforming considerably in recent years, the regulatory and funding framework that the sector operates within has not kept pace. The roles and responsibilities of the Local Government sector are far different today than in 1996, when the current legislation governing Local Governments in WA was introduced.

Over the past two decades, Local Governments have solidified their role in transport and recreation and culture, while increasing their involvement in once non-traditional activities such as housing/community amenities, environmental protection and economic affairs. Local Governments now account for:

- 42% of all State and Local Government expenditure on environmental protection, compared to just 3% in 1997
- 26% of all State and Local Government expenditure on housing/community amenities, compared to only 9% in 1997
- 31% of all State and Local Government expenditure on transport, compared to 25% in 1997

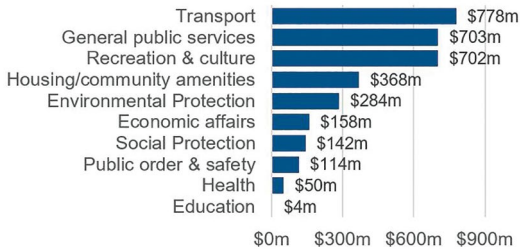
- 58% of all State and Local Government expenditure on recreation and culture, compared to 54% in 1997

In recognition of the sector's changing role, the McGowan Government announced in 2017 that the *Local Government Act 1995* will be reviewed. Priority reforms have already been announced and passed, and included universal training for Elected Members, a code of conduct for councillors, and improvements to CEO recruitment processes and the gift framework.

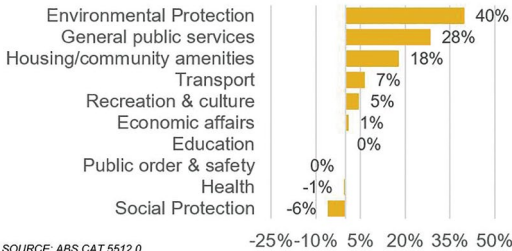
Phase 2 of the review is expected to include a more considerable reform package looking at the areas of financial management, rates, fees, beneficial enterprises, administrative efficiency, council meetings, community engagement, complaints management and elections.

WALGA's recommended initiatives for this theme relate to the legislative reform process the sector is going through. Overall, we would like to see a sector that is more empowered, with barriers removed that inhibit the sector's ability to contribute to the achievement of State priorities.

**Figure One**  
Change in Local Gov. expenditure, 1997 to 2018



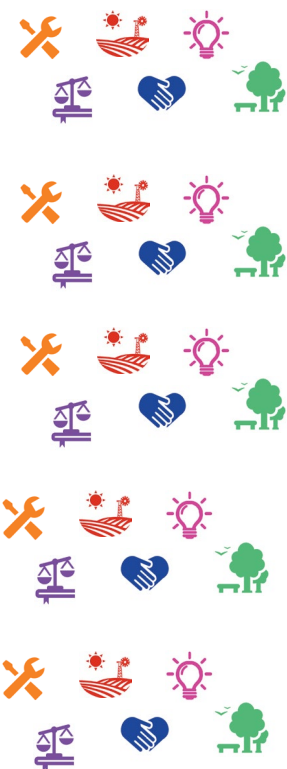
Change in Local Gov. share of combined State and Local Gov. expenditure, 1997 to 2018



SOURCE: ABS CAT 5512.0

“Despite the role of Local Governments transforming considerably in recent years, the regulatory and funding framework that the sector operates within has not kept pace.”

## RECOMMENDATIONS



1. Provide sufficient funding and resourcing for the drafting and development of the new Local Government Act
  - \$1 million over two years (2020-21 and 2021-22)
2. Conduct an Inquiry to review Local Government responsibilities and income sources
  - Nil (Absorbed by the ERA's existing budget for Inquiries)
3. Provide funding for Elected Member Universal Training
  - \$3.6 million over the 2020-21 Budget forward estimates period
4. Provide funding to WALGA via a Service Level Agreement to provide capacity building support to the Local Government sector
  - \$600,000 per annum
5. If the State Government enforces the transfer of all Local Governments to the State Industrial Relations (IR) system, provide funding for associated transitional costs and to modernise the State IR system
  - \$1 million over 2 years (2020-21 and 2021-22)



# Empowering Local Government Initiatives

## 1. REVIEW OF THE LOCAL GOVERNMENT ACT



- A strong economy
- Regional prosperity
- A bright future
- A safer community
- Aboriginal wellbeing
- A liveable environment

• **RECOMMENDATION:** The State Government ensures that it provides sufficient resourcing to the Department of Local Government, Sport and Cultural Industries (DLGSC) and to the State Solicitors Office (SSO) to enable the draft of the new Local Government Act to be progressed, and the subsequent proposed new legislation to be drafted in 2020-21. To assist in this process, funding should also be provided for more targeted consultation with technical experts about the practicalities of new legislation provisions.

