



Minutes

Joondalup Lotteries House Management Committee

Meeting held Thursday 9 April 2015 commencing at 1pm in the Conference Room at Joondalup Lotteries House

EXTERNAL MINUTES 110815

ATTACHMENT 1

	Agenda Item	Status	Actions
1	Meeting opened	1:04pm	
2	Attendance	Fran Edmeades - Chairperson, Julie Forrester - Vice Chairperson, Kum Weng Lee – Treasurer Christopher Paull, Jennie Hague – Administration Officer	
3	Apologies	Mandy Stringer, Pam Cackett, Jenny Drury	
4	Confirmation of previous minutes	Motion: That the minutes of the meeting held on 19th February 2015 are accepted and the business ratified as a true and correct record.	MOVED: Kum Weng Lee SECONDED: Christopher Paull CARRIED
5	Nominations for Committee Positions	Any Changes	Christopher Paull resigned as Chairperson. The House would like to thank Chris for all his work and support through out his time on the Committee as Chairperson and Committee representative.
6	Management Committee Structure and Role of Administration Officer	Further discussion	The Committee is happy with the new structure to date. <ul style="list-style-type: none"> An offer was made to the Administration Officer it is now accepted and signed off. The new structure was made official from 1 March 2015 which is the start of a twelve month trial period.
7	Financial report	Treasurer presents financial report	Financial statements presented by the Treasurer. <ul style="list-style-type: none"> There are no concerns regarding the

	Agenda Item	Status	Actions
			<p>current finances of the House.</p> <ul style="list-style-type: none"> • Administrator to seek quotes for the painting of Lotteries House. • Panasonic Panaboard and TEAC TV to be purchased and installed in the Conference Room. • Approx cost of TV \$899.00, cost of Panaboard \$1,830.00 plus installation. <p>MOVED: Fran Edmeades SECONDED: Julie Forrester CARRIED</p>
8	Car Park	<p>Joondalup Festival</p> <p>Review Loading Bay</p>	<ul style="list-style-type: none"> • The Festival went well and the clean up after was swift and efficient. Parking was difficult for the House and some parking bays were lost over a few days before the official closing. The Committee accepted the disruption was unavoidable given the requirements of the Festival set up. • The City of Joondalup was consulted and unless the Committee allocates one of the Lotteries House parking bays to a loading bay then a loading bay is considered unnecessary.
9	Maintenance	<p>Air-conditioning Contract- New Contractors</p> <p>Address on Front of Building- Progress</p>	<ul style="list-style-type: none"> • The New Air Conditioning Contractors DACS started their contract with the House. Feedback from the House was positive with little disruption. • The House signage request has been submitted to the City of Joondalup for approval. Once accepted, a License to erect a sign will need to be applied for. The Administrator is to work through the application process. The Committee is to

	Agenda Item	Status	Actions
			be notified once the sign is ready to be erected.
10	Creche Update	Report to be provided	The Creche has been operational on Tuesdays only since the beginning of 2015. Since the committee's February meeting, crèche volunteers have cared for 19 children. Volunteers Katie and Jacinta have been with the program for ten weeks and settled into the role very well over time. They have both appreciated the opportunity to participate in the program and support parents in need.
11	FAX Machine/Internet	Telephone line	The FAX machine has been disconnected and tenants notified of the change. The Committee was notified that the FAX telephone number and the House internet are connected. It was discussed that the Internet would be transferred to the Lotteries House office phone number. This will take approx two weeks with the House not having any internet connection. The Administration Officer is to make arrangements for the transfer and notify tenants of the disruption.
12	City of Joondalup – Community Development Plan	Update to be provided	In February, the City of Joondalup Council adopted its Community Development Plan 2015 to 2020. Thanks to Committee members who participated in the consultations in 2014.
13	Redevelopment of Lotteries House and Car Park Site	Update to be provided	The City is working with a developer to look at a major building project on the JLH and City of Joondalup sites. Updates are provided on the City's website. The Committee agreed to write to the Project Team reminding them of the presence of community organisations accommodated in Joondalup Lotteries House.
14	Maintenance	Painting Quotes	Quotes not yet provided. Administrator is to

	Agenda Item	Status	Actions
			provide quotes for the next meeting.
15	Any other Business	OHS-Fire Wardens/ First Aiders/Evacuation Plan Alarm/Duress System	<ul style="list-style-type: none"> All tenants have now provided up to date Fire Wardens and Floor Wardens. Evacuations run through to be shortly scheduled. Duress system the House duress procedures are to be updated. The updated procedures will then be considered before being accepted by the Committee. All tenants will then be notified. <p>To be actioned by Administrator</p>
16	TV/DVD Conference Room	Options/Progress	The Committee discussed the need and requirements of training and presentation systems for the Conference Room. Options and costs were presented and it was proposed that a TV with USB and DVD capabilities would be purchased and an electronic Panaboard with black and white printing and USB features would meet the House requirements. Administration Officer to purchase and install.
17	Future Meetings	11 June 2015 13 August 2015 08 October 2015 10 December 2015 From 1:00pm to 2.30pm -Joondalup Lotteries House Conference Room unless otherwise advised.	
18	Meeting Closed	2:15pm	

Signature of Chairperson

Date

Name of Chairperson



TAMALA PARK
Regional Council

Meeting of Council

Minutes

Thursday 18 June 2015, 6:00pm

Town of Cambridge

1 Bold Park Drive, Floreat

TAMALA PARK
REGIONAL COUNCIL
(TPRC)
COMPRISES THE
FOLLOWING
COUNCILS:

Town of Cambridge
City of Joondalup
City of Perth
City of Stirling
Town of Victoria Park
City of Vincent
City of Wanneroo

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MEMBERSHIP

OWNER COUNCIL	MEMBER	ALTERNATE MEMBER
Town of Cambridge	Cr Louis Carr	
City of Joondalup	Cr John Chester Cr Tom McLean	
City of Perth	Cr Janet Davidson OAM JP	Cr Jim Adamos
City of Stirling	Mayor Giovanni Italiano JP Cr David Michael Cr Terry Tyzack Cr Rod Willox AM JP	Cr Elizabeth Re
Town of Victoria Park	Mayor Trevor Vaughan	
City of Vincent	Mayor John Carey	
City of Wanneroo	Cr Dianne Guise Cr Brett Treby	Cr Frank Cvitan Cr Hugh Nguyen

PRESENT

Chairman Cr Trevor Vaughan

Councillors Cr John Carey
Cr Louis Carr
Cr John Chester
Cr Janet Davidson
Cr Diane Guise
Cr Tom McLean
Cr David Michael
Cr Elizabeth Re
Cr Brett Treby
Cr Terry Tyzack
Cr Rod Willox

Staff Mr Tony Arias (Chief Executive Officer)
Mr Luke Aitken (Project Coordinator)
Ms Vickie von Stieglitz (Executive Assistant)

Apologies Cr Giovanni Italiano

Leave of Absence Nil

Absent Nil

Consultants Mr Nigel Satterley (Satterley Property Group) (left meeting at 6:18pm)
Mr Mark Hunter (Satterley Property Group)
Mr Kim Lawrence (Satterley Property Group)
Mr Brenton Downing (Satterley Property Group)
Mr Aaron Grant (Satterley Property Group)

**Councils' Advisors
Apologies** Mr Len Kosova (City of Vincent)
Mr Gary Stevenson (City of Perth)
Mr Anthony Vuleta (Town of Victoria Park)
Mr Garry Hunt (City of Joondalup)
Mr Stuart Jardine (City of Stirling)
Ms Noelene Jennings, Acting CEO (City of Wanneroo)

**Councils' Advisors
in Attendance** Mr Mike Tidy (City of Joondalup)
Mr Jason Buckley (Town of Cambridge)
Mr Jason Lyon (Town of Cambridge)
Mr Phil St John (City of Wanneroo)
Mr Ross Povey (City of Stirling)

Members of the Public Nil

Press Nil

1. OFFICIAL OPENING

Cr Trevor Vaughan (Deputy Chairman) assumed the Chair in the absence of Cr Giovanni Italiano (Chairman) and declared the meeting open at 6:05pm. The Chairman welcomed Cr Elizabeth Re (City of Stirling) as the alternative member for Cr Italiano who was absent on Council business.

DISCLOSURE OF INTERESTS

Nil

2. PUBLIC STATEMENT/QUESTION TIME

Nil

3. APOLOGIES AND LEAVE OF ABSENCE

Apologies were received from Cr Giovanni Italiano.

4. PETITIONS

Nil

5. CONFIRMATION OF MINUTES

Ordinary Meeting of Council – 16 April 2015

Moved Cr McLean, Seconded Cr Treby.

That the minutes of the Ordinary Meeting of Council of 16 April 2015 be confirmed, and signed by the Chairman, as a true and correct record of proceedings.

The Motion was put and declared CARRIED (12/0).

BUSINESS ARISING FROM MINUTES

Nil

6. ANNOUNCEMENTS BY CHAIRMAN (WITHOUT DISCUSSION)

Nil

7. MATTERS FOR WHICH MEETING MAY BE CLOSED

Item 9.9 Annual Plan 2015
Item 9.10 Development Management Agreement – Key People

8. REPORTS OF COMMITTEES

Management Committee Meeting – 7 May 2015

9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.10)

9.1 BUSINESS REPORT – PERIOD ENDING 9 APRIL 2015

Moved Cr Tyzack, Seconded Cr Re.

[The recommendation in the agenda]

That the Council RECEIVE the Business Report to 11 June 2015.

The Motion was put and declared CARRIED (12/0).

9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF MARCH & APRIL 2015

Moved Cr McLean, Seconded Cr Davidson.

[The recommendation in the agenda]

That the Council RECEIVE and NOTE the Statements of Financial Activity for the months ending:

- **31 March 2015; and**
- **30 April 2015.**

The Motion was put and declared CARRIED (12/0).

9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF MARCH & APRIL 2015

Moved Cr Chester, Seconded Cr Willox.

[The recommendation in the agenda]

That the Council RECEIVE and NOTE the list of accounts paid under Delegated Authority to the CEO for the months of March and April 2015:

- **Month ending 31 March 2015 (Total \$2,405,533.55)**
- **Month ending 30 April 2015 (Total \$5,005,880.85)**
- **Total Paid - \$7,411,414.40**

The Motion was put and declared CARRIED (12/0).

9.4 PROJECT FINANCIAL REPORT – APRIL 2015

Moved Cr Michael, Seconded Cr Willox.

[The recommendation in the agenda]

That the Council RECEIVE the Project Financial Report (April 2015) submitted by the Satterley Property Group.

The Motion was put and declared CARRIED (12/0).

9.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 11 June 2015

Moved Cr Guise, Seconded Cr Re.

[The recommendation in the agenda]

That the Council RECEIVE the Sales and Settlement Report to 11 June 2015.

The Motion was put and declared CARRIED (12/0).

Mr Satterley left the meeting following discussion on this Item (6:18pm).

9.6 PROJECT BUDGET 2015/2016

Moved Cr Carr, Seconded Cr Willox.

[The recommendation in the agenda]

That the Council:

- 1. APPROVE the Project Budget 2015/2016 (March 2015), submitted by the Satterley Property Group, as the basis of financial planning for the TPRC Budget 2015/2016.**
- 2. RECEIVE the Project Forecast FYE 2017 (March 2015) and Project Forecast (2011-2029), submitted by the Satterley Property Group.**
- 3. ACCEPT that the Satterley Property Group has achieved Key Performance Indicator 4.4 requiring the preparation of a Project Budget on an annual basis by March each year.**

The Motion was put and declared CARRIED (12/0).

9.7 SALES AND LOT RELEASE STRATEGY (APRIL 2015)

Moved Cr Michael, Seconded Cr McLean.

[The recommendation in the agenda]

That the Council:

1. **APPROVE the Sales and Lot Release Strategy (April 2015), submitted by the Satterley Property Group, as the basis of sales and marketing planning.**
2. **DELEGATE to the CEO authority to approve changes to the Sales and Lot Release Strategy (April 2015) to stage sizes and lot configuration and timing of stage releases, subject to the changes being minor and consistent with TPRC objectives, policies and strategies.**

The Motion was put and declared CARRIED BY ABSOLUTE MAJORITY (12/0).

9.8 LIVEABLE CITIES CONFERENCE

Moved Cr Re, Seconded Cr Chester.

[The recommendation in the agenda]

That the CEO be AUTHORISED to attend the 2015 Liveable Cities Conference in Melbourne to be held on 6-7 July 2015 and to provide a report on the conference for the next Council meeting.

For: Cr Carr, Cr Chester, Cr Davidson, Cr Guise, Cr Michael, Cr McLean, Cr Re, Cr Treby, Cr Tyzack, Cr Vaughan and Cr Willox

Against: Cr Carey

The Motion was put and declared CARRIED (11/1).

Moved Cr Willox, Seconded Cr Davidson.

That Standing Orders be suspended and the meeting move behind closed doors to allow Confidential Items 9.9 and 9.10 to be discussed.

The Motion was put and declared CARRIED (12/0).

9.9 ANNUAL PLAN 2015 – CONFIDENTIAL

Moved Cr Willox, Seconded Cr Carr.

[The recommendation in the agenda]

That the Council:

1. **APPROVE the Annual Plan (March 2015), prepared by the Satterley Property Group.**
2. **ADVISE the Satterley Property Group that the Annual Plan (March 2015) provides a sound basis for project planning for 2015/2016 and financial input to the TPRC Budget 2015/2016.**

3. **ACCEPT** that the Satterley Property Group has achieved Key Performance Indicator 2.6 requiring the preparation of a Project Annual Plan by March (each year).

The Motion was put and declared CARRIED (12/0).

9.10 DEVELOPMENT MANAGEMENT AGREEMENT – KEY PEOPLE - CONFIDENTIAL

Moved Cr Treby, Seconded Cr Guise.

[The recommendation in the agenda]

That the Council resolve to APPROVE the following replacement of key personnel pursuant to Clause 4.5 of the Development Management Agreement:

Name of Person	Position
Brenton Downing	Project Director
Anthea Halliday	Manager - Marketing
Peter Miller	Project Delivery

Name of Replacement Person	Position
Tony Aleksovski	Project Director
Matej Nvota	Manager - Marketing
Kim Lawrance	Project Delivery

The Motion was put and declared CARRIED (12/0).

Moved Cr Treby, Seconded Cr Re.

That Standing Orders be reopened and the meeting doors be opened.

The Motion was put and declared CARRIED (12/0).

The recommendations for Items 9.9 and 9.10 were read out as follows:

9.9 ANNUAL PLAN 2015 – CONFIDENTIAL

That the Council:

1. *APPROVE the Annual Plan (March 2015), prepared by the Satterley Property Group.*
2. *ADVISE the Satterley Property Group that the Annual Plan (March 2015) provides a sound basis for project planning for 2015/2016 and financial input to the TPRC Budget 2015/2016.*
3. *ACCEPT that the Satterley Property Group has achieved Key Performance Indicator 2.6 requiring the preparation of a Project Annual Plan by March (each year).*

9.10 DEVELOPMENT MANAGEMENT AGREEMENT – KEY PEOPLE - CONFIDENTIAL

That the Council resolve to APPROVE the following replacement of key personnel pursuant to Clause 4.5 of the Development Management Agreement:

<i>Name of Person</i>	<i>Position</i>
<i>Brenton Downing</i>	<i>Project Director</i>
<i>Anthea Halliday</i>	<i>Manager - Marketing</i>
<i>Peter Miller</i>	<i>Project Delivery</i>

<i>Name of Replacement Person</i>	<i>Position</i>
<i>Tony Aleksovski</i>	<i>Project Director</i>
<i>Matej Nvota</i>	<i>Manager - Marketing</i>
<i>Kim Lawrance</i>	<i>Project Delivery</i>

The Chairman thanked Anthea Halliday and Peter Miller for their contributions. He also particularly acknowledged Brenton Downing for his support and contributions to the Project over the last 2½ years.