• **WHY:** The SSO and DLGSC are currently under resourced to be in a position to develop the draft bill and the proposed legislation by 2020-21. As evidence of this, the number of Local Government governance advice requests received by WALGA has increased by 40% over the past two years, while resourcing at the DLGSC has significantly reduced. In addition, it is understood that resource constraints at the DLGSC and SSO were key contributors to Phase 1 of the Local Government Act reforms taking 12 months longer than first anticipated. Any delays to the already stated timeframe of 2021 for legislation to be presented to Parliament will create considerable uncertainty across the sector. In addition, it will result in the extended application of an already outdated, overly compliant *Local Government Act* that limits the ability for Local Governments to contribute to the achievement of the State's priorities.

• **HOW:** \$1 million over two years (2020-21 and 2021-22) and funded from consolidated revenue.

## 2. INQUIRY INTO LOCAL GOVERNMENT RESPONSIBILITIES AND INCOME SOURCES



- A strong economy
- Regional prosperity
- A bright future
- A safer community
- Aboriginal wellbeing
- A liveable environment

• **RECOMMENDATION:** The State Treasurer requests the Economic Regulation Authority (ERA) to conduct an Inquiry to review Local Government responsibilities and income sources.

• **WHY:** Despite the role of Local Governments transforming considerably in recent years, the regulatory and funding framework that the sector operates within has not kept pace. The income sources the sector has access to in order to meet its now extensive list of responsibilities is not adequate, nor is it efficient or appropriate. From the sector's perspective, there are a number of factors that unduly necessitate rate increases, including responsibilities being placed onto the sector without appropriate streams of funding, inappropriate rating exemptions, statutory fees and charges not being set at cost recovery, regulatory limitations on the use of debt, and limitations on the sector's ability to enter into more efficient service delivery models. A review of these issues by the ERA should inform the development of the new *Local Government Act*.

• **HOW:** The Inquiry will be led by the ERA and will be absorbed by the ERA's existing budget for Inquiries.

## 3. FUNDING FOR UNIVERSAL TRAINING



- A strong economy
- Regional prosperity
- A bright future
- A safer community
- Aboriginal wellbeing
- A liveable environment

• **RECOMMENDATION:** The State Government provides funding for Elected Members in Local Government to undertake Universal Training.

• **WHY:** The State Government amended the *Local Government Act* in June 2019 to require all Elected Members to undertake five core training courses within the first 12 months of being elected. Although it is acknowledged that training for Elected Members is positive because the more informed an Elected Member is when they commence their role, the more equipped they will be to effectively contribute to good government of their district, the Local Government sector does not have the capacity to pay for additional training requirements. For some smaller, rural Local Governments, the additional training requirements could account for between 2% and 6% of their annual rates base. Given that the training requirements have been enforced on the sector by the State Government, the sector's position is that the State Government should fund any associated additional costs.

• **HOW:** \$1.2 million every two year Local Government election cycle and \$3.6 million over the 2020-21 Budget forward estimates period (training for councillors elected at the 2019, 2021 and 2023 elections). Funds can be provided from consolidated revenue and administered by the Department of Local Government, Sport and Cultural Industries.



# Empowering Local Government Initiatives

## 4. LOCAL GOVERNMENT CAPACITY BUILDING



- A strong economy
- Regional prosperity
- A bright future
- A safer community
- Aboriginal wellbeing
- A liveable environment

• **RECOMMENDATION:** The State Government provides funding to WALGA via a Service Level Agreement to provide capacity building support to the Local Government sector, including advice on the topics of Governance, Financial Management reporting, Procurement, Local Laws, Delegations, Policy and Integrated Strategic Planning.

• **WHY:** The Local Government sector requires external capacity building support to assist them in both their day-to-day and longer term operations. Traditionally, the Department of Local Government Sport and Cultural Industries (DLGSC) has been the provider of capacity building support to the sector, but following Machinery of Government changes, DLGSC now has limited dedicated resourcing for these types of activities. Instead, the majority of DLGSC's resourcing is dedicated towards regulatory and legislative compliance obligations. The shifting focus of DLGSC is evidenced by usage statistics of WALGA's governance advice service, with usage of this service by the sector increasing by 40% over the past two years since the Machinery of Government changes were first introduced. In addition, the trend for the last 13 years has been for the sector to increasingly engage WALGA for capacity building services, as opposed to DLGSC. The provision of funding to WALGA through a service level agreement with DLGSC would ensure that critical capacity building support, which ensures good governance, financial management and process, can continue to be provided to the sector. In addition, key performance indicators could be incorporated into the service level agreement, to ensure that WALGA is providing an efficient and effective service.

**HOW:** \$600,000 per annum and funded by the reprioritisation of the DLGSC's existing expenditure. These funds should be provided through a service level agreement between DLGSC and WALGA.