10. ELECTED MEMBERS MOTIONS OF WHICH NOTICE HAS BEEN GIVEN

Nil

11. QUESTIONS BY ELECTED MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

12. URGENT BUSINESS APPROVED BY THE CHAIRMAN

Nil

13. MATTERS BEHIND CLOSED DOORS

Item 9.9 Annual Plan 2015

Item 9.10 Development Management Agreement – Key People

14. GENERAL BUSINESS

Nil

15. FORMAL CLOSURE OF MEETING

The Chairman declared the meeting closed at 6.35pm.

These minutes were confirmed at a meeting on

SIGNED this day of 2015

as a true record of proceedings.

CHAIRMAN



FULL MINUTES

State Council

July 2015

NOTICE OF MEETING

Meeting No. 4 of 2015 of the Western Australian Local Government Association State Council held at WALGA, 170 Railway Parade, West Leederville on Wednesday, 1 July 2015 commenced at 4:36pm.

1. ATTENDANCE, APOLOGIES & ANNOUNCEMENTS

1.1 Attendance

Chairman	President of WALGA Deputy President of WALGA Pilbara Country Zone	Mayor Troy Pickard Cr Lynne Craigie
Members	Avon-Midland Country Zone Central Country Zone Central Metropolitan Zone East Metropolitan Zone Goldfields Esperance Country Zone Gascoyne Country Zone Great Eastern Country Zone Great Southern Country Zone Kimberley Country Zone Murchison Country Zone North Metropolitan Zone Northern Country Zone Peel Country Zone South East Metropolitan Zone South Metropolitan Zone South West Country Zone	Cr Lawrie Short President Cr Philip Blight Cr Janet Davidson JP Mayor Heather Henderson Cr Steve Wolff Cr Mick Wainwright Mayor Ron Yuryevich AM RFD Cr Ross Winzer President Cr Eileen O'Connell President Cr Ken Clements Cr Chris Mitchell Cr Simon Broad Mayor Tracey Roberts JP Cr Geoff Amphlett JP President Cr Karen Chappel President Cr Wally Barrett Mayor Cr Henry Zelones OAM JP Cr Fiona Reid Mayor Carol Adams Cr Doug Thompson Mayor Logan Howlett President Cr Wayne Sanford
Ex-Officio	Local Government Managers Australia	Mr Jonathon Throssell (Deputy)
Secretariat	Chief Executive Officer Deputy Chief Executive Officer EM Environment & Waste EM Governance & Organisational Services EM Finance & Marketing EM Planning & Community Development EM Infrastructure A/EM Business Solutions Manager Governance EO Governance & Organisational Services Financial Controller	Ms Ricky Burges Mr Wayne Scheggia Mr Mark Batty Mr Tony Brown Mr Zac Donovan Ms Allison Hailes Mr Ian Duncan Mr Craig Hansom Mr James McGovern Ms Ana Fernandez Mr Rick Murray

1.2 Apologies

North Metropolitan Zone

Cr David Michael

1.3 Announcements

Nil

OBSERVERS

- President Cr Mark Halleen – Murchison Zone
- Cr John Bissett – Town of Victoria Park

MEETING ASSESSMENT

Cr Steve Wolff was invited to undertake a meeting assessment at the conclusion of the meeting.

2. MINUTES OF THE PREVIOUS MEETINGS

2.1 Minutes of May and June 2015 State Council Meeting

Moved: Mayor Ron Yuryevich
Seconded: Mayor Tracey Roberts

1. That the Minutes of the Western Australian Local Government Association (WALGA) State Council Meeting held Friday, 8 May 2015 be confirmed as a true and correct record of proceedings subject to the following correction to Item 5.7 (b);

That WALGA staff prepare a policy for State Council consideration to ensure that there be equal Metropolitan and Country Representation as WALGA representatives on the LGAB.

2. That the Minutes of the Western Australian Local Government Association (WALGA) Special State Council Meeting held Wednesday, 3 June 2015 be confirmed as a true and correct record of proceedings

RESOLUTION 64.4/2015
CARRIED

2.1.1 Business Arising from the Minutes of May 2015

Nil

2.1.2 Business Arising from the Minutes of June 2015

Nil

3. DECLARATION OF INTEREST

Pursuant to our Code of Conduct, the following State Councillors declared an interest:

- Mayor Henry Zelones – Item 5.8 Honours Panel
- Cr Eileen O'Connell – Item 5.8 Honours Panel
- Mayor Tracey Roberts – Item 5.8 Honours Panel
- Mayor Heather Henderson – Item 5.8 Honours Panel
- Cr Lawrie Short – Item 5.8 Honours Panel

4. EMERGING ISSUES

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

5. MATTERS FOR DECISION

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

6. MATTERS FOR NOTING / INFORMATION

- As per matters listed.

7. ORGANISATIONAL REPORTS

7.1 Key Activity Report

- 7.1.1 Environment and Waste
- 7.1.2 Governance and Organisational Services
- 7.1.3 Infrastructure
- 7.1.4 Planning and Community Development

7.2 Policy Forum Reports

- 7.2.1 Policy Forum Reports

7.3 President's Report

Recommendation

That the President's Report for **July 2015** be received.

7.4 CEO's Report

Recommendation

That the CEO's Report for **July 2015** be received.

8. ADDITIONAL ZONE RESOLUTIONS

To be advised following Zone meetings.

9. WALGA PRESIDENT RESIGNATION

10. MEETING ASSESSMENT

Cr Steve Wolff was requested to provide feedback as to the effectiveness of the meeting.

11. DATE OF NEXT MEETING

Recommendation

That the next meeting of the Western Australia Local Government Association State Council be held in Narrogin on Friday, 4 September 2015 commencing at 9.00am.

12. CLOSURE

Agenda Items

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5.1 Cycling on Footpaths Discussion Paper (05-009-02-0010 MS)	6
5.2 Interim Submission on the Review of Safe and Sustainable Cycling for Perth (05-005-03-0006 MM)	14
5.3 Feedback – Department of Transport’s 2015 Draft Coastal Adaptation and Protection Policy for WA (05-028-03-0015 VJ)	26
5.4 Interim submission to the Senate Inquiry into Regional Capitals (05-055-03-0002 PS)	32
5.5 Interim submission to the Tax Discussion Paper (05-100-03-0001 PS)	65
5.6 Interim Submission - Draft State Biosecurity Strategy (05-046-03-0011MB)	85
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6.2 Response to the Department of Local Government and Communities – Proposed Amendments to the Local Government (Functions and General) Regulations 1996 (05-034-01-0007 JM)	97
6.3 Review of Local Government Water Services Licensing (05-064-01-0007 MB)	99
6.4 Local Government Exemption from Drainage Licensing Regime (05-064-01-0007 MB)	101
6.5 Report Municipal Waste Advisory Council (MWAC) (01-006-03-0008 RNB)	103
6.6 Partnership with Disability Services Commission - Change Places Project (06 071 01 002 EB)	121
6.7 Review of Local Government Alcohol Management Package (05-031-01-0001 MP)	124
6.8 Presentation to Parliamentary Committee – Planning and Development (Development Assessment Panels) Regulations 2011 (05-047-01-0016 VJ)	126
6.9 Senate Economics Reference Committee Report: Out of reach? The Australian housing affordability challenge (05-036-03-0020 CG)	149
6.10 Report on Local Government Road Assets and Expenditure 2013/14 (06-007-03- 0016 MB)	152
6.11 User Guide for Calculating the Cost of Road Wear on Sealed Local Roads (05-006- 03-0008 MB)	164
6.12 State Budget Outcomes (05-088-03-0001 PS)	166

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7.1.2 Report on Key Activities, Governance and Organisational Services (01-006-03-0007 TB).....	171
7.1.3 Report on Key Activities, Infrastructure (05-001-02-0003 ID).....	174
7.1.4 Report on Key Activities, Planning and Community Development (01-006-03-0014 AH).....	177
7.2 Policy Forum Reports	182
7.2 Policy Forum Reports (01-006-03-0007 TB).....	182

5. MATTERS FOR DECISION

5.1 Cycling on Footpaths Discussion Paper (05-009-02-0010 MS)

Mal Shervill, Policy Officer Road Safety

Moved: Cr Steve Wolff

Seconded: Mayor Henry Zelones

That State Council resolves:

1. To support the amendment of regulation 216(1) of the *Road Traffic Code 2000* to allow cyclists of all ages ride bicycles on footpaths subject to the implementation of an appropriate speed limit for cyclists riding on footpaths.
2. Any change to regulation 216 (1) of the *Road Traffic Code 2000* is accompanied by a comprehensive public education campaign.
3. The Association to investigate the provision of local laws to exclude cyclists from riding on footpaths in specified areas, at the discretion of a Local Government.
4. The Association advises the Office of Road Safety and Department of Transport in writing of key matters highlighted by the Local Government sector to be considered should the proposed amendment to the *Road Traffic Code 2000* proceed.

AMENDMENT

Moved: Cr Doug Thompson

Seconded: Mayor Logan Howlett

That State Council resolves:

1. To support the amendment of regulation 216(1) of the *Road Traffic Code 2000* to allow cyclists of all ages ride bicycles on footpaths subject to the implementation of an appropriate speed limit for cyclists riding on footpaths.
2. Any change to regulation 216 (1) of the *Road Traffic Code 2000* is accompanied by a comprehensive public education campaign.
3. The Association to investigate the provision of local laws for cyclists riding on footpaths in specified areas, at the discretion of a Local Government.
4. The Association advises the Office of Road Safety and Department of Transport in writing of key matters highlighted by the Local Government sector to be considered should the proposed amendment to the *Road Traffic Code 2000* proceed.

CARRIED

THE MOTION AS AMENDED WAS PUT AND

CARRIED

RESOLUTION 65.4/2015

In Brief

- In 2003/2004 the Local Government sector was consulted regarding a discussion paper titled "Cycling on footpaths in Western Australia" received from the Office of Road Safety that recommended "consideration be given to extend the current regulations governing the use of footpaths by cyclists from children under the age of 12 years to all ages."

- Based on sector feedback WALGA advised the Office of Road Safety the recommendation was supported in principle subject to the implementation of an extensive public education campaign by the Office of Road Safety.
- The recommended amendment of the *Road Traffic Code 2000* was not proceeded with.
- In March 2015 the Premier and Minister for Road Safety hosted a Cycling Safety Roundtable workshop where allowing cyclists of all ages to ride on footpaths as an initiative to reduce cyclist deaths and serious injuries was discussed.
- In response, WALGA developed a “Cycling on Footpaths” discussion paper to assist Local Governments consider the implications of amending the *Road Traffic Code 2000*; and surveyed the sector for their feedback.
- Twelve Local Governments responded to the survey – 11 Local Governments agreed with amending the *Road Traffic Code 2000* to allow cyclists of all ages to ride on footpaths.

Attachment

“Cycling on Footpaths” discussion paper

<http://walga.asn.au/MemberResources/Infrastructure/RoadSafety.aspx>

Relevance to Strategic / Business Plan

- Providing strong representation for Local Government
- Providing effective leadership for Local Government
- Building a positive profile for Local Government
- Enhancing the capacity of Local Government to deliver services

Policy Implications

Inform a policy position on amending the *Road Traffic Code 2000* to allow cyclists of all ages ride on footpaths.

In December 2004, after considering the State Solicitor’s advice, WALGA advised the Office of Road Safety that State Council supported the revised “Cycling on Footpaths in Western Australia” discussion paper and its recommendations in principle subject to the implementation of an extensive public education campaign by the Office of Road Safety following any regulatory changes.

Budgetary Implications

Nil

Background

In Western Australia, regulation 216(1) of the *Road Traffic Code 2000* restricts certain people from riding bicycles on footpaths:

The rider of a bicycle who is 12 years of age or older shall not ride on a footpath, that is not a shared path or a separated footpath.

In February 2003, the WALGA State Council considered a Discussion Paper titled “Cycling on footpaths in Western Australia” received from the Office of Road Safety that recommended “consideration be given to extend the current regulations governing the use of footpaths by cyclists from children under the age of 12 years to all ages.” Local Governments were consulted through the zone process and highlighted concerns regarding liability, duty of care and infrastructure issues. According to historic records held at WALGA, the results of the 2003 survey were as follows.

Response outcomes	Metropolitan	Country	Total
Fully support <i>Discussion Paper</i> and possible regulatory amendments to open up footpaths to cyclists of all ages	1	7	8
Conditional support	1	0	1
Oppose	0	1	1
Support or opposition not specified	2	3	5
Total	4	11	15

In August 2003 the State Council resolved to refer the discussion paper back to the Office of Road Safety and requested the concerns of Local Governments be addressed.

In September 2004, the Office of Road Safety provided a revised discussion paper to WALGA containing advice from the then Crown Solicitors Office regarding legal liability.

According to current advice available to WALGA, the *Road Traffic Code 2000* was not amended due to a State election being held in 2005.

In 2013 and 2014 the number of cyclists killed and seriously injured on WA roads reached record levels.

The *2014 Preliminary Fatal and Critical Injuries on Western Australian Roads* published by the Office of Road Safety contain the follow statistics for cyclist fatalities at *Table 2 - Fatalities by road user type and year, WA (p. 10)*.

Year	Fatalities
2009	0
2010	4
2011	3
2012	3
2013	6
2014	8

In 2014, eight cyclists were killed and 18 were seriously injured from crashes. This is an increase of 19% on the five-year average. All the fatalities, and most of the serious injuries 83% (15), were in the metropolitan area.

A total of 40 cyclists were killed and 1,115 cyclists were seriously injured in the 11 years to 2014.

Prompted by the rise in cyclist fatalities, in March 2015 a Cycling Safety Roundtable workshop was hosted by the Premier and Minister for Road Safety. Allowing cyclists of all ages to ride on footpaths to improve road safety outcomes for cyclists was raised as an initiative worth considering.

WALGA consequently developed a *Cycling on Footpaths* discussion paper to assist Local Governments consider the implications of amending the *Road Traffic Code 2000* to allow cyclists of all ages to ride on footpaths; and to provide advice to WALGA to form a policy position.

The discussion paper provided information about the 2003 Local Government survey and contemporary cyclist crash statistics.

Legislation in other jurisdictions was also included, which highlighted the law relating to riding bicycles on footpaths differ throughout Australia.

Jurisdiction	Regulation
Western Australia	People aged 12 years or older shall not ride on a footpath, that is not a shared path or a separated footpath
South Australia	People aged 12 years or older are not permitted to ride a bicycle on a footpath unless they are accompanying a child under 12 years of age who is riding a bicycle on a footpath; or carrying a certificate issued by a medical practitioner. (It should be noted that on 7 November 2014, the Premier of South Australia declared that the Government will consider a recommendation by a Citizens' Jury ¹ (Sharing the roads safety) to allow cyclists of any age to ride on footpaths.)
Victoria	People aged 12 years or older are not permitted to ride bicycles on footpaths unless they qualify for an exemption as outlined below: <ul style="list-style-type: none"> a) People aged 18 years of age or older who are accompanying a child who is under 12 years of age and the child is under the rider's supervision; or b) People who have a physical or an intellectual disability and who carry a certificate signed by a medical practitioner that states that it is undesirable, impractical or inexpedient for them to ride on the road; or c) People engaged in the delivery of postal articles for or on behalf of Australia Post.
New South Wales	People aged 12 years or older are not permitted to ride bicycles on footpaths unless: <ul style="list-style-type: none"> a) If the rider is an adult – the rider is accompanying a child under 12 years of age who is riding on the footpath and the child is under the rider's supervision; or b) If the rider is not an adult – the rider is under the supervision of an accompanying adult as referred to in paragraph (a); or c) The rider is a postal worker who is riding the bicycle in the course of his or her duties as a postal worker.
Queensland	Cyclists of any age are permitted to ride on footpaths unless specifically prohibited by local laws.
Northern Territory	Cyclists of any age are permitted to ride on footpaths unless they are signed otherwise.
Australian Capital Territory	Cyclists of any age are permitted to ride on footpaths unless indicated otherwise by signage.
Tasmania	Cyclists of any age are permitted to ride on footpaths unless prohibited to do so by a local law.