## 5. STATE INDUSTRIAL RELATIONS REVIEW



- A strong economy
- Regional prosperity
- A bright future
- A safer community
- Aboriginal wellbeing
- A liveable environment

• **RECOMMENDATION:** If the State Government enforces the transfer of all Local Governments to the State Industrial Relations system from the Federal Industrial Relations system, then the State Government should provide funding for associated transitional costs, including but not limited to the development of information and training resources. Funding should also be provided to modernise the State Industrial Relations system.

• **WHY:** Approximately 87% of WA Local Governments (93% of Local Government employees) have established core functions and services for their communities through the federal, modernised Industrial Relations system. In the absence of the State industrial system being modernised (including State Awards, the *Minimum Conditions of Employment Act 1993*, the *Industrial Relations Act 1979*), the proposed transfer of all Local Governments to the State system will force the sector to operate under a system that is antiquated and does not provide minimum conditions reflective of the modern and contemporary workplace. As an example, family and domestic violence leave doesn't exist in the State system, while outdated allowances that were absorbed through the federal award modernisation process still exist, such as Location allowance and Dependant child allowance. In addition, the span of ordinary hours for some classification of employees is different under State Awards compared to Federal Awards, and will result in additional unnecessary costs being imposed on the sector.

• **HOW:** \$1 million over 2 years (2020-21 and 2021-22) from consolidated revenue. This should be led by the Department of Mines, Industry Regulation and Safety.





# A STRATEGIC APPROACH TO ECONOMIC DEVELOPMENT IN WA

Since coming into power in 2017, the McGowan Government has undertaken a variety of activities that aim to support economic development across the State. This is highlighted by the development of *DiversifyWA*, a State Economic Development Plan that outlines the State Government's economic vision for the WA economy and provides a view of the priority industries and associated projects that will underpin the achievement of the vision. The primary KPIs of *DiversifyWA* are the achievement of the ambitious jobs targets set by the McGowan Government as part of its *Our Priorities* agenda, which includes jobs growth of 150,000 across WA and 30,000 across regional WA by mid-2024.

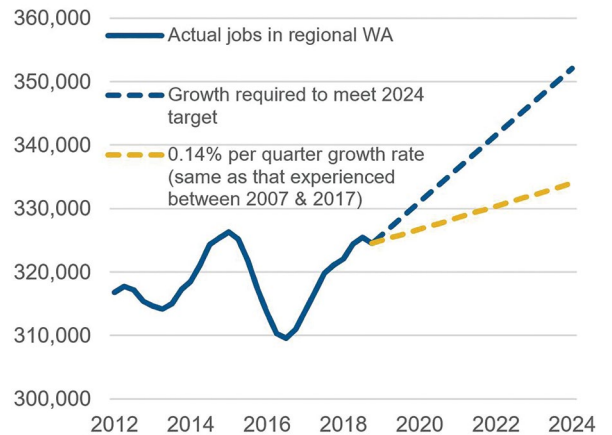
Despite the significant amount of action that has been taken, there is scope to do more to ensure that the State's domestic economy is able to make the most of its economic opportunities and withstand the fragile transition from the resources investment boom.

Within this context, it is highly likely that in the absence of a more strategic approach to economic development being undertaken, the State won't achieve its ambitious jobs targets. This is especially the case for the 30,000 regional jobs target by 2024, with regional employment growth over the past seven years being only 7800 jobs in total (see Figure Two).

Some of the areas where WALGA believes there is scope to improve, and form the basis of our recommendations for this theme include:

- better collaboration and alignment between the myriad of stakeholders involved in economic development;
- regional economic development that is based off a clear and evidence based understanding of regional WA's competitive advantages, while also addressing longstanding impediments to regional growth; and
- a more significant and formalised role for Local Governments to contribute towards economic development in their communities.

**Figure Two**  
Employed people in regional WA



“In the absence of a more strategic approach to economic development being undertaken, it is highly likely the State won't achieve its ambitious jobs targets.”

## RECOMMENDATIONS



6. Develop and implement a Framework for Regional Development

- \$200,000 in 2020-21 (framework development costs only)



7. Pilot a place based, localised approach to regional economic development

- \$300,000 in 2020-21 (excluding Regional Economic Development Strategy implementation costs)



8. Strengthen existing economic development structures in WA

- Negligible costs



# Strategic Economic Development Initiatives

## 6. FRAMEWORK FOR REGIONAL DEVELOPMENT



- A strong economy
- Regional prosperity
- A bright future
- A safer community
- Aboriginal wellbeing

• **RECOMMENDATION:** The State Government develops and implements a Framework for Regional Development, which articulates regional WA's long term economic vision; identifies regional WA's competitive advantages and engine industries and how they align with those in *DiversifyWA*; and identifies the impediments/enablers to regional economic development that are common across all, or most of, WA's regional areas, and provides a plan to address or capitalise on these.

• **WHY:** A Regional Development Framework would allow for a better coordination of economic development activities in the regions, and would facilitate a closer alignment of goals across State and Local Governments and industry. In addition, it would provide confidence to stakeholders that many long-standing impediments to regional development are being actioned by the State Government.

• **HOW:** \$200,000 in 2020-21 (framework development costs only) and funded by the reprioritisation of Royalties for Regions funds. This should be led by the Department of Premier and Cabinet and the Department of Primary Industries and Regional Development.

## 7. LOCALISED ECONOMIC DEVELOPMENT



- A strong economy
- Regional prosperity

• **RECOMMENDATION:** The State Government pilots a place based, localised approach to economic development in one Regional Development Area in WA. If positive outcomes are achieved from the pilot, the State Government should progressively implement this approach to economic development across all of WA's regional communities.

• **WHY:** For regional WA to be in a better position to handle the up and down economic cycles associated with regional economies, it must achieve industry diversification. Despite a number of State policies and strategies recognising this, they have had limited success in recent times. A substantial amount of research has identified a place based, localised approach to economic development as the best way to achieve sustained economic growth in regional communities. Research by the Bankwest Curtin Economics Centre found that the implementation of such an approach in WA would result in an additional 163,000 jobs by 2025 (48,000 in regional areas) and would add \$19.5 billion to WA's Gross Value Added

• **HOW:** \$300,000 (excluding subsequent Regional Economic Development Strategy implementation costs) and funded by the reprioritisation of Royalties for Regions funds. This should be led by the Department of Primary Industries & Regional Development (DPIRD), in conjunction with the relevant Regional Development Commission (RDC).

## 8. STRENGTHEN EXISTING STRUCTURES



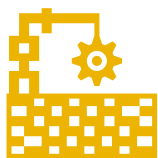
- A strong economy
- Regional prosperity

• **RECOMMENDATION:** The State Government strengthens existing economic development structures in WA by establishing an Economic Development Committee of all major players in the economic development space; and identifying measureable targets for the priority industries listed in *DiversifyWA* and allocating responsibility for achieving these targets.

• **WHY:** The establishment of an Economic Development Committee will help ensure that all the economic development stakeholders in WA are better coordinated and that economic planning across the State is undertaken with a long term view in mind that spans political cycles. The introduction of more formalised accountability and reporting measures as part of the State's *DiversifyWA* Strategy will provide a pathway for the Government to achieve its ambitious jobs targets by making it clear how priority industries and key stakeholders will contribute.

• **HOW:** Negligible costs and led by the Department of Premier and Cabinet.





# INVESTING IN IMPORTANT LOCAL INFRASTRUCTURE

A key responsibility of Local Government, as place makers, is to develop, operate and maintain community infrastructure. This includes assets that primarily support:

- economic development, such as roads, bridges, pedestrian and cycle paths, drains, and airports
- social development and community wellbeing, such as recreation centres, community centres, libraries, swimming centres, street lighting, and aged care and childcare facilities, and
- environmental management and sustainability, such as waste management, recycling, stormwater management facilities, street scape infrastructure, and coastal management infrastructure.

The importance the above types of infrastructure have in supporting the State's economy is twofold. Firstly, local infrastructure is needed as population growth occurs and communities become larger and decentralised. Secondly, local infrastructure produces and facilitates direct economic, social and environmental benefits that extend well beyond the communities they are located in. As examples:

- freight movements almost all rely on access for large, high productivity vehicles to local roads and any constraints at these points can substantially impact on industry competitiveness
- sport and recreational facilities provide health benefits to participants, leading to reducing public health expenditure and increasing workplace productivity, and
- appropriate street lighting is proven to improve road safety and reduce crime, leading to a reduction in public health, safety and law and order expenditure.

In response to growing populations, industry demands and changing community expectations, Local Governments have invested heavily in community infrastructure in recent years.

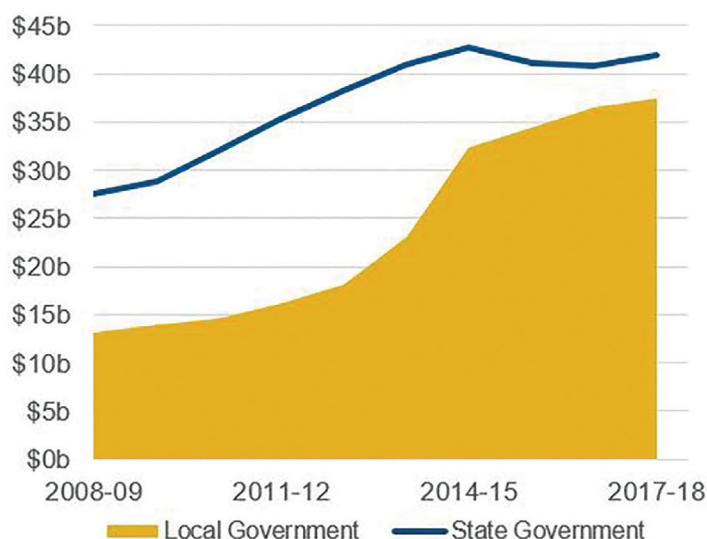
As demonstrated by Figure Three, growth in the value of Local Government owned buildings and structures significantly outstripped growth in the value of State Government owned buildings and structures (General Government) between 2012-13 and 2017-18, 106% to 10%. It is projected that the total value of Local Government owned buildings and structures will soon be greater than State Government owned buildings and structures (General Government sector only).