The discussion paper highlighted relevant research into cycling on footpaths/shared paths; and cyclist and pedestrian conflicts.

Adults cycling on the footpath: What does the data show? (Harworth N. and Schramm A., Centre for Accident Research and Road Safety, Queensland, undated)

Comments and findings:

- For the purpose of the study riders were rated as:
 - Utilitarian rider - if riding for shopping, travelling as a student, commuting or travelling to public transport.
 - Fitness rider - if riding for health/fitness and training, or organised racing.
 - Social rider - if riding for social/recreation purposes.
- Utilitarian riders were most likely to ride on the footpath followed by social riders and then fitness riders.

¹ Citizens' Juries involve the wider community in the decision-making process and improve trust in public decision making. Participants are engaged as citizens with no formal alignments or allegiances to apply their considered judgment on complex issues where debates can become polarised.

- About two-thirds of all riders who rode on the footpath reported doing so reluctantly.
- The frequency and distance ridden on the footpath was less for urban roads...suggesting that the footpath was used in locations where the urban road was considered unsafe or inconvenient.
- New riders spent a larger proportion of riding on footpaths than experienced riders.
- Analysis of the percentage of serious crashes on footpaths and the percentage of total distance ridden on footpaths suggests that riding on the footpath did not increase crash risk.
- The paper concluded: "The available evidence suggests that riding on the footpath is associated with less serious injuries to cyclists than riding on the road and does not appear to cause many serious injuries to pedestrians. Footpaths are important facilities for both inexperienced and experienced riders and for utilitarian riding, especially in locations riders consider do not provide a safe system for cycling".

Deaths of cyclists due to road crashes (Australian Transport Safety Bureau, July 2006)

Comments and findings:

- The most frequent major factor in fatal road crashes involving cyclists from 1996 to 2004 was the failure of cyclists and other road users to observe each other on the road.
- Visibility of cyclists remains a key safety issue.
- The most common type of crash in which cyclists were fatally injured was the cyclist being hit from behind by a motor vehicle travelling in the same direction.
- Cyclists riding on rural roads are particularly at risk of being run over from behind.

Pedestrian-Cyclist Collisions: Issues and Risk (Grzebieta R.H., McIntosh A.M. and Chong S., September 2011)

Comments and findings:

- Drummond A.E. (1989) *Pedestrian Casualties Resulting from Collisions with Cyclists on Footpaths* (Monash University Accident Research Centre, Melbourne) concluded that the problem of casualties due to collisions between cyclists and pedestrians on footpaths was of very small proportions such that it need not be considered in the formulation of policy.
- Trevelyan P. and Morgan J.M (1993) *Cycling in Pedestrian Areas* (Report PR15, Transport Research Laboratory, Crowthorne, UK) found there were no major reasons to justify the exclusion of cyclists from pedestrian areas; and pedestrians do not alter their behaviour in the presence of cyclists but cyclists do adjust appropriately to pedestrian density.
- An OECD review paper *Safety of Vulnerable Users* concluded that (cyclist/pedestrian) conflicts were generated mainly by narrow footpaths, narrow cycle-tracks, relatively high speeds of cyclists, poor visibility, or considerable age difference between cyclists and pedestrians. Nevertheless, it stated that few conflicts were dangerous but the danger increased when several of the factors mentioned were combined.
- The risk of a fatality resulting to a pedestrian from a cyclist pedestrian collision is presently a very rare event for the whole of Australia.

Pedestrian-Cyclist Conflict Minimisation on Shared Paths and Footpaths (Austroads Research Report, AP-R287/06)

Comments and findings:

- A study by the NSW Roads and Traffic Authority in 2009 concluded the perception of danger is much greater than the actual risks of bicyclists and pedestrians on shared paths.
- In some states (Queensland, Tasmania, ACT and NT) cyclists of all ages are permitted to ride on footpaths. This has caused considerable safety problems for the very young and senior pedestrians in some quarters (Legislative Assembly of Queensland 1993). However, the above states/territories also report that the perception of the level of bicycle/pedestrian conflicts on footpaths is greater than the reality of incidents.

- An examination of available data suggests that legalising cycling on footpaths by all ages may not adversely impact on the safety and amenity of footpaths. This is because the amount of footpath cycling is not expected to change from the current level.

2015 Local Government survey results

The 2015 Cycling on Footpaths discussion paper was released to Local Government for comment via the LG News on 15 May 2015 and closed on 3 June 2015.

The 2015 survey of Local Government yielded the following result.

Total number of Local Governments that responded to survey.	12
Number of Local Governments that agreed with the <i>Road Traffic Code 2000</i> being amended to allow cyclists of all ages to ride on footpaths.	11
Number of Local Governments that disagreed with the <i>Road Traffic Code 2000</i> being amended to allow cyclists of all ages to ride on footpaths.	1

The makeup of Local Governments that responded is shown below.

	Metropolitan	Country	Anonymous	Total
Number of Local Governments that agreed with the <i>Road Traffic Code 2000</i> being amended to allow cyclists of all ages to ride on footpaths.	6	3	2	11
Number of Local Governments that disagreed with the <i>Road Traffic Code 2000</i> being amended to allow cyclists of all ages to ride on footpaths.	1	0	0	1

Local Governments that **agreed** with the *Road Traffic Code 2000* being amended to allow cyclists of all ages to ride on footpaths identified the following that should be considered with such legislative change.

- Shared cycleway signage.
- Extensive public education program should be undertaken to make it clear that there are no major adverse effects associated with cyclists of all ages being allowed to ride on footpaths.
- Possible speed-limit (20kph?).
- Substantive publicity explaining that this is not intended as a substitute to on-road riding, but an alternative for less confident cyclists that that it should only be done at a low speed (10km/h is already the specified maximum speed for footpaths although 20km/h as legislated in Darwin and as a maximum for shared use in Austroads).
- Adequate width on the paths and bike riders rode at a 'reasonable' speed. This allows riders not to interfere with pedestrians and have time to see reversing cars.
- Use the Northern Territory example.²
- Cyclists of any age permitted to ride on footpaths unless specifically prohibited by local laws or indicated otherwise by signage. Installation of bells on bicycles should be compulsory, so bikers can warn pedestrians. Legislation should be protecting the 'more vulnerable' road user (i.e. when a car hits a biker, the responsibility/liability should be with the car. When a biker hits a pedestrian, the responsibility/liability should be with the biker; look at other countries for similar legislation e.g. the Netherlands).
- All cyclists to wear high visibility vests and or tops in accordance with Australian standards for workmen within the road reserve.

² In the Northern Territory cyclists must keep to the left, unless it is not possible to do so; give way to any pedestrian; when approaching a pedestrian from behind a cyclist must slow down and sound their bell/horn; and there is a 20km/h speed limit on Darwin City Council shared paths.

- An appropriate speed limit applied. Speed enforcement on pathways will need to be addressed as part of any proposed speed limits gazetted in legislation. Cyclists keep left unless overtaking.

The Local Government that **disagreed** with the *Road Traffic Code 2000* being amended to allow cyclists of all ages to ride on footpaths identified the following reasons.

- The proposed amendment to the *Road Traffic Code 2000* cannot be seen as a substitute for a robust cycling education and training program for cyclists of all ages and abilities;
- The *Road Traffic Code 2000* should be amended so adults can only ride on footpaths if accompanying a child 12 years of age or younger;
- The 2004 legal advice from the State Solicitors Office is too inconclusive to be accepted; and
- To legitimise the use of footways by cyclists of all ages would go against...adopted [cycle] policy and plans.

Comment

The 2015 survey shows that 91% of Local Governments that responded agree that the *Road Traffic Code 2000* be amended to allow cyclists of all ages to ride on footpaths. In agreeing to this amendment, the responding Local Governments identified the following key matters be considered if such legislative change proceeds.

1. A comprehensive public education campaign that includes the rationale for amending the legislation; cycling at safe speeds; and responsibilities of both cyclists and pedestrians when sharing a footpath.
2. Adequate signage is erected advising path users that cyclists can use the footpath.
3. Consideration of a speed limit being introduced for footpath cycling for the safety of all footpath users; and enforcement of any speed limit.
4. Standards be applied to cyclists when riding on a footpath i.e. bicycles must be fitted with a bell for warning pedestrians; cyclists wear high visibility clothing; cyclists give way to pedestrian; and cyclists keep left unless overtaking.

If amending the *Road Traffic Code 2000* is supported, the Office of Road Safety and Department of Transport should be advised of the above matters raised by the Local Government sector.

Migration of cyclists to footpaths

Cyclists of all ages being permitted to ride on footpaths has occurred in other Australian jurisdictions. Research in these jurisdictions shows there is was no significant migration of cyclists onto footpaths as experienced cyclists and commuting cyclists prefer to ride on roads. Research indicates that inexperienced cyclists or cyclists that consider the road environment too dangerous tend to ride on footpaths. Based on the available research and experiences in other jurisdictions, the vast majority of cyclists are unlikely to change their behaviour in light of the amended regulation. This was the position of the Office of Road Safety in their 2004 paper "Cycling on Footpaths in Western Australia – Discussion Paper". This will also be supported by cyclists now taking advantage of the expansion of the cycling network in the Perth metropolitan area since 2004.

Pedestrian/cyclist conflict

Opponents of cyclists of all ages being allowed to ride on footpaths cite pedestrian/cyclist conflict. Research conducted in Australian jurisdictions and the United Kingdom where cycling on footpaths is legal indicates the perception of danger is much greater than the actual risks to pedestrians by cyclists. The risk of a pedestrian fatality from a cyclist pedestrian collision is presently a very rare event for the whole of Australia. Other research found there were no major reasons to justify the exclusion of cyclists from pedestrian areas; and pedestrians do not alter their behaviour in the presence of cyclists but cyclists do adjust appropriately to pedestrian density.

Notwithstanding, if the amendment to the *Road Traffic Code 2000* proceeds, Local Governments have the prerogative to impose local laws to prohibit cycling on footpaths if circumstances dictate

e.g. in café strips or pedestrian malls. This occurs in other jurisdictions where cycling on footpaths is legal.

Current enforcement

Enforcement of footpath cycling is problematic for the WA Police under the existing regulation, which is illustrated by the amount of unchecked footpath riding by adults. The 2004 Office of Road Safety discussion paper cited concerns expressed by police that enforcement of the 12 year age limit imposed under the Road Traffic Code 2000 has increased these difficulties.

Legalizing cyclists of all ages to ride on footpaths would remove this difficulty and would provide an opportunity to undertake a program to educate cyclists/pedestrians of their responsibilities and adoption of safe practices, which would have a positive flow-on impact on the use of shared paths.

Legal liability

In 2003 the Local Governments that responded to the survey highlighted liability as a concern. Subsequently, the Office of Road Safety provided the Association with advice from the State Solicitors Office that the *Civil Liability Act 2002* (WA) has changed two aspects of the common law relating to liability:

- Provisions to change the law relevant to establishing liability; and
- Provisions to provide statutory modifications reducing damages awarded.

The State Solicitor's Office advised the thrust of these changes is to render it more difficult for liability to be established. Section 5X of the Act creates a "policy defence" to damages claims arising from the performance or non-performance of a public function. The defence ensures that in any event that, in the determination of negligence in any particular case, the court is obliged to have regard to the resources and general statutory obligations of the public body sued.

In a recent 2015 opinion LGIS advised that whilst the *Civil Liability Act 2002* provisions are regularly tested in the WA courts, they have not been specifically tested in the context of incidents involving cyclists on footpaths. The well-known legislative immunities available to Local Governments will offer some comfort in respect incidents involving cyclists on footpaths. These immunities, provided in section 9.57 of the *Local Government Act 1995* (local government protected from certain liabilities); and section 5Z of the *Civil Liability Act 2002* (special protection for road authorities), have the dual effect of providing a defence to a notional claim and act as a disincentive to potential claimants thinking of making a claim against a Local Government. Whilst a slight uplift in claims may be possible it will not necessarily translate into findings of liability against Local Government.

Local Laws

WALGA will investigate the development of a suitable local law framework that will assist Local Governments manage traffic where cycling on footpaths is deemed undesirable, for example in activated and built up areas. WALGA has the opportunity to test the nature and type of a proposed template local law with State Parliament's Joint Standing Committee on Delegated Legislation to ensure the proposed local law can be readily adopted across the Local Government sector.

5.2 Interim Submission on the Review of Safe and Sustainable Cycling for Perth (05-005-03-0006 MM)

Marissa MacDonald, Policy Officer Transport and Roads

Moved: Mayor Logan Howlett
Seconded: Cr Doug Thompson

That State Council endorse the interim submission to the Office of the Auditor General on the Review of Safe and Sustainable Cycling for Perth.

RESOLUTION 66.4/2015

CARRIED

In Brief

- The Office of the Auditor General is undertaking a review of safe and sustainable cycling for the Perth metropolitan area and has invited comment from stakeholders and the public.
- The focus of the review is to determine whether there is appropriate cycling infrastructure and appropriate actions in place to promote cycling as a viable mode of transport.
- An interim submission was developed on behalf of metropolitan Local Governments that has identified relevant issues including the lack of funding, gaps in cycling infrastructure, limited planning of cycle routes and inconsistent standards.
- A final report of the review is expected to be tabled in Parliament in the third quarter of 2015.

Attachment

Interim submission to the Office of the Auditor General on the Review of Safe and Sustainable Cycling for Perth.

Relevance to Strategic / Business Plan

- Providing strong representation for Local Government
- Providing effective leadership for Local Government
- Building a positive profile for Local Government
- Enhancing the capacity of Local Government to deliver services

Policy Implications

A WALGA submission on the draft Western Australian Bicycle Network Plan 2012-2021 was endorsed in April 2012. RESOLUTION 89.4/2012

Budgetary Implications

Nil.

Background

The Office of the Auditor General is undertaking a review of safe and sustainable cycling for Perth with the objective to determine whether suitable support and infrastructure are provided to enable cycling to be seen as a viable mode of transport in the metropolitan area. The two main questions being asked are:

1. Is there a comprehensive and well maintained cycling network which covers the main metropolitan transport routes?
2. Are suitable actions in place to promote cycling as a safe, convenient and viable mode of transport?

Being an issue of high public interest, the review was opened to public comment through a survey that closed on 21 April. The Office of the Auditor General has conducted meetings with the Department of Transport, Office of Road Safety, and selected individual Local Governments. WALGA met with staff from the Office of the Auditor General on 18 May.

A final report on the review is expected to be tabled in Parliament during the third quarter of 2015.

Comment

The interim submission was developed through requesting feedback from Local Governments in an Info Page and providing a draft submission to targeted Local Government Officers for comments. The interim submission was endorsed by the Infrastructure Co-Chairs and President. Due to the timeframes of reporting to Parliament, the interim submission was forwarded to the Office of the Auditor General on 4 June.

The interim submission proposes a number of recommendations from the perspective of the Local Government sector. Some of the recommendations are based on the positions established in WALGA's submission on the draft WA Bicycle Network Plan 2012 - 2021.

In the Perth metropolitan area (not including Mandurah) Local Governments are responsible for the operation and maintenance of 94% of the road network (13,319km of the total 14,168km network). Additionally Local Governments provide 2,963km of shared use paths intended for use by cyclists (94% of the total shared path network) and a further 7,222km of concrete or asphalt sealed footpaths that provide facilities for some cyclists. Local Governments are faced with particular challenges when seeking to provide cycling infrastructure as there are quite different requirements expressed by different groups of cyclists (i.e. recreational, commuter). There are also constraints in providing cycling infrastructure due to limited width of the road reserves, and trees and other infrastructure located within the road reserve.