Given the importance of local infrastructure to economic, social and environmental development at the State level, WALGA believes there is a strong case for additional infrastructure funding to be provided to the Local Government sector for the initiatives outlined in this Budget Submission.

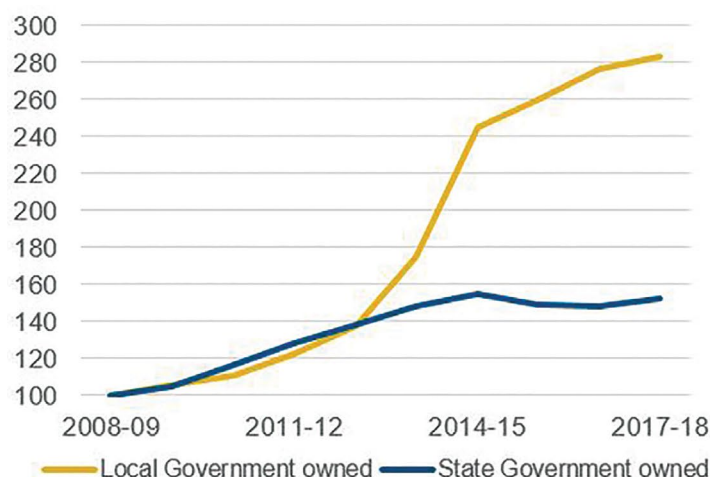
“Local infrastructure produces and facilitates direct economic, social and environmental benefits that extend well beyond the communities they are located in.”

**Figure Three**

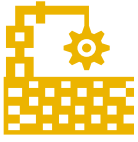
Value of State & Local Government owned buildings and structures (General Gov.)



Growth in the value of State & Local Gov. owned building and structures (General Gov.)  
Index base = 100 in 2008-09



SOURCE: ABS CAT 5512.0



# INVESTING IN IMPORTANT LOCAL INFRASTRUCTURE

## RECOMMENDATIONS



9. Consult appropriately with Local Government to better inform Infrastructure WA's 20-year State Infrastructure Plan

- Nil (Absorbed by Infrastructure WA's existing budget)



10. Increase the funding provided to Local Governments as part of the State Roads Fund to Local Government Agreement from 20% to 27% of motor vehicle licence fee revenue

- Nil (Adjustment of funding share between main and local roads)



11. Extend the existing Agricultural Commodity Freight Routes Fund for a further two years.

- \$10 million over two years (2021-22 and 2022-23)



12. Develop and implement a Regional Run-off Road Crash Program for Local Government roads

- \$15.3 million over four years (2020-21 to 2023-24)



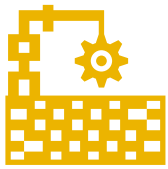
13. Increase the annual amount of grant funding available in the Community Sport and Recreation Facilities Fund (CSRFF) to \$25 million and develop a long-term, Regional Sports Facilities Investment Strategy

- An additional \$10 - \$12 million per annum for the CSRFF and an additional \$2.3 million over four years (2020-21 to 2023-24) for the Regional Sports Facilities Investment Strategy (excluding implementation)



14. Develop and implement a program to replace all mercury vapour street lights with LED luminaires over a three-year period, 2020-21 to 2022-23

- \$95 million over three years (2020-21 to 2022-23)



# Important Local Government Infrastructure Initiatives

## 9. INFRASTRUCTURE WA



- A strong economy
- Regional prosperity
- A bright future
- A safer community
- Aboriginal wellbeing
- A liveable environment

• **RECOMMENDATION:** Infrastructure WA engages and consults with the Local Government sector during the development of their draft 20 Year State Infrastructure Plan, to ensure that Local Government owned infrastructure is included in the Plan. This consultation goes beyond collecting and assessing the long term financial plans and asset management plans produced by the sector, and includes face-to-face consultation, with WALGA acting as a facilitator for this process.

• **WHY:** Local Government infrastructure is integral in supporting population growth, while also directly producing and facilitating economic, social and environmental benefits for the State as a whole. It is therefore essential to give strong consideration to Local Government infrastructure, and to include it in the State's 20 Year Infrastructure Plan. The growing importance of Local Government infrastructure is demonstrated by the value of Local Government assets and buildings now almost being on par with the value of those owned by the State Government (General Government sector only).

• **HOW:** There are no additional funding implications for this initiative. It should be absorbed by Infrastructure WA's existing budget.