Limited funding available to Local Governments for cycling infrastructure through the grants program is identified as a major issue that needs to be addressed in order to sustainably deliver appropriate cycling infrastructure across the metropolitan area. Local Governments should be provided with funds that are proportionate to the network that they manage on behalf of the community. Additionally as infrastructure costs increase over time, predictable and growing funding should be set aside for the grant funding program.

Other recommendations identified include:

- Bicycle route planning should be expanded beyond the main focus of connecting the Principal Shared Path network to the CBD to include connections between suburbs, activity centres, and places of interest, especially in middle to outer areas.
- Any metropolitan-wide review of Local Bicycle Routes should include and be built on recently developed bicycle routes identified by Local Governments in bike plans.
- Legislation governing cycling on footpaths should be reviewed.
- Guidelines should be provided to increase the consistency of shared path infrastructure.
- Traffic management on local roads should be appropriate for all users.
- The opportunity to set speed limits that create a safer cycling environment on selected local roads should be available.
- A review of speed management on shared paths and Principal Shared Paths should occur.
- Devices to separate bicycle lanes from motor vehicle lanes should be trialed.
- Local Governments should be supported to trial 'bicycle boulevards' in appropriate locations.
- Data collection to support decision making and monitor trends should be coordinated.

- Creating a safety culture for cycling, starting with awareness of on-road bicycle lanes.
- Local Governments should be supported with the promotion of cycling within their local communities and schools.
- Secure bicycle parking should be available at transport hubs and significant travel generating sites such as activity centres.



Interim Submission to the Office of the Auditor General on the review for 'Safe and Sustainable Cycling for Perth'

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1.0 Introduction

The Western Australian Local Government Association (WALGA) is the united voice of Local Government in Western Australia. The Association is an independent, membership-based group representing and supporting the work and interests of all 138 Local Governments in Western Australia. The Association provides an essential voice for almost 1,300 elected members and over 14,000 Local Government employees as well as over 2 million constituents of Local Governments in Western Australia. The Association also provides professional advice and offers services that provide financial benefits to the Local Governments and the communities they serve.

Over the past 15 years the number of people cycling in Perth has grown more than five times and this trend is expected to continue in the future. There was an increase of 16.4 per cent in the number of cycling trips to and from the Perth central business district in 2012/2013 on key cycling routes monitored. According to the National Cycling Strategy 2011-2016, around 22 per cent of residents in WA cycle in a typical week, increasing to over 30 per cent over a month, and to 45 per cent over a year³.

Cycling should be developed to become an integral component of the transport system to enable the growth of a sustainable, liveable and resilient community. The release of the WA Bicycle Network Plan (WABNP) in 2014 was important to guide and promote cycling into the future as a viable mode of travel and contribute to the reduction of congestion and reduced reliance on motor vehicles. WALGA provided comments on the draft WABNP in 2012 and continues to be involved with its implementation through the Implementation Reference Group. WALGA also represents the Local Government sector on the assessment panels for the Perth Bicycle Network and Regional Bicycle Network Grants Programs and was involved with developing the draft Local Government Bicycle Plan Guidelines due for release this year by the Department of Transport.

In the Perth metropolitan area (not including Mandurah) Local Governments are responsible for the operation and maintenance of 94% of the road network (13,319km of the total 14,168km network). Additionally Local Governments provide 2,963km of shared use paths intended for use by cyclists and 7,222km of concrete or asphalt sealed footpaths that provide facilities for some cyclists⁴. Local Governments are faced with particular challenges when seeking to provide cycling infrastructure as there are quite different requirements expressed by different groups of cyclists (i.e. recreational, commuter). There are also constraints in providing cycling infrastructure due to limited width of the road reserves, and trees and other infrastructure located within the road reserve.

³ WA Bicycle Network Plan 2014-2031. Department of Transport.

⁴ Report on Local Government Road Assets and Expenditure 2013/14. WA Local Government Association.

This submission proposes a number of recommendations on behalf of the Local Government sector in response to the Auditor General's review on cycling. The recommendations should be considered to ensure that "suitable support and infrastructure are provided to enable cycling to be seen as a viable mode of transport". Some of the recommendations reaffirm WALGA's 2012 position made on the draft WABNP. The submission does not address every issue or topic, only those which have been identified as of most concern to Local Governments.

2.0 Recommendations

Funding provided for cycling should continue to increase each financial year to ensure the network grows to meet increasing demand.

The total State Government expenditure on cycling in 2013/2014 was approximately \$11.7 million (\$12.6 million budgeted) with \$7.6 million of this spent on extending the Principal Shared Path (PSP) network. This State investment in cycling infrastructure represents approximately 0.7% of the total transport asset expenditure which was approximately \$1.7 billion. This represented approximately \$4.55 per capita spent on cycling by the State Government. Statistics show that Perth is the fastest growing capital City in Australia and cycling numbers have increased significantly over the years and are expected to continue to grow. It is noted that in the 2015/2016 State Budget there is a decrease in funding for the WA Bike Network which has been allocated \$9 million. WALGA reaffirms the position made in the 2012 submission on the draft WABNP which recommended that the investment in the cycling infrastructure should increase each financial year to ensure projects are able to meet the growing needs for cyclists. New cycling infrastructure is expensive to construct and maintain. Based on recent work undertaken by Local Governments and Main Roads, cycle paths cost in the range of \$200 - \$2000 per metre to construct depending on the standard of construction and the difficulty of the situation (e.g. need to construct retaining walls, relocate services, acquire land etc). Consequently given existing funding the rate of growth or upgrade of the existing cycling network is very slow.

The level of funding available to Local Government through the grants program should increase each financial year.

In May 2012 the State Government confirmed that grant funding for the Perth Bicycle Network (PBN) would be double from \$2 million to \$4 million over two years⁵. This funding however has not doubled and during 2013/2014 and 2014/2015 approximately \$1.33 million was available. Based on the seven shared path construction projects approved for PBN funding in 2015/16, the average cost is approximately \$400 per metre, which is half funded by the Local Government. This suggests that the current State Government funding will extend the existing shared path network by around 6.6km

⁵ State Budget 2012-13: Building the State - Major funding boost for cycling infrastructure. Minister for Transport Statement 6 May 2012.

per year (around 0.2% per year). This is a lower growth rate than the construction of local roads (primarily funded by land developers). Local Governments should therefore be provided with funds that are proportionate to the network that they manage on behalf of the community. Additionally as infrastructure costs increase over time, predictable and growing funding should be set aside for the grant funding program. WALGA reaffirms the position made on the draft WABNP that the level of funding available to Local Governments through the grants program should increase each financial year so that projects can be completed.

Bicycle route planning should be expanded beyond the focus of connectivity to the CBD.

In the WABNP the main focus is on improving and building the cycling network to and from the City along the PSP's. Secondary to this, the plan focusses on the 'Connecting Stations' and 'Connecting Schools' initiatives to provide connectivity and accessibility for cyclists to train stations and schools. There is however limited focus on broader movement and connectivity, particularly for users wanting to ride to other destinations, and this restricts growth in the middle to outer metropolitan areas. Cross-suburban commuting in Perth has grown rapidly and outer sector residents are most likely to commute to outer or middle areas to places of work rather than inner CBD areas.⁶ In line with future planning and to achieve self-sufficiency in middle to outer areas there is a requirement for increased connectivity. A few ideas to improve the connectivity of routes include:

- Improving connections between key activity centres.
- Improving accessibility and connectivity between different major destinations to allow for multiple trips (e.g. shopping precincts and universities).
- Improving connections between and across suburbs to allow for commuting to workplaces in outer to middle areas.
- A cycle route which could follow the circular bus route (98, 99) to link in with train stations.
- Improving connections to bus stops with end of trip facilities included at the stop.

These routes can be planned according to the available data (e.g. bicycle counting, strava maps) and population forecasts.

The review of Local Bicycle Routes should include recently developed bicycle routes identified by Local Governments in bike plans.

Individual Local Governments are in the process of updating their bicycle plans which will be finalised before the review of Local Bicycle Routes (LBR), as proposed in the WABNP, is undertaken. There is concern that when the review of LBR's commences, this may seek to override the work being completed by Local Governments on routes identified in bicycle plans. A "bottom up" approach should be supported in this review which should focus on creating regional and sub-regional connectivity. Coordination and communication between Local Governments and the

⁶ BITRE 2013 Population growth, jobs growth and commuting flows—a comparison of Australia's four largest cities Research Report 142.

Department of Transport is therefore imperative to ensure that a fully integrated network is achieved.

Legislation governing cycling on footpaths should be reviewed.

Currently in WA, only a child under the age of 12 years can ride a bicycle on a footpath pursuant to regulation 216(1) of the *Road Traffic Code 2000* unless “no cycling” signs are erected. Cyclists of all ages are permitted to use the footpath however, in Queensland, Australian Capital Territory, Tasmania and the Northern Territory. In 2003 the WA State Government contemplated changing the legislation to allow all users to ride on footpaths. At the time the Local Government sector was supportive of a change of the legislation. More recently this option was discussed at the Cycling Safety Roundtable Meeting and Workshop with the Hon. Colin Barnett MLA and the Hon. Liza Harvey MLA, Minister for Road Safety. WALGA has developed a new discussion paper for the Local Government sector to obtain an updated policy position on this issue.

Guidelines should be provided to increase the consistency of shared path infrastructure.

Cycling from one Local Government area to another on shared paths can create confusion for cyclists. Although drawing on relevant Australian Standards, it is evident that Local Governments use different materials, signage, markings and path / lane widths for cycling infrastructure. There are some benefits to cyclists from improving consistency across all cycling infrastructure, just as there is consistency in regulatory signage and road markings throughout the Local Government controlled road network. The Department of Transport provides some guidelines for shared paths part-funded through the Bicycle Network Grants program. These guidelines should be pursued between the Department of Transport and WALGA.

Traffic Management on local roads should be appropriate for all users.

In response to evidence from road crash data and community demands, Local Governments have invested significantly in changes to the local road network to slow and manage traffic. While the objective of this work is to create a safer road environment, particularly for pedestrians, some cyclists argue that some treatments make the road environment less safe for those on bicycles. As part of the WABNP, a working group was established in 2013 to review the design of local roads with the specific focus on cycle safety. The objective of the working group was to finalise a guideline for traffic management on local roads that would be ‘cycle friendly’. Effective consultation with Local Government concerning evidence based best practice designs across the range of situations that are found across the network needs to occur and guidelines finalised by the Department of Transport. Funding the cost of changes to road infrastructure, such as potentially removing roundabouts and slow-points will need to be addressed once these guidelines are complete and published.

The opportunity to set speed limits that create a safer cycling environment on selected local roads should be available.

In the 2012 submission on the draft WABNP, WALGA recommended that a review of speed limits on roads is required, particularly with the intention of reducing speed limits to improve the safety for cyclists. Current Main Roads WA policy requires that the Local Government undertake works on a road to lower travel speed before considering a lower signed speed limit. This could include narrowing the lanes, installing slow points, speed cushions or roundabouts etc. The current requirement of reducing the posted speed limit based on the 85th percentile speed should be reviewed. The 85th percentile speed means “the speed at or below which 85% of all vehicles are observed to travel under free flowing conditions past a nominated point” (AS 1742.2-2009)⁷. Rather the speed limit on designated routes should be reduced to create a safer road environment for all road users, particularly vulnerable road users. Reduced speed limits could be trialed with other treatments to create ‘self-explaining roads’ or ‘home zones’ which are common in European countries⁸.

A review of speed management on shared paths and Principal Shared Paths should occur.

Currently there is no legislative basis to regulate cyclists’ speeds on shared paths. Austroads suggests typically cyclists travel between 20km/h and 30km/h with some travelling in excess of 50km/h on shared paths⁹. This can cause conflicts with pedestrians and other cyclists and raises safety concerns both real and perceived. There are a range of opinions on how to manage speed on shared paths ranging from riding to the environmental conditions to individual Local Government Local Laws being implemented. A discussion concerning speed management on shared paths is necessary as cycling increases as a popular mode of transport.

Local Governments should be supported to trial devices to separate bicycle lanes from motor vehicle lanes.

In Perth there is currently no separation or protection of cyclists in bicycle lanes other than a single white line. Different devices or barriers should be trialed to provide separation and protection to cycle lanes. ‘Armادillos’ have been used in Europe and the US for several years and the City of Fremantle has recently installed these on Parry Street as a trial to separate cyclists from motorists. This is a low cost initiative that can be implemented by many Local Governments. Other solutions to create separation could include raised kerbs and medians or levelling the cycling lane flush with the footpath. The State Government should encourage and support Local Governments with these trials.

⁷ Policy and Application Guidelines for Speed Zoning. Main Roads WA.

⁸ Home Zones: A planning and design handbook. Mike Biddulph.

⁹ Guide to Road Design Part 6A: Pedestrian and Cyclist Paths. Austroads.

Local Governments should be supported to trial ‘Bicycle boulevards’ in appropriate locations.

Bicycle boulevards typically are designated slow speed local roads where local traffic is permitted but cyclists have priority. These streets ultimately create an environment that is a shared space and safer for cyclists. Commonly bicycle boulevards are created on local roads adjacent to busier roads that are not suitable for cyclists. It is important that the local community supports the concept before being implemented to ensure success¹⁰. Bicycle boulevards are commonly used internationally (UK, US) and recently the City of Bayswater announced a proposal to introduce a bicycle boulevard in WA. Further bicycle boulevard projects should be trialed in other Local Government areas with support from the State Government.

Data collection to support decision making and monitor trends.

The Department of Transport should investigate the feasibility of providing or coordinating the provision of data to monitor existing demands on cycling infrastructure and links or routes with significant unmet demand. This will allow Local Governments to identify high priority linkages and routes for development as well as whether they are meeting their targets within individual bicycle network plans.

Creating a safety culture for cycling, starting with awareness of on-road bicycle lanes.

Recent conflicts between cyclists and drivers in Perth indicate that more could be done to create a positive and safety conscious culture for cycling. Initiatives should aim to raise awareness and foster tolerant and positive attitudes for the safe use of the road network by all road users. The Office of Road Safety has developed a ‘*Share Our Roads*’ print, radio and bus shelter advertising campaign for cycling safety. There is an opportunity however to target the messages and broaden the reach of cycling awareness campaigns to promote the safety of cyclists. WALGA encourages further development of the existing campaign, by the Office of Road Safety and Department of Transport, to include specific messages starting with on-road bicycle lanes.

Local Governments should be supported with the promotion of cycling within their local communities and schools.

Local Governments would like support to promote cycling within their local communities through various promotional and educational activities. The Cities of Vincent and Fremantle currently promote cycling by providing bicycles for hire and ride to work breakfasts. The City of Vincent also provides bike maintenance sessions and has held a bike swap meet. Other Local Governments can be supported to provide these activities to foster cycling as a viable mode of transport. The successful partnership between the Department of Transport TravelSmart program and Local Government TravelSmart officers should be further developed with increased investment to further promote cycling as an effective and integrated transport solution.

¹⁰ Fundamentals of Bicycle Boulevard Planning & Design. Alta Planning and Design.

Secure bicycle parking is required at appropriate locations.

The average commuting distance in Perth is 10.7 km in a straight line which is equivalent to approximately 15 km by road¹¹. Due to the length of many commuting trips in Perth, cycling needs to be integrated with other transport modes in order for it to become a widespread part of the transport solution. This means that secure parking is required at transport hubs such as bus and train stations or even car parks located outside of major activity centres. There is an opportunity for the State Government to establish templates or models for the inclusion of end of trip facilities (i.e. secure bicycle parking, changing facilities and showers) in planning schemes and building requirements. These should be incorporated at destinations such as shopping centres, recreation centres and community facilities and particularly in activity centres. For example in April 2015 the City of Vincent opened a secure bicycle facility at Beatty Park. Providing secure bicycle parking will help overcome one of the barriers to enabling cycling to be seen as a viable mode of transport.

3.0 Summary

Cycling is growing in Western Australia and there are many actions which need to be taken to accommodate this growth, to ensure safety for cyclists and to encourage more people to cycle. WALGA supports the Department of Transport's WABNP and is involved with the implementation of this plan. WALGA recommends increased funding for cycling infrastructure at both the State and Local Government levels, review of key legislation such as riding on footpaths, guidelines to support Local Governments and reduced speed limits on roads which are key cycling routes. Trials of various traffic management and devices (e.g. bicycle boulevards, Armadillos) should be encouraged in WA especially if they have shown to be effective in Europe or the US. A review of local bicycle routes should commence in conjunction with the current Local Government bicycle plans that are currently being developed and routes should encompass broader movement in addition to connections to the City areas.

¹¹ BITRE 2013 Population growth, jobs growth and commuting flows—a comparison of Australia's four largest cities Research Report 142

5.3 Feedback – Department of Transport’s 2015 Draft Coastal Adaptation and Protection Policy for WA (05-028-03-0015 VJ)

Vanessa Jackson, Policy Manager Planning and Improvement

Moved: Cr Chris Mitchell
Seconded: Cr Eileen O’Connell

That the feedback provided to the Department of Transport on its draft 2015 Draft Coastal Adaptation and Protection Policy for WA be endorsed.

RESOLUTION 67.4/2015

CARRIED

In Brief

- The Department of Transport have revised their WA Coastal Protection Policy of 2006.
- Feedback has been provided on the new Coastal Adaptation and Protection Policy for WA and the comments are submitted to State Council for endorsement.

Attachment

Department of Transport’s feedback form.

Relevance to Strategic / Business Plan

- Providing strong representation for Local Government
- Providing effective leadership for Local Government

Policy Implications

State Council Resolution 26.2/2012 recommended that the State Government provides a clear funding path for the implementation of State Planning Policy 2.6 – Coast Planning Policy, to ensure that Local Governments are appropriately funded to prepare and implement coastal hazard and risk management and adaptation plans.

Budgetary Implications

Nil.

Background

On 17 April 2015, the Department of Transport sought feedback from the Association regarding its draft 2015 Draft Coastal Adaptation and Protection Policy for WA (policies found on <http://walgapip.ning.com/>).

The Department of Transport undertook targeted consultation with key stakeholders including the Department of Planning, Department of Lands, WALGA, Engineers Australia WA Coastal Ocean and Port Engineering Panel, coastal consultants, Local Government, Peron Naturalist Partnership, Cockburn Sound Coastal Alliance and the Gingin Dandaragan Coastal Partnership.

The policy is proposed to supersede the Department’s existing Coastal Protection Policy for WA of 2006 and seeks to align the policy with the WA Planning Commission’s State Coastal Planning Policy released in 2013.

The key changes are:

- A change of focus from Coastal Protection to coastal adaptation
- A simplification of the layout and content including an elevation of the language to a 'Policy' level rather than the more detailed operational level of the previous policy
- An update with regard to available Department of Transport funding including the competitive Coastal Adaptation and Protection (CAP) grants program.

The attached feedback was provided to the Department to meet its deadline of 18 May 2015, however, the Department subsequently requested that the feedback be endorsed through WALGA's State Council process.

Comment

The feedback on the revised Coastal Adaptation and Protection Policy outlines that the new document does not provide greater clarity for local government and does not provide a greater amount of transparency on how the Department of Transport will be helping to manage the coastal environment. The policy is pared back from the previous version, therefore at a time when coastal management roles and responsibilities should be solidified, the Department seems to be tempering its response to this issue.

The feedback suggests that the Department of Transport should:

- Provide a proper summary of the policy review process to explain why the changes are being made;
- Provide a clearer outline of the responsibilities and enforcement roles of State and Local Government in coastal protection;
- Include addition synopsis of other jurisdictions liability and coastal hazard management legislation;
- Provide better connection with the Regional Blueprint documents;
- Include an Implementation section;
- Review the 'Objectives' to ensure that they are actually 'Objectives' not Aims; and
- Improve numerous sections and paragraphs for better clarity and to accurately reflect the State's responsibilities under the legislation.

Department of Transport - Coastal Infrastructure

2015 DRAFT Coastal Adaptation and Protection Policy for Western Australia – Review comments table

Reviewer: Vanessa Jackson, Policy Manager, Planning and Improvement

Organisation: Western Australian Local Government Association

Item No.	Reviewer's comment	Reviewer's suggested change
General Comments		
0.1	The rewrite of the policy doesn't actually provide greater clarity for local government and the policy is incredibly pared back from the previous version. Is there a reason for this? A good policy review should include an assessment of the previous policies, the strengths and weaknesses, to guide why the changes have been made. The Table 1 Summary of Changes doesn't achieve this, so it is unclear whether the changes have been made to improve the implementation of the policy, or whether it is merely driven to reduce the number of Ministerial complaints received on coastal management issues.	Provide a proper summary of the policy review process to explain why the changes are being made to the policy.
0.2	Consideration should be given to aligning this policy with the Regional Blueprints undertaken by the Development Commissions, to enable local coastal managers, including local government to access Royalties for Regions funding for coastal management works.	Connection with Regional Blueprints needed
0.3	No implementation section included in this policy, does this mean it's a policy that won't be implemented? The previous version at least had a section on how the policy would assist the Department and others in ensuring that the Objective and Aims would be pursued.	Include an Implementation section into the policy.
0.4	It should also be noted that any request for feedback or comments needs to provide more than 30 days for consultation. At least 60 days consultation is standard practice, to assist local government in managing the numerous requests from State Government Agencies for comments or submissions to be made. It should also be noted that the feedback is provided in this document is by WALGA officers only, due to the short consultation process it is not possible to obtain our State Council's endorsement, therefore the feedback should not be considered as a formal position of the local government sector only feedback from WALGA officers.	Consider future consultation processes being 60 days in length
0.5	This is an operational policy that doesn't seem to sit within the framework of any state legislation, highlighting a continued gap in WA for state legislation and/or policy that clarifies the responsibilities / enforcement roles of State and Local Government in coastal protection to manage coastal hazards, particularly on private property.	Provide clearer outline of the responsibilities / enforcement roles of State and Local Government in coastal protection.
Section 1 - Introduction		
1.1	Long block of text	Suggest the long paragraph be broken into two or three paragraphs for easy of reading
1.2	<ul style="list-style-type: none"> Unclear what is meant by the following words:... <i>"including allowance to absorb the likely impacts of coastal hazards with minimal management"</i>. Is this clause meant to imply minimal intervention to manage the coastal hazards themselves, i.e. emergency responses, or minimal management in terms of design responses i.e. the construction of physical infrastructure. Specifically this text: <i>"There is no specific coastal hazard management legislation in WA. Instead, since the early 1970s the State Government</i> 	Improve these paragraphs for better clarity and to accurately reflect the State's responsibilities under the legislation.

Item No.	Reviewer's comment	Reviewer's suggested change
	<p><i>has involved itself in coastal hazard management through the functions of its agencies using a 'networked' approach. As such there is no specific statute allocating any responsibility to the State to manage the risks of coastal hazards. The State has no general obligation to actively manage (or protect) private or public lands and assets from coastal hazards".</i></p> <p>Consider that this statement is incorrect, misleading and should be modified. The enactment of the Planning and Development Act and State Planning Policy 2.6 are the 'Legislation' triggers that requires coastal hazard management to be addressed by the State on their own lands, management and approvals or through the lands managed by local government through local planning schemes or via decisions made by the WAPC. Clause 5.5 of SPP 2.6 clearly states</p> <p>5.5 Coastal hazard risk management and adaptation planning <i>Adequate coastal hazard risk management and adaptation planning should be undertaken by the <u>responsible management authority</u> and/or proponent where existing or proposed development or landholders are in an area at risk of being affected by coastal hazards over the planning timeframe. Coastal hazard risk management and adaptation planning should include as a minimum, a process that establishes the context, vulnerability assessment, risk identification, analysis, evaluation, adaptation, funding arrangements, maintenance, monitoring and review.</i> The wording in this revised policy implies that the State has no responsibility to manage the risk of coastal hazards.</p> <ul style="list-style-type: none"> 1.2 b - <i>...in some cases, these decisions were made prior to local government acquiring a <u>voice in the development approval process</u>.</i> This is very strange wording and implies that local government hasn't been involved in 'development approvals' even though the head of power to create local planning schemes has existed since 1928 (and hence local government has considered the 'development approvals' in their locality for a long time). This paragraph should actually acknowledge that the planning system relies on the State approving the subdivisions and rezoning proposals, with the input of local government and other agencies. Therefore, maybe the wording should be <i>...in some cases, these decisions were made prior to local government's views being fully considered by the State Government during the subdivision and rezoning process.</i> 1.2 c - <i>Coastal erosion and inundation management is an ongoing complex, and expensive, task and the State <u>is prepared</u> to coordinate and collaborate with local coastal managers.</i> Very condescending use of words, maybe it should be amended to say that the <i>State will coordinate and collaborate with local coastal managers.</i> 1.2 d – <i>Although beaches and foreshores <u>are primarily</u> local community assets, they are enjoyed by the wider community.</i> Beaches and foreshores are community assets regardless of which local government area they are in, so the use of 'are primarily' is an odd choice of words. Rather than just repeat the wording from the original policy, maybe the words should be changed to <i>"Although beaches and foreshores are generally located within one local government area, they are community assets that are enjoyed by the wider community."</i> 1.2 e – a new point is required. The new point should state that the foreshore, reserves and physical assets created along the coastline offers protection of other public and private assets located within the coastal zones, ie the management measures created can become a defence mechanism for private and public lands and assets. 	<p>Improve these paragraphs for better clarity and to accurately reflect the State's responsibilities under the legislation.</p>

Item No.	Reviewer's comment	Reviewer's suggested change
1.3	<p>There is no mention within this section of examples from the other jurisdictions on the following items:</p> <ul style="list-style-type: none"> • Legislation that provides liability cover for local government (or a liability shield) • Coastal Hazard Management legislation <p>These issues are common themes in other States and therefore should be incorporated into this policy</p> <p>All coastal managers should be indemnified for all coastal land use planning decisions, if there decisions are based on the most recent and reputable technical advice. Failing to include information about the possible liability shields is inappropriate.</p>	<p>Include addition synopsis of other jurisdictions liability and coastal hazard management legislation.</p>
Section 2 – Policy Attributes		
2.1	No comments	
2.2	<ul style="list-style-type: none"> • These 'Objective' read more like Aims • 2.2 (b) and 3.1 seem to place increased responsibilities on management authorities of an unspecified 'area' to respond to coastal hazards. Management authorities only have responsibility over lands vested in them and assets on lands vested in them, and even then, it's not apparent that Local Government's have an obligation to act in response to coastal hazards that might affect these lands (for example to protect public assets located on these lands). Therefore these two sections seem counter-intuitive to the Local Government Act, which has greater legislative power than this policy. • 2.2 (g) "Ensure that the direct beneficiaries of coastal development carry the consequential costs." is a good inclusion. Does this allow Local Government's to apply specific area rates to ensure the beneficiaries of coastal development carry the consequential costs? NSW required legislative changes to apply specified rates to fund coastal protection works. Mandurah applies a specified area rate for management of the canals. Not sure if it's allowable in WA for coastal protection works. This inclusion in the policy would suggest that it should be allowed. 	<p>Review the 'Objectives' to ensure that they are actually 'Objectives' not Aims.</p> <p>Greater clarity on sections 2.2 (b) and (g) is required.</p>
2.3	No comments	
Section 3 – Policy Measures		
3.1	<p>It is unclear whether the first sentence relates to public or private lands and assets, therefore it should be clarified.</p> <p>Also the comment <i>"management activities to address coastal erosion and inundation risk will be undertaken by the local coastal manager"</i>. This is not always affordable for the local coastal manager, and it places significant cost and responsibility onto local coastal managers for the management of the 12,889 km of WA coastline. This seems to place all of the responsibility onto the local coastal manager, which is a poor response when damage to the coastal environment can be the responsibility of more than one coastal manager.</p>	Requires clarification
3.2	<p>Expand the list of acronyms in this paragraph – (e.g. WAPC, EPA, DoP, ...) Although it will be read primarily by State and Local Government officers, it shouldn't be assumed that all reader will know what these acronyms are.</p>	Expand acronyms in this paragraph.
3.3	<ul style="list-style-type: none"> • Section 3.3.1 – The majority of this section just repeats what is in State Planning Policy 2.6. Wouldn't it be more appropriate to explain how the 	Only refer to the SPP 2.6 objectives and

Item No.	Reviewer's comment	Reviewer's suggested change
	<p>Department intends to apply the principles of SPP 2.6 within the work the Department undertakes/advises on?</p> <ul style="list-style-type: none"> • Section 3.3.1 b – Planned or managed retreat results in injurious affection and possible compensation, a reference which should be included into this policy. • Section 3.3.1 d – additional clarity is needed on the comment “<i>The local coastal manager shall have ownership of any new coastal protection structures and will be responsible for their ongoing care, control and maintenance.</i>” Does this mean that a local government may end up maintaining an asset outside of their land responsibility e.g., such as a groyne or artificial reef? • 3.3.2 and 3.3.3 highlight the need for greater clarity regarding the: <ul style="list-style-type: none"> – Definition of temporary erosion management measures (i.e. the department 'advocates' for beach nourishment but does not disallow rocks or other potentially harmful measures). Other state coastal policies do provide clarity re allowed materials for temporary works. – the role of state and local coastal managers in assessing and approving temporary measures, particularly on private lands. – the requirements of private land holders wishing to implement temporary measures. – the role and powers of state and LG regarding the unlawful placement of measures on both public and private lands. 	<p>then outline how the DoT will be applying the principles.</p> <p>Include additional words into Section 3.3.1 b</p> <p>Clarity on Section 3.3.1 d - is needed</p>

5.4 Interim submission to the Senate Inquiry into Regional Capitals (05-055-03-0002 PS)

Paul Schollum, Policy Manager Economics

Moved: Cr Mick Wainwright
Seconded: Mayor Logan Howlett

That the Association's interim submission in response to the Senate Inquiry into Regional Capitals be endorsed subject to inclusion of Mandurah as a regional capital.

LOST

Moved: Mayor Ron Yuryevich
Seconded: Cr Phil Blight

That the Association's interim submission in response to the Senate Inquiry into Regional Capitals be endorsed.

RESOLUTION 68.4/2015

CARRIED

In Brief

- The Australian Senate's Rural and Regional Affairs and Transport References Committee is currently conducting an inquiry into regional capitals.
- The Association prepared a submission to provide input into the inquiry.
- The submission covers policies that would assist the economic development of WA's regional capitals as well as initiatives that would assist Local Governments in these cities.

Attachment

Interim Submission to the Australian Senate's Rural and Regional Affairs and Transport References Committee inquiry into 'the future role and contribution of regional capitals to Australia'.

Relevance to Strategic / Business Plan

- Providing strong representation for Local Government
- Providing effective leadership for Local Government
- Building a positive profile for Local Government
- Enhancing the capacity of Local Government to deliver services

Policy Implications

A number of recommendations in the attached submission are based on previous State Council resolutions and are consistent with previous submissions that the Association has made on State and Federal tax reform and Financial Assistance Grants (FAGs).

The attached submission also recommended removing barriers to Local Government revenue, such as legislative restrictions on fees and charges and rating exemptions for Independent Living Units. Both of which are long standing Association policies.

Background

In February 2015, the Australian Senate's Rural and Regional Affairs and Transport References Committee announced it would conduct an inquiry into 'the future role and contribution of regional capitals to Australia'.

The inquiry's terms of reference include:

- a. an assessment of current demographic trends and the changing role of regional capitals;
- b. an analysis of current funding provided to regional capitals;
- c. an analysis of the benefit of additional funding regional capitals could receive based on population, demand for services and their strategic importance for the region, state or country;
- d. investment challenges and opportunities to maintain or grow regional capitals, including infrastructure, community and human services, communications and natural resources;
- e. incentives and policy measures that would support sustainable growth in regional capitals;
- f. the impact the changing environment will have on regional capitals; and
- g. any other related matters.