## 10. STATE ROAD FUNDS TO LOCAL GOVERNMENT



- A strong economy
- Regional prosperity
- A safer community
- Aboriginal wellbeing

• **RECOMMENDATION:** The State Government increases the funding provided to Local Governments as part of the State Roads Fund to Local Government Agreement 2018/19 to 2022/23 (SRFLGA) from 20% to 27% of motor vehicle licence fee (MVLFF) revenue over three years from 2020-21 to 2022-23.

• **WHY:** An increase in the share of funding provided to Local Government as part of the SRFLGA will enable a larger proportion of roads funds to be spent on local roads, which have a critical need for additional funding. This is due to a significant deterioration of the local road network in recent years, as commodity freight trains have increased their use of local roads and Local Governments have received a decreasing allocation of MVLFF revenue through the SRFLGA. The shortfall between the required expenditure on preservation and actual expenditure rose to \$132.4 million in 2017-18, up from \$84.7 million in 2013-14. On a comparative basis, Local Governments manage 86.5% of the road network in WA, there are generally 50% to 60% more fatalities and serious injuries on local roads than main roads in any given year, and 41% of total vehicle kilometres travelled in WA takes place on local roads. Despite these figures, the current funding split in of the SRFLGA is weighted heavily towards main roads, 80% to 20%.

• **HOW:** This initiative will provide an additional \$170 million of funding to Local Government roads over three years, funded by the reprioritisation of MVLFF revenue. This should continue to be managed by Main Roads WA and relevant Local Government Authorities.

## 11. COMMODITIES FREIGHT ROUTE FUND



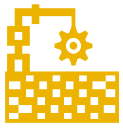
- A strong economy
- Regional prosperity
- A safer community
- Aboriginal wellbeing

• **RECOMMENDATION:** The State Government extends the existing Agricultural Commodity Freight Routes Fund for a further two years.

• **WHY:** The closure of the tier three rail lines coupled with a steady increase in agricultural production and the use of longer road trains has placed significant strain on the sustainability of "first and last mile roads" owned by Local Governments. Most of these roads are functionally and structurally inadequate to carry heavy freight. An extension of the Agricultural Commodity Freight Routes Fund would allow for more of these roads to be upgraded, which is essential to increase the competitiveness of the agriculture industry. Upgrades would lead to reduced wear on vehicles, shorter journey times and fewer road closures from washout after heavy rainfall. Other benefits of upgrading local commodity freight routes include reduced ongoing road maintenance costs, fewer accidents or a reduced severity of accidents, animal welfare benefits from travelling on upgraded roads and increased road access related benefits for other industries such as Aboriginal tourism or mining. Local road upgrade projects will also have significant employment benefits for local sub-contractors during construction, and improve the skills of local employees who work on these projects.

• **HOW :** \$10 million over two years (2021-22 and 2022-23) and funded by the reprioritisation of Royalties for Regions funds. This should continue to be managed by Main Roads WA with support from WALGA.





# Important Local Government Infrastructure Initiatives

## 12. REGIONAL RUN-OFF ROAD CRASH PROGRAM



- A strong economy
- Regional prosperity
- A safer community

• **RECOMMENDATION:** The State Government develops and implements a Regional Run-off Road Crash Program for Local Government roads, which will enable the application of best-practice mass action safety treatments, such as, shoulder widening and/or sealing, audible edge or white lines and safety barriers to at risk regional and remote locations

• **WHY:** Funding currently provided to reduce run-off road crashes is directed to Main Roads WA for their Regional Run-off Road Crash Program for state roads. This is despite run-off road crashes being the greatest crash problem on the regional and remote road network, which primarily consists of Local Government owned roads. In terms of the total number of deaths and serious injuries that occur from all crashes in WA, approximately 50% to 60% occur on Local Government owned roads. While Local Governments can use Black Spot funding to treat run-off road crashes, this funding source is restrictive as it requires a relatively high crash density to attract funding.

• **HOW:** \$15.3 million over four years (2020-21 to 2023-24) and funded by the reprioritisation of funds from the Road Trauma Trust Account. This should be managed by Main Roads WA.

## 13. COMMUNITY AND REGIONAL LEVEL SPORTS INFRASTRUCTURE



- A strong economy
- Regional prosperity
- A bright future
- A safer community
- Aboriginal wellbeing

• **RECOMMENDATION:** The State Government increases the Community Sport and Recreation Facilities Fund (CSRFF) to \$25 million per annum, while also developing a long-term, Regional Sports Facilities Investment Strategy. The strategy can review the current and future need for regional sporting facilities across WA, identify and prioritise future regional level sport infrastructure projects, and provide a framework for how these projects will be funded.

• **WHY:** These initiatives would better enable the CSRFF to meet basic community sports infrastructure needs, while addressing significant current and forecast future unmet need for regional level facilities. Both of these measures would facilitate the economic and social benefits associated with sports participation, including reduced public health costs, reduced absenteeism and increased productivity at work and school, increased youth engagement and reduced crime levels.

• **HOW:** The \$10 - \$12 million annual increase in the CSRFF should be met by a reprioritisation of Royalties for Regions funds (regional projects) and consolidated revenue (Metropolitan projects). The development of a Regional Sports Facilities Investment Strategy would cost \$2.3 million over four years (2020-21 to 2023-24) (excluding implementation costs, which are dependent on the identified projects) and should be funded from consolidated revenue. These initiatives should be managed by the Department of Local Government, Sport and Cultural Industries.

## 14. UPGRADE STREET LIGHTING



- A strong economy
- Regional prosperity
- A safer community
- A liveable environment

• **RECOMMENDATION:** The State Government, through Western Power and Horizon Power, develops and implements a program to replace all mercury vapour street lights with LED luminaires over a three-year period, 2020-21 to 2022-23.

• **WHY:** Around 158,000 (over 55%) of all street lights in WA use mercury vapour globes, which is the most dated and least efficient lighting technology currently in use. WA has a higher proportion of mercury vapour lighting than any other Australian jurisdiction. Replacing WA's current fleet of mercury vapour street light globes would produce many benefits for the State, including reduced lifecycle costs from a more than 50% improvement in energy efficiency and a more than 50% reduction in maintenance costs, a more than 50% reduction in greenhouse gases produced from street lighting, a reduction in crashes caused by areas being poorly lit and improved security from a reduction in night time crime in areas that are poorly lit.

• **HOW:** \$95 million capital investment between 2020-21 and 2022-23 and funded by an expansion in Western Power and Horizon Power's Asset Investment Program (from internal borrowings if required), in conjunction with Local Governments if appropriate capital arrangements can be arranged.



# ENSURING A SUSTAINABLE ENVIRONMENT FOR OUR COMMUNITIES

The McGowan Government has shown strong leadership in the waste arena, including the development of the Waste Avoidance and Resource Recovery (WARR) Strategy 2030 (and associated Action Plan) and commitments by State Government agencies to increase the use of recycled materials and waste avoidance. For the WARR Strategy targets to be achieved, significant investment and coordination will be required from the State Government.

The WALGA Climate Change Policy Statement calls for strong action, leadership and coordination at all levels of government to reduce emissions and adapt to the impacts from climate change. In this context WALGA welcomes the

Government's commitment to developing a State Climate Policy and a net zero emissions by 2050 target. WALGA is proposing a number of recommendations under this theme of our Budget Submission to build the resilience of our communities and environment in the face of climate change impacts.

WALGA acknowledges the Government's commitment to expand Western Australia's conservation estate. However, WALGA considers more needs to be done to protect and manage WA's unique biodiversity. WALGA has called for State of the Environment reporting to be reinstituted and for the development and funding of a State Biodiversity Policy. This Budget

Submission makes a specific recommendation to fund a program to assist Local Governments to manage the unique biodiversity values that exist in roadside reserves, particularly in the Wheatbelt.

"The WALGA Climate Change Policy Statement calls for strong action, leadership and coordination at all levels of government to reduce emissions and adapt to the impacts from climate change."

## RECOMMENDATIONS



15. Develop and implement a State Urban Forest Strategy for WA

- \$30 million over four years (2020-21 to 2023-24)



16. Aggregate and increase the existing level of resourcing for coastal management activities, rebranding future activities under the banner of the CoastWA Program

- \$55 million over four years (2020-21 to 2023-24)



17. Engage a suitably qualified consultant to undertake activity based costing of the Department of Fire and Emergency Services' (DFES) operations

- \$100,000 in 2020-21



18. Implement a program to promote and coordinate the management of vegetation in rural road reserves in WA

- \$4 million over four years (2020-21 to 2023-24)



19. Fund the implementation of waste management initiatives that are focussed on reducing contamination and increasing resource recovery from the kerbside recycling bins

- \$15 million in 2020-21



20. Establish a grant funding program for the construction, or upgrade, of recycling sorting and processing infrastructure in both metropolitan and non-metropolitan areas

- \$16 million over two years (2020-21 to 2021-22)



# Sustainable Environment Initiatives

## 15. STATE URBAN FOREST STRATEGY



- A strong economy
- Regional prosperity
- A liveable environment

• **RECOMMENDATION:** The State Government develops and implements a State Urban Forest Strategy in WA. The Strategy includes a comprehensive planning policy framework and mechanisms for the retention and planting of trees; a community education program; competitive grants to match Local Governments' investments in delivering urban forests; and investment in urban tree canopy data and measurement.

• **WHY:** Urban tree canopy is being lost across urban areas, causing significant negative impacts on urban amenity, community health and wellbeing and the environment. Tree canopy cover is an important defence against the heat impact of climate change.

• **HOW:** \$30 million over four years (2020-21 to 2023-24) and funded by consolidated revenue. This should be led by the Department of Planning, Lands and Heritage (DPLH) in partnership with Local Governments.