Because the inquiry called for submissions to be made by 30 April, the Association prepared an interim submission, subject to State Council approval. The submission was relevant to a number of policy areas; therefore, all State Council Co-chairs and the WALGA President were given the opportunity to provide input. Support for the interim submission was obtained.

The inquiry will also be conducting hearings, though only one hearing has been announced so far – on 21 August in Geelong. The inquiry's reporting date is 1 December 2015.

Comment

The Association's submission covers policies that would assist the economic development of WA's regional capitals as well as initiatives that would assist Local Governments in these cities. The submission identifies WA's regional capitals as: Albany, Broome, Bunbury, Busselton, Esperance, Greater Geraldton, Kalgoorlie/Boulder, Karratha, Northam and Port Hedland.

The submission points out that while WA's regional capitals have grown strongly in the last ten years, they remain small by national standards. A key challenge for many of the State's regional capitals is therefore overcoming this lack of 'critical mass'. Another challenge is the ageing population, which is generally more prevalent in regional capitals than in Perth.

Growth prospects for some regional capitals have worsened due to the unwinding of WA's mining boom. However, at the same time this creates opportunities for industries such as agriculture and tourism, which can benefit from a lower Australian dollar and the easing of cost pressures. Additionally, WA's regional capitals were successful in attracting significant numbers of overseas migrants during the 'boom' years.

The submission also suggested that the State Government could assist the development of regional capitals by increasing their presence in these cities. This is particularly important for Government Departments that are relevant to industries where most activity occurs in regional areas, for example, the Department of Mines and Petroleum and the Department of Agriculture and Food. At the Federal level, changes to Australia's taxation system and GST distribution methodology would have the potential to further benefit WA's regional capitals.

The submission demonstrated that most regional capitals require grant funding from other levels of Government to help finance the infrastructure and services required by their communities and wider regions. It was argued that the recent indexation freeze for Federal Financial Assistance Grants would therefore have an adverse impact on communities in regional capitals and the regions they serve. Nonetheless, the dependence on grant funding could be reduced to some extent if regulatory restrictions on Local Government revenue were removed. Local Governments in regional capitals would also gain from being able to use more flexible and innovative methods of delivering services.

The submission also pointed out that the changing climate will change the way Local Governments utilise water, manage their public parkland areas and manage bush fire risks. Additionally, damage caused by increased coastal inundation, recession or erosion potentially poses a large financial burden on all coastal land managers. The Federal and State Government should therefore provide greater clarity on legal liability, planning and mitigation issues in regards to the potential impacts of climate change.



Western Australian Local Government Association

WALGA submission to the Senate Inquiry into Regional Capitals – APRIL 2015

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Executive summary

This submission presents the views of the Western Australian Local Government Association (WALGA or 'the Association') on the future role and contributions of regional capitals to Australia. WA's regional capitals are important centres of economic activity in the State's regions and they help to ensure access to essential services for people outside the Perth Metropolitan area. Strong regional capitals can also provide viable alternatives to working and investing in Perth, where congestion, housing affordability issues and difficulties in the provision of infrastructure have been the negative effects of the State's booming economy.

WA's regional capitals have grown strongly in the last ten years; however, they remain small by national standards. A key challenge for many of the State's regional capitals is therefore overcoming this lack of 'critical mass'. Another challenge is the ageing population, which is generally more prevalent in regional capitals than in Perth.

Most Local Governments in regional capitals are dependent on grant funding from other levels of Government to help finance the infrastructure and services required by their communities. The recent indexation freeze for Federal Financial Assistance Grants and reductions in State Government grants may result in rates increases and cuts to services and will therefore have an adverse impact on communities in regional capitals and the regions they serve.

WA's regional capitals face a number of challenges such as difficulties in funding and providing infrastructure, thin labour markets, relatively narrowly based economies and a small State Government presence. Nonetheless, as WA's mining boom subsides, opportunities are emerging for a number of industries, particularly in sectors that can benefit from the lower Australian dollar. Additionally, WA's regional capitals were successful in attracting significant numbers of overseas migrants during the 'boom' years. Continuing to attract skilled migrants, through programs such as the Regional Sponsored Migration Scheme, may provide further opportunities to develop the economy of regional capitals. The State Government could also assist the development of regional capitals by increasing their presence in these cities.

The Association believes that the Federal Government and State Government could be using fiscal policy more effectively to support regional capitals. Changes to Australia's taxation system and GST distribution methodology would have the potential to benefit WA's regional capitals. Further benefits could be provided by the removal of regulatory restrictions on Local Government revenue. Local Governments in regional capitals would also gain from being able to use more flexible and innovative methods of delivering services.

The impact of the changing climate will change the way Local Government utilise water, manage their public parkland areas and manage bush fire risks. It may also affect how regional capitals manage their growth due to changes in water resource availability and bush fire risk. In regard to potential increases in the incidence and severity of extreme weather events, one of the biggest challenges for Local Government will be the commitment of sufficient resources to address Emergency Management issues. The vulnerability of land use and development in WA's coastal regional capitals is also likely to become a challenge.

Local Governments have concerns that uncertainty regarding legal liabilities of climate change have arisen due to the relatively uncoordinated approach between Federal, State and Local Government, and the fact that the issue is largely untested within Australia's judicial system.

The Federal Government and the WA State Government could use a number of policy measures to further develop the State's regional capitals. While Local Governments in regional capitals still require financial assistance from other levels of Government, these Local Governments could also deliver services more efficiently and make more use of their own source revenue if regulatory changes were made.

The Association believes implementing the following recommendations would help to realise the potential of WA's regional capitals:

WALGA recommendations:

1. The Federal Government should restore the indexation of Financial Assistance Grants.
2. The Federal Government should review the quantum of the Financial Assistance Grants pool.
3. The State Government should restore road grants to the levels previously agreed in the 'State Road Funds to Local Government agreement'
4. The State Government should either:
 - a. reinstate the Country Local Government fund; or
 - b. develop a new funding program specifically for Local Government infrastructure projects in regional areas.
5. The Federal Government should consider options to improve the evidence base and statistics on temporary and service populations in Australia.
6. The WALGGC should incorporate data on temporary and service populations in its grant allocation models.
7. The State Government should commit to maintaining a presence in regional capitals, particularly for Departments that administer industries relevant to regional WA.
8. The Federal Government should review current fringe benefits tax arrangements, particularly those arrangements that distort the accommodation choices for employers with project sites located near established communities.
9. The Federal Government should conduct a major review of the zone tax offset and implement a one-off increase in the offset which corresponds with the increase in the Australian CPI since 1993.
10. The WA State Government should conduct a tax review and should particularly focus on the need to abolish stamp duty.
11. The Federal Government should implement a per capita model for distributing GST revenue to the States
12. The State Government should remove restrictions on Local Government revenue, including:

- a. regulatory restrictions on fees and charges;
 - b. the rates exemption for State Government owned trading entities;
 - c. the rates exemption for Independent Living Units that do not qualify under the Commonwealth Aged Care Act 1997.
13. The State Government should investigate amendments to the *Local Government Act 1995* and associated regulations that would enable Local Governments to establish Council Controlled Organisations.
14. The Federal and State Government should provide greater clarity on legal liability, planning and mitigation issues in regards to the potential impacts of climate change.

1 Introduction

The Western Australian Local Government Association (WALGA or 'the Association') is the united voice of Local Government in Western Australia. The Association is an independent, membership-based group representing and supporting the work and interests of all 138 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 1,249 elected members and approximately 24,900 Local Government employees as well as over 2 million constituents of Local Governments in Western Australia. The Association also provides professional advice and offers services that provide financial benefits to the Local Governments and the communities they serve.

The Association is grateful to the Senate Standing Committee on Rural and Regional Affairs and Transport for the opportunity to provide a submission in response to the inquiry into 'the future role and contribution of regional capitals to Australia'. Local Governments throughout Western Australia have an interest in further developing the state's regional capitals. Strong regional capitals underpin WA's regional economies and help ensure access to essential services for people throughout the State. Furthermore, regional capitals can provide viable alternatives to working and investing in Metropolitan Perth, where congestion, housing affordability issues and difficulties in the provision of infrastructure have been the negative effects of the State's booming economy.

For the purposes of this submission, WA regional capitals have been defined as those Local Government Areas (LGAs) that: have a significant urban centre that serves a distinct economic region; have a population of at least 10,000; are not located in or in close proximity to Metropolitan Perth; and have relatively high potential for economic and population growth¹².

The following ten Local Government Areas in WA meet this criteria:

- The City of Albany (population 36,940)¹³
- The Shire of Broome (17,311)
- The City of Bunbury (34,225)¹⁴
- The City of Busselton (35,562)
- The Shire of Esperance (14,487)
- The City of Greater Geraldton (41,087)
- The City of Kalgoorlie/Boulder (33,310)
- The City of Karratha (26,649)
- The Shire of Northam (11,629)
- The Town of Port Hedland (16,810)

¹² Note this definition is consistent with the regional capitals identified in a recent study by the Centre for Regional Development at the University of Western Australia, see Plummer, P. & Chapman, R. (2014) *Regional Capitals in the WA Settlement Hierarchy, Briefing Paper 5: Identifying Regional Capitals*.

¹³ Population figures source: ABS, 3218.0 - Regional Population Growth, Australia, 2013-14

¹⁴ The Greater Bunbury metropolitan area includes parts of neighbouring Local Government Areas and has a population of about 67,000.

This submission is set out in the following sections, which roughly correspond with the inquiry's terms of reference:

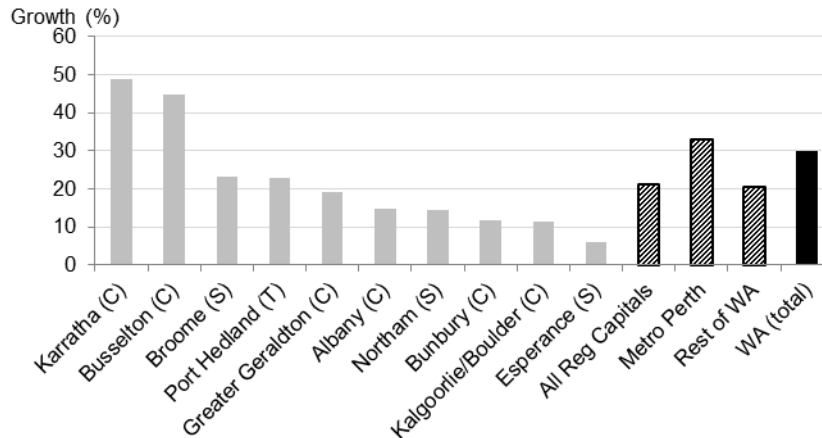
- Current demographic trends and the role of regional capitals
- Funding provided to regional capitals
- Investment challenges and opportunities
- Incentives and policy measures to support sustainable growth
- Impact of the changing environment

Due to meeting schedules this submission has not yet been endorsed by the Association's State Council. The Senate Standing Committees on Rural and Regional Affairs and Transport will be informed of any changes to the Association's submission following consideration by the Council.

2 Current demographic trends and the role of regional capitals

WA has seen substantial population growth over the last decade as a result of the mining boom with much of this growth concentrated in Metropolitan Perth. Most regional capitals grew more slowly than the State average during this period, with the exception of Karratha and Busselton:

Figure 2.1 WA Population growth from 2003-04 to 2013-14

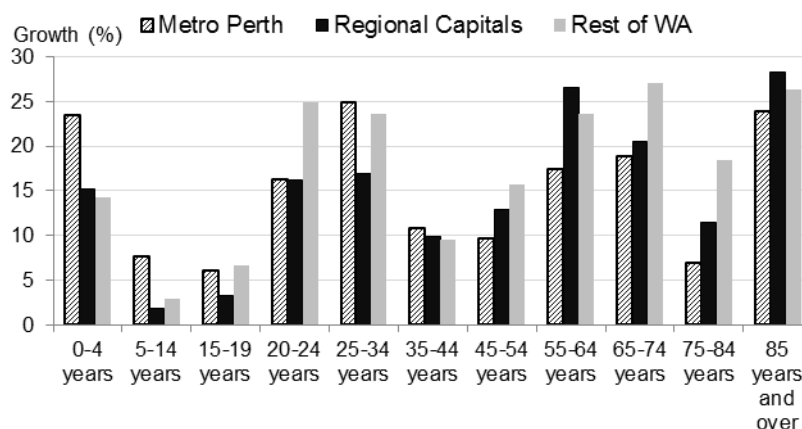


Source: ABS, 3218.0

Note that while the population of the Bunbury LGA only grew by 11.8 percent in the last ten years, other neighbouring LGAs that include parts of the Greater Bunbury metropolitan area had very high growth. This included the Shires of Capel (91.7 percent), Dardanup (46.0 percent) and Harvey (42.8 percent).

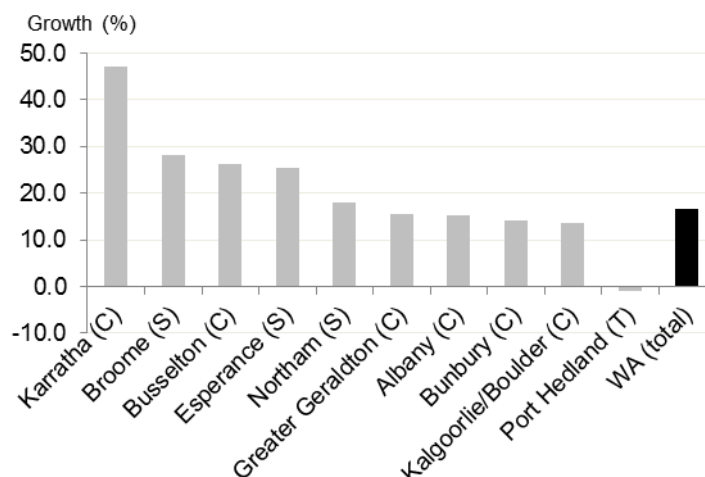
A key demographic development which can be observed in most regions of Australia is the ageing of the population. The following graph compares population growth between the 2006 and 2011 Census and suggests that, as a group, WA's regional capitals are more affected by the ageing population than Metropolitan Perth:

Figure 2.2 Population growth by age group from 2006 to 2011 Census



The following graph compares the growth in the population aged 65 and over for WA's regional capitals. Broome, Busselton, Esperance, Karratha and Northam all had growth in this demographic that exceeded the State average:

Figure 2.3 Over 65 population growth in regional capitals, 2006 to 2011 Census



The proportion of the State's population that reside outside Perth is 21 percent. In comparison, nationally, about 33 percent of the population live outside Australia's State and Territory Capitals. This is partly because most of the regional capitals in other Australian States are larger than WA's regional capitals:

Table 2.1 Australia's regional capitals – summary statistics^{15,16}

State	Total regional capital population	Number of regional capitals	Average regional capital population
New South Wales	1,419,000	17	83,000
Victoria	716,000	10	72,000
Queensland	1,387,000	10	139,000
South Australia	40,000	2	20,000
Western Australia	193,000	7	28,000
Tasmania	93,000	2	46,000
Northern Territory	58,000	2	29,000
Australia	3,906,000	50	78,000

The role of regional capitals, as defined by Regional Capitals Australia, is to provide a 'central point to access essential infrastructure, services, business, employment and education for local residents as well as those in surrounding towns and rural areas.'¹⁷ This definition is particularly relevant to Local Governments in WA regional capitals, since their districts typically incorporate significant rural areas along with a distinct urban centre. WA's regional capitals also have particularly important infrastructure since they provide important rail, road and port links to export markets for the State's key commodities, such as wheat and iron ore.

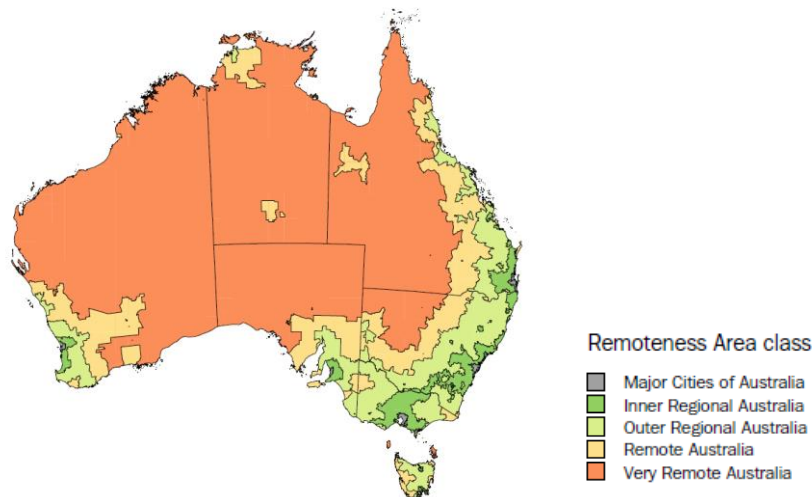
The vast size of WA means a significant proportion of the State is sparsely populated. Indeed, with the exception of the densely populated South-West regions, most of the State's geography is considered very remote:

¹⁵ Source: Essential Economics (2014), *Characteristics and Contributions of Australia's Regional Capitals* (derived from Census 2011 data).

¹⁶ Essential Economics only recognised seven regional capitals in WA: Albany, Broome, Bunbury, Greater Geraldton, Kalgoorlie/Boulder, Port Hedland, Roebourne (Karratha).

¹⁷ See: <http://www.regionalcapitalsaustralia.org/>

Figure 2.4 Map of Australia by Remoteness Area class



According to the 2011 Census, 7.0 percent of WA's population lived in 'remote' or 'very remote' areas (the equivalent figure for Australia as a whole was only 2.3 percent). Therefore, WA's regional capitals are important providers of essential services in such areas. For example, regional capitals often act as the regional provider of certain health care services. If such services were not provided in regional capitals, the only alternative may be a much longer journey to Perth.

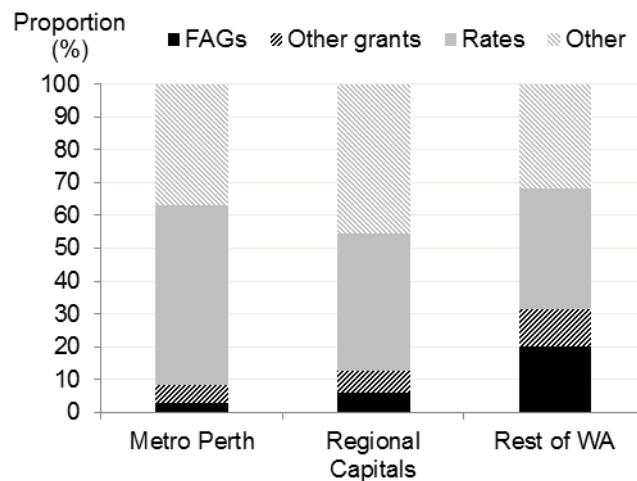
Similarly, regional capitals play a vital role as educational service hubs for their regions. When regional capitals are able to provide high quality schools and tertiary institutions, it means students can access a good education without having to move to a State capital. In WA, this helps to prevent the further concentration of the State's population in Perth.

The future role of WA's regional capitals will depend on the State's economic performance and developments in Government policy. While WA's regional capitals have grown strongly in recent years, they still lack the 'critical mass' of regional capitals in other Australian states. Effective provision of public infrastructure and policies that encourage greater economic diversity in WA's regions will help the regional capitals to attract the employment and private investment they need to realise their potential.

3 Funding provided to regional capitals

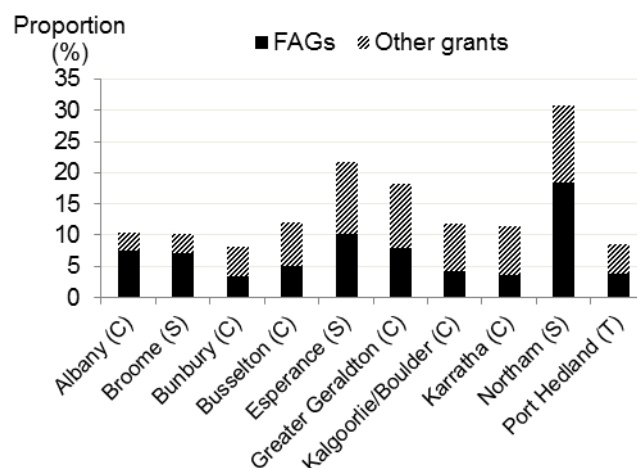
The following graph shows the main sources of revenue used to fund Local Government services in WA:

Figure 3.1 Composition of WA Local Government revenue 2012-13



As suggested by the above graph, Local Governments in regional Capitals generally do not have the same capacity as Local Governments in Perth to use rates revenue to fund the services they provide. While grants from other levels of Government are provided to all Local Governments, grants are a more important source of revenue for regional capitals relative to Metropolitan Perth. Some of the Local Governments in WA's regional capitals are particularly dependent on grant funding:

Figure 3.2 Grant funding as a proportion of WA regional capital Local Government revenue 2012-13



Regional capitals' dependence on grant funding is partly due to the need to serve a large area and provide a wide range of services. For example, while airports are generally provided by the private sector in State capitals, in WA's regional capitals airports are often owned and operated by Local Governments. These airports are highly valued by communities across the regions they serve and provide vital social and economic links to the rest of the country.

Similarly, Local Governments in regional capitals provide infrastructure such as sporting facilities that are used by residents throughout their region. It is important that regional capitals provide this infrastructure because they can do so at a higher standard than smaller towns and other areas in the region. While the provision of services to a whole region can be costly, the Association believes grant funding from other levels of Government is an appropriate source of funding, since regional capitals' provision of these services helps to ensure equitable outcomes for people across WA.

For some regional capitals these challenges are compounded by fast growing populations. The previous section showed that the regional cities of Karratha, Busselton and Bunbury had experienced very high growth over the past decade. With such large increases in population, it can be difficult for Local Governments to provide the required infrastructure in the timeframes desired by the community.

Federal grants to Local Government

The grants provided to Local Governments include Financial Assistance Grants (FAGs) paid by the Commonwealth Government. FAGs are untied grants and payments are made 'through' the States via Local Government Grants Commissions (LGGCs).

Financial Assistance Grants consist of two components: General Purpose Grants (GPGs) and Identified Local Road Grants (ILRGs). ILRGs are provided to Local Governments according to their road network's relative needs, as assessed by their jurisdiction's LGGC. Although ILRGs are provided for road infrastructure, the untied nature of the grants means that Local Governments can allocate the funds to any purpose.

The Commonwealth also provides a range of 'tied' grants to Local Governments. Tied grants are provided for a specific purpose and the recipient Local Governments are accountable to the Commonwealth for how this funding is spent. Administrative requirements are relatively straightforward for some grants, such as the long running Roads to Recovery program. However, other grants, particularly one-off infrastructure grants, may involve complex acquittal processes and may also require a financial contribution from Local Governments.

A key problem with tied grant programs to Local Governments is that there is often little certainty attached to this funding; programs often only run for a short period and eligibility for grants may be limited. A 2012 report by Ernst and Young on Local Government infrastructure outlined the difficulties that result from this uncertainty:

- It is difficult to appropriately budget for grant revenue, since assumptions need to be made about the probability, level and timing of receipts.
- Some otherwise lower priority projects may end up being pursued ahead of others due to the availability of grant funding.
- Some grants are only made available for projects which are 'shovel ready' – this can result in Local Governments investing in significant pre-construction work without the guarantee of funding.¹⁸

Looking at the overall pool of Commonwealth payments to Local Governments, the Association believes there is a case for increasing the proportion of untied funding. Indeed, Local Governments and their Associations across Australia have long argued for an increase in general funding in the form of FAGs. The provision of more untied funding will be a more cost-effective method for the

¹⁸ Ernst and Young (2012), *Strong Foundations for Sustainable Local Infrastructure*. Retrieved from <http://www.regional.gov.au/local/lgifr/files/20120622-strong-foundations.pdf>.

Commonwealth Government to assist Local Governments in providing infrastructure and services for the following reasons:

- Increased general revenue and greater certainty of funding would improve Local Governments' ability to prioritise and select projects.
- Projects would be more likely to be selected based on community preferences and priorities, rather than the availability of grant funding.
- Rationalising the number of grants schemes would lead to administrative savings for Local Governments and the Commonwealth.

Considering the benefits that FAGs provide to Local Governments in regional capitals, the Federal Government's decision, as announced in the 2014-15 budget, to freeze indexation of FAGs payments from 2014-15 to 2016-17 is disappointing for the sector. A number of Local Governments in Metropolitan Perth have a high fiscal capacity and may be able to pass the impact of the indexation freeze onto ratepayers. However, this is not the case for a number of WA's regional capitals where Local Government fiscal capacity is often low due to lower population density and greater demands on infrastructure provision and maintenance.

Therefore, the Association believes it is very important for the development of regional capitals that indexation of FAGs be restored as soon as possible. Furthermore, the level of the FAGs funding pool should also be reviewed. In 1996 FAGs accounted for around one percent of Federal taxation revenue, but this had decreased to 0.67 percent by 2013. Restoration of the FAGs pool to previous levels would greatly assist Local Governments in regional capitals to provide the services and infrastructure that their communities need.

State grants to Local Government

There is also a range of State Government grant programs covering Local Government assets and functions such as heritage, emergency management, sporting facilities, libraries and roads. Like the Federal Government, the State Government faces budgetary challenges and this has led to decreases in funding from a number of State Government grant programs.

The most significant cuts have been to the largest program – the grants provided under the 'State Road Funds to Local Government agreement'. The following table shows the impact of two rounds of cuts to these grants:

Table 3.1 Changes to WA State Government grants to Local Government roads

	2013-14 (\$m)	2014-15 (\$m)	2015-16 (\$m)	Total (\$m)
2013-14 State budget	193.7	186.7	196.7	577.1
2014-15 State budget	167.4	176.3	177.4	521.1
Actual/latest WALGA estimate	172.7	161.6	150.4	484.7
Grant reduction (Difference between 2013-14 State budget and WALGA estimate)	-21.0	-25.1	-46.3	-92.4

While this impact will be offset somewhat by a temporary \$51.2 million boost to WA's Federal Roads to Recovery grants in 2015-16, Local Governments will still be over \$40 million worse off in the period from 2013-14 to 2015-16. Regional capitals in WA are particularly affected by these cuts, since they not only maintain roads in their urban centre, but also typically maintain a rural road network in their district. Adverse economic effects can therefore be expected for many regions as it

will be difficult to maintain transport routes to standards that will allow the safe and efficient transit of freight, tourists and residents.

Local Governments in regional WA were also recently affected by the cessation of the Country Local Government Fund (CLGF). The CLGF was a program funded by Royalties For Regions and its purpose was to address the infrastructure backlog affecting non-metropolitan Local Governments (including those in regional capitals).

The effectiveness of the CLGF for achieving regional development goals was recognised in the Western Australian Regional Development Trust's 2012 review of the program, which stated: 'the CLGF has been and is an innovative and practical program addressing essential upgrades in the social and economic infrastructure needed used and appreciated by country WA'. Furthermore, the WARDT review found that the program's expenditure has been well targeted: '...to a large degree the CLGF had got it right and "what should be funded" is what is funded now.'¹⁹ It is therefore very disappointing to the WA Local Government sector that a program with a demonstrated track record for making effective infrastructure investments no longer exists.

All told, the various cuts to Federal and State Government grants will have a deleterious impact on residents of regional capitals and the regions they serve. The net effect is likely to be a combination of significant rates increases and cuts to Local Government services across WA's regions.

WALGA recommendations:

1. The Federal Government should restore the indexation of Financial Assistance Grants.
2. The Federal Government should review the quantum of the Financial Assistance Grants pool.
3. The State Government should restore road grants to the levels previously agreed in the 'State Road Funds to Local Government agreement'
4. The State Government should either:
 - a. reinstate the Country Local Government fund; or
 - b. develop a new funding program specifically for Local Government infrastructure projects in regional areas.

¹⁹ Western Australian Regional Development Trust (2012), *Review of the Royalties for Regions Country Local Government Fund*.

4 Investment challenges and opportunities

Regional capitals face a number of challenges such as difficulties in funding and providing infrastructure, thin labour markets, relatively narrowly based economies and a small State Government presence. In the case of the regional capitals in northern WA (Karratha, Port Hedland and Broome), these challenges are compounded by the remoteness of the cities. Nonetheless, as WA's mining boom subsides, opportunities are emerging for a number of industries, particularly in sectors that can benefit from the lower Australian dollar.

Infrastructure

A key function of Local Governments is the provision of economic and community infrastructure. Regional capitals face a number of challenges in this area. For example, most Local Governments in regional capitals are responsible for maintaining a rural road network as well as the roads in an urban centre. Many of the rural roads are important freight routes for the agricultural, mining, tourism and other industries. Grant funding is essential to maintain these roads, but, as discussed in section 3, Governments are cutting these grants in response to budgetary pressures. The nature of grant funding also presents challenges since traffic numbers increase closer to regional capitals but it is difficult for asset based funding to adequately and appropriately reflect this.

Regional capitals also face pressures in the provision of community infrastructure. Metropolitan Local Governments benefit from the ability to share infrastructure such as pools, sports centres, entertainment venues and libraries. Additionally, some important infrastructure is provided by other entities, such as airports (private sector) and theatres (State Government). In contrast most regional capitals need to provide every type of community asset themselves. For example, the City of Greater Geraldton provides a wide range of services for their community as well as residents of WA's Mid-West region. This includes infrastructure such as Queens Park Theatre, high quality sporting facilities and Geraldton Airport.

Local Governments in regional capitals also often have to contend with 'service populations' that are larger than their resident populations. It is difficult to have a definitive picture of service populations across Australia due to the lack of appropriate statistics. Nonetheless, comparing Census data on resident populations and 'place of enumeration'²⁰ provides some indication of the Local Governments that are most affected:

Table 4.1 Selected WA regional capital LGAs by difference in POE count and RP (2011 Census)

Local Government Area	Place of enumeration count (POE)	Resident Population (RP)	Difference between POE and RP
Broome (S)	22,350	14,998	7,352 (49.0%)
Karratha (C)	29,968	22,899	7,069 (30.9%)
Port Hedland (T)	18,552	15,046	3,506 (23.3%)
Kalgoorlie/Boulder (C)	31,963	31,109	854 (2.7%)

The above table suggests a number of regional capitals have a service population that greatly exceeds the resident population. In the case of Karratha, Port Hedland and Kalgoorlie/Boulder this is due to the impact of the large fly-in, fly-out (FIFO) workforce. A 2012 Parliamentary Inquiry into

²⁰ The Census place of enumeration count is based on where people are located on Census night. The resident population count is based on where people usually live.

the use of FIFO received a number of Local Government submissions regarding the economic impact of FIFO workers. Local Governments pointed out that infrastructure such as roads, airports, water and sewerage services, and community facilities were provided to the non-resident population, who do not contribute financially to meeting the costs.²¹

The above table also shows that Broome had a large service population relative to its resident population. This data reflects the timing of the Census (August), which coincides with the peak tourist season in Broome. Other regional capitals also have a large service population at other times of the year. For example, the population of Busselton is said to double during the summer holiday season. While tourism brings many benefits to the local economy, it also places greater demands on Local Government infrastructure.