## 16. COAST WA



- A strong economy
- Regional prosperity
- A liveable environment

• **RECOMMENDATION:** The State Government aggregates and increases the existing level of resourcing for coastal management activities, rebranding future activities under the banner of the CoastWA Program. This Program can be provide matched 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.

• **WHY:** 55 locations across WA have been identified at risk from coastal erosion in the Coastal erosion hotspots in Western Australia report. In the absence of additional funds being provided to protect WA's coastline, there is a risk that over time, important economic and social infrastructure will be destroyed or deemed unusable. In addition, there will be reduced access to public amenities that serve as key recreational and tourism spots.

• **HOW:** \$55 million over four years (2020-21 to 2023-24) and funded by the reprioritisation of Royalties for Regions Funds and consolidated revenue. This should be delivered through a partnership between the Department of Planning, Lands and Heritage, the Department of Transport and WALGA.

## 17. TRANSPARENT FUNDING FOR EMERGENCY SERVICES



- A strong economy
- Regional prosperity
- A liveable environment

• **RECOMMENDATION:** The State Government engages a suitable qualified consultant to undertake activity based costing of the Department of Fire and Emergency Services' (DFES) operations to determine the costs and proportion of expenditure applied to prevention, preparedness, response and recovery activities across WA's communities; the costs of providing emergency services to each of the five ESL categories of land; and the cost of activities undertaken by the various fire and rescue services and state emergency services units.

• **WHY:** More transparent information on how and where emergency services levy funds are spent would enable State and Local Governments to make better informed decisions relating to how emergency services levy funds should be raised and allocated across WA's communities. This includes the appropriate allocation of Local Government Grants Scheme Funds. In addition, it would also improve the efficiency of the DFES' operations by identifying the areas where DFES' overhead costs are being expended – noting that they were above 35% in 2015-16.

• **HOW:** \$100,000 in 2020-21 and led by the Department of Treasury, with the engagement of a suitably qualified consultant.





# Sustainable Environment Initiatives

## 18. ROADSIDE RESERVE MANAGEMENT



- Regional prosperity
- A liveable environment

• **RECOMMENDATION:** The State Government implements a program to promote and coordinate the management of vegetation in rural road reserves, with an initial focus on local roads in the Wheatbelt region.

• **WHY:** Rural road reserves contain significant biodiversity, including threatened flora and ecological communities that may not be found elsewhere due to past extensive clearing. Road reserves also provide critical wildlife habitat and corridors, especially when connected to native vegetation remnants and may assist in addressing biodiversity threats associated with climate change.

• **HOW:** \$4 million over four years (2020-21 to 2023-24) and funded by the reprioritisation of Royalties for Regions fund. This should be led by the Department of Biodiversity, Conservation and Attractions (DBCA) and the Department of Water and Environmental Regulation (DWER), in partnership with WALGA and relevant Local Governments.

## 19. STRATEGIC WASTE MANAGEMENT



- A strong economy
- Regional prosperity
- A liveable environment

• **RECOMMENDATION:** The State Government funds the implementation of waste management initiatives that are focussed on reducing contamination and increasing resource recovery from kerbside recycling bins. Initiatives that encourage behaviour change and increase the implementation of better practice approaches to waste management should be the primary areas of focus.

• **WHY:** High levels of contamination of up to 20% in kerbside recycling presents significant issues for waste collectors, recycling facility operators and material exporters as it leads to increased costs due to the quality and saleability of the materials collected being lower; lost productivity due to shutdowns when inappropriate materials obstruct machinery; and workers being put at risk due to potential contamination from hazardous materials. Both behaviour change initiatives and the adoption of better practice approaches to waste management increase resource recovery and reduce contamination. In implementing better practice approaches, it is important that Government is cognisant of existing contractual arrangements.

• **HOW:** \$15 million in 2020-21 and funded by the Waste Avoidance and Resource Recovery Account reserve. This should be led by the Department of Water and Environmental Regulation.

## 20. RECYCLING INFRASTRUCTURE



- A strong economy
- Regional prosperity
- A liveable environment

• **RECOMMENDATION:** The State Government establishes a grant funding program for the construction, or upgrade, of recycling sorting and processing infrastructure in both metropolitan and non-metropolitan areas.

• **WHY:** The adoption of low contamination importation standards for recyclable materials by many countries in Asia presents a considerable challenge for Western Australia, given reported contamination levels of up to 20% in kerbside recycling bins and virtually all of the contents traditionally being exported to Asian markets. In addition to meeting this challenge, the construction of new recycling and sorting infrastructure in WA would enable a number of jobs to be created in the waste management sector, with recycling activities having a higher labour force intensity than landfill activities.

• **HOW:** \$16 million over two years (2020-21 and 2021-22) and funded by the reprioritisation of Royalties for Regions Funds and consolidated revenue. This should be led by the Department of Jobs, Tourism, Science and Innovation, in consultation with the Department of Water and Environmental Regulation and the Waste Authority.

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