Service populations are currently not considered in the WALGGC's methodology for distributing FAGs. However, there is currently no reliable source of objective data on service populations. On a number of occasions the Association has pointed out that this is major gap in Australia's population data. The FIFO inquiry agreed with this conclusion and stated there was a 'dearth of empirical evidence about the real impact of a FIFO workforce on regional communities'²². As such, the inquiry made the following recommendation:

The Committee recommends that the Commonwealth Government fund the Australian Bureau of Statistics to establish a cross-jurisdictional working group to develop and implement a method for the accurate measurement of:

- the extent of fly-in, fly-out/drive-in, drive-out workforce practices in the resource sector; and
- service populations of resource communities.²³

The Association believes that this data would be important for two reasons. Firstly, this information would assist Local Governments' planning functions, particularly in the areas of infrastructure and service provision. Secondly, it would provide an evidence base on service populations that should be included in Local Government grant allocation models. Indeed, the Productivity Commission recently recommended that this idea warranted further investigation:

The Australian Government via the Commonwealth Grants Commission should investigate the effects of temporary or service populations on service delivery by local governments and the implications for funding allocations.²⁴

WALGA recommendations:

5. The Federal Government should consider options to improve the evidence base and statistics on temporary and service populations in Australia.
6. The WALGGC should incorporate data on temporary and service populations in its grant allocation models.

²¹ The Parliament of the Commonwealth of Australia (2013), *Cancer of the bush or salvation for our cities? Fly-in, fly-out and drive-in, drive-out workforce practices in Regional Australia*, p.58.

²² Ibid.

²³ Ibid.

²⁴ Productivity Commission (2014). *Geographic Labour Mobility*..

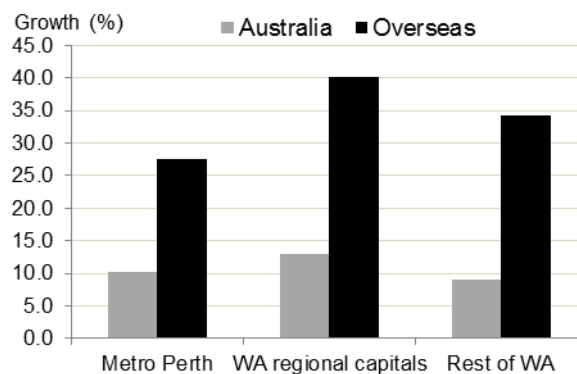
Labour markets

Although WA's regional capitals have had significant growth in the past decade, Perth has grown at a faster rate. In some cases, this has been due to the growth in FIFO arrangements, which have enabled substantial numbers of workers to live in Perth, but work in a regional area. Perth's growth is also at least partly because of the scale advantages that bigger cities can exploit:

Large cities offer households and businesses one great advantage over regional locations – you can move house without changing your job (or business location), and you can change jobs (or sell your business) without moving house. It is far harder to do this in regional areas that lack the cities' thick labour markets, and hence, broad opportunities for employment and career enhancement.²⁵

These scale advantages are particularly appealing to new migrants that want to maximise their chances of finding employment. Large cities also appeal to migrants as they may have support networks of friends or relatives from earlier waves of migration. These issues notwithstanding, WA's regional capitals actually managed to attract a substantial number of migrants in the period between the 2006 and 2011 Census:

Figure 4.1 Population growth by place of birth from 2006 to 2011 Census



The above graph shows that the number of overseas born residents in regional capitals increased by 40.2 percent between 2006 and 2011. While much of this growth would be explained by the opportunities created by the mining boom, policy initiatives to attract migrants to regional areas, such as the Regional Sponsored Migration Scheme (RSMS) have also contributed. Continuing to attract skilled migrants may provide further opportunities to develop the economy of regional capitals. This is because migrants provide a number of benefits such as increasing the skills base, services on offer and access to international networks in the areas they settle in. Furthermore, relative to State capitals, regional capitals often have a greater capacity to accommodate migrants as they are less affected by issues such as congestion and housing affordability. Therefore, continued Government support for international migration to locations outside the State capitals should have benefits for WA's regional capitals.

Regional economies

A number of regional economies in WA are either directly reliant on the mining industry or may have indirectly benefited from the general boost to the economy from this industry. Recent decreases in commodity prices have seen adverse economic effects in mining regions, such as increasing unemployment and decreasing house prices.

²⁵ Collits, P. (2012), 'Is there a Regional Australia, and is it worth spending big on?', *Policy*, Vol. 28, No. 2.

Nonetheless, while the slowdown in WA's economy presents a number of challenges for regional capitals, opportunities may now begin to emerge for other industries, such as tourism (see box 4.1 below) and agriculture, which previously struggled as a result of the high Australian dollar and high input costs caused by the mining boom. Governments at all levels in WA could consider some sector and region specific policies that would assist these industries in realising their potential. However, a priority for Federal and WA State Government should be policies that improve the efficiency and competitiveness of the economy in general. Suggested policy options are discussed in section 5.

Box 4.1 Tourism challenges and opportunities for WA's regional capitals

Tourism is one of the world's largest and fastest growing economic sectors, which is set to rise by four percent per year from 2013 to 2033, more than doubling in two decades. Deloitte has ranked tourism as one of the 'fantastic five' top opportunities for growth and future prosperity in Australia. In WA, tourism contributes ten percent of gross value added (GVA) to national tourism, and trends indicate its continued growth. The impact of tourism is far reaching; it affects Local, State and Commonwealth governments, industries, suppliers, both natural and built environments, and local communities. The nature of tourism is complex and is reflected in the challenges and opportunities that face Local Government.

The regional capitals are, and will continue to be affected by tourism. Regional capitals will be impacted not only by their own tourism activities but also by the activities outside their jurisdictions. These tourism activities must be considered and accounted for in the planning and operations of regional capitals and may include the development of, or activities associated with infrastructure, events and nature-based tourism.

Local Government provides a range of infrastructure to visitors including visitor centres, parks, caravan and camping grounds, waste services and leisure centres. They are also involved in the development and provision of transport links through roads, airports and cruise shipping infrastructure. Improvements to the accessibility of destinations through such transport infrastructure present promising opportunities to regional capitals. Regional capitals can also be involved in opportunities for growth through the State's Caravans and Camping Action Plan in which the Association has had a role in developing.

WA's wealth of natural attractions is an opportunity for growth in nature-based tourism, eco-tourism and indigenous tourism experiences. The WA State Government has made a proposal (awaiting approval) for Royalties for Regions funds to contribute to the sustainability of visitor centres in WA, which has been indicated as a priority through a recent study by Haeberlin Consulting and affects regional capitals. In addition, the WA Regional Development Commissions are now developing Regional Blueprints which aim to identify tourism priorities in each of their regions.

Local Governments, including the regional capitals, have recently been surveyed by the Association on Local Governments' role in tourism. The challenges regional capitals face, centre around funding for the provision of infrastructure and services, and also maintenance. Tourism education with Local Governments, industry and the community is vital for the sustainability of the tourism – without community support tourism is at great risk. Collaboration and coordination between all spheres of government, industry, and local communities is always a challenge, and in particular with tourism where the interplay between stakeholders and its impacts are complex.

State Government Agencies

As the State capital, Perth's residents benefit from their access to a wide range of State Government services and the local economy benefits from the consumption spending of large numbers of public servants. Consequently, there have often been calls to share these benefits by decentralising State Government agencies and locating some of them in regional capitals. However, the net benefits to the State of such relocations are uncertain, since moving State Government agencies away from Perth may also mean that the benefits of agglomeration are lost. Nonetheless, convincing arguments can be made for a number of State Government Departments to maintain or establish a presence in regional capitals. This would ensure these Departments have improved knowledge of regional areas and the regional impacts of Government policy. This is particularly important for Departments that are relevant to industries where most activity occurs in regional areas, for example, the Department of Mines and Petroleum and the Department of Agriculture and Food.

WALGA recommendation:

7. The State Government should commit to maintaining a presence in regional capitals, particularly for Departments that administer industries relevant to regional WA.

5 Incentives and policy measures to support sustainable growth

The Association believes that the Federal Government and State Government could be doing more to effectively support WA's regional capitals. A number of changes to Australia's taxation system and GST distribution methodology have the potential to benefit regional capitals. The removal of regulatory restrictions on Local Government revenue and allowing greater flexibility in service delivery models would also have benefits for communities in regional capitals.

Tax reform

The Federal Parliamentary inquiry into the use of FIFO indicated that fringe benefits tax (FBT) could be reformed with potential benefits for towns and cities in WA's mining regions²⁶. As the previous section demonstrated, the regional capitals of Karratha, Port Hedland and Kalgoorlie/Boulder are affected by significant FIFO populations. Under current arrangements, employers' use of work camps is exempt from FBT, but using housing in existing towns is subject to FBT. This means FBT has encouraged employers to use FIFO rather than locating workers and their families in regional communities.

The Association acknowledges that the FBT exemption for work camps is reasonable for particularly remote project sites or for the construction phase of projects. In contrast, operational workforces located near existing cities and towns should not be encouraged, through the tax exemption, to be located in camps. Indeed, this practice is detrimental to the development of mining regions as it discourages workers from participating in community life and spending money in the local area.

A number of WA's regional capitals would also benefit from reviewing the Zone Tax Offset (ZTO). The ZTO is an income tax rebate available to residents of particular areas in Australia, designated Zone A, Zone B and special areas within each zone. The ZTO provides assistance to taxpayers in remote areas in recognition of the higher living costs they incur. The regional capitals of Broome, Esperance, Kalgoorlie/Boulder, Karratha and Port Hedland are in the zones where the ZTO applies.

The nominal level of the main 'fixed' component of the ZTO has not increased since 1993. The Association believes the fixed components should be increased in line with the increase in the CPI since 1993. This would recognise that the real value of the rebate has steadily eroded over time and would also assist regional development by encouraging workers to relocate to WA's more remote regional capitals and areas.

Several recent reviews commissioned have suggested there would be substantial economic gains from reforming State property taxes. For example, the 'Henry review' recommended that State Governments phase out stamp duties on land transfers and replace this revenue with broad based land taxes²⁷. The WA Economic Regulation Authority recently recommended the State Government consider reducing or abolishing residential transfer duty and making greater use of efficient taxes such as land tax.²⁸

²⁶ The Parliament of the Commonwealth of Australia (2013), op. cit.

²⁷ Treasury (2010), *Australia's Future Tax System: Report to the Treasurer, Part Two: Detailed Analysis*, Vol.

2.

²⁸ Economic Regulation Authority (2014). *Inquiry into Microeconomic Reform in Western Australia*. Retrieved from <http://www.erawa.com.au/cproot/12491/2/Final%20Report%20-%20Inquiry%20into%20Microeconomic%20Reform%20in%20Western%20Australia.PDF>.

The Productivity Commission recently stated:

replacing stamp duties with a more efficient form of taxation, such as a broad based land tax, ... [would] improve flexibility and efficiency in the housing market. A more flexible housing market will also support geographic labour mobility, allowing more workers to move to areas with better employment opportunities.²⁹

These suggested reforms would be important for the development of WA's regional capitals, because current stamp duty regimes act as a disincentive for workers to relocate. In the ACT, significant tax reform is already taking place – stamp duties are being phased out over the next 20 years and municipal rates are being increased in their place.³⁰ The Federal Government's upcoming review of the taxation system should consider incentives that would encourage more jurisdictions to reform their property tax regime.

However, it should be noted that the Association's support for a broad land tax is dependent on the following conditions:

- That Local Government does not act as the land tax 'collector' for the State Government. Furthermore, if land tax is to be applied to a comprehensive base, the State Government should take the opportunity to use the same arrangements to collect the Emergency Services Levy from property owners.
- That land tax be levied at relatively low rates so that the tax does not compromise Local Governments' ability to raise rates revenue.
- That appropriate transitional arrangements are in place. This should include phasing in the land tax over time and exemptions or concessions for households and other entities that have recently paid stamp duty.
- That appropriate arrangements are made for 'asset-rich, income-poor' households. This could include allowing pensioners to defer their land tax payments until the property is sold, as currently occurs with Local Government rates.
- That Local Governments continue to be exempt from land tax.
- That land tax be revenue be mostly hypothecated to the provision of infrastructure.
- That most agricultural and low value land be excluded from the land tax base via a square metre value threshold (as suggested by the Henry review).

WALGA recommendations:

8. The Federal Government should review current fringe benefits tax arrangements, particularly those arrangements that distort the accommodation choices for employers with project sites located near established communities.
9. The Federal Government should conduct a major review of the zone tax offset and implement a one-off increase in the offset which corresponds with the increase in the Australian CPI since 1993.
10. The WA State Government should conduct a tax review and should particularly focus on the need to abolish stamp duty.

²⁹ Productivity Commission (2014). *Geographic Labour Mobility*.

³⁰ Because there are no Local Governments in the ACT, municipal rates are effectively a combination of a land tax for the Territory Government and traditional Local Government rates.

GST distribution

The Association believes the distribution methodology for Goods and Service Tax (GST) revenue needs to be reviewed. In recent years WA has been assessed as having a much higher capacity to raise revenue than other States, largely because of substantial increases in mining royalty income (particularly iron ore royalties). As a result, WA's share of GST revenue has been decreasing for some time and is expected to fall further in the future:

Table 5.1 WA's GST share, 2012-13 to 2017-18

PROJECTED GST RELATIVITY AND SHARE

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
WA population share (%)	10.8	11.0	11.1	11.3	11.4	11.5
WA relative per capita share of GST grants ^{(a) (b)}	0.551	0.446	0.376	0.256	0.165	0.111
WA GST share (%) ^(c)	6.1	4.9	4.2	2.9	1.9	1.3

(a) Western Australia's relative per capita share of GST grants, which is the ratio of Western Australia's GST grant share to Western Australia's population share.

(b) These relativity projections differ from those published in the Commonwealth Budget Papers, as they incorporate projected changes in the relative revenue raising capacity of the States and Territories, which are not included in the equivalent Commonwealth projections.

(c) Western Australia's GST share equals Western Australia's population share multiplied by its relativity.

Source: WA State Budget Papers 2014-15

The declining share of national GST revenue has contributed to the WA State Government's worsening budget situation. As discussed in section 3, the State's budget has flow-on impacts for Local Governments that are dependent on grant funding. The Association believes the current distribution methodology is inefficient as the diversion of GST funding from high growth states to low growth states may compromise the efficient allocation of labour and capital within Australia. For example, during the mining boom WA was experiencing labour shortages while other states had relatively high unemployment rates. A greater share of GST may have enabled WA to: (1) provide high quality public services and infrastructure to attract more workers from other parts of Australia, and (2) to meet the infrastructure challenges presented by a rapidly growing population. Therefore, WA's declining share of GST may have compromised the economic development of the State's regional capitals.

The Association supports the idea that some Federal revenue should be redistributed to States with weaker fiscal capacities. However, the Association would also argue that the GST redistribution process goes too far and moving to a per capita based model would be simpler and more transparent. There would also still be some redistribution of GST funding, because each State would receive the same per capita funding, but high growth States would be expected to raise more GST revenue per capita than low growth States. The Federal Government could also use its other revenue sources to 'top-up' the allocation for the fiscally weaker States. This approach was recently recommended by the Commission of Audit's final report to the Federal Government.

WALGA recommendation:

11. The Federal Government should implement a per capita model for distributing GST revenue to the States

Local Government revenue reforms

While grant funds are reducing, Local Governments also face a number of restrictions on their 'own-source' revenue. These include restrictions on Local Government fees and charges and exemptions from the rates base mandated by the State Government. The Association believes these barriers to Local Governments improving their own financial self-sufficiency should be removed.

State Government restrictions on Local Government fees and charges are arbitrary (the same fees in other States are often deregulated) and inefficient. Indeed, the restrictions actually contradict the guidelines that apply to the State Government's own fee and charge setting regime:

In general, fees and charges should be set at a level that reflects the full costs of providing the services, unless Government approves otherwise. Charging full cost, in the absence of any reason to provide a discount or free service, is justifiable on the grounds of allocative efficiency (i.e. resources are not allocated inefficiently) and equity (i.e. taxpayers are not paying for services they are not choosing to use).³¹

Local Governments in regional capitals are particularly affected by State mandated exemptions to the rates base. For example, State Government trading entities do not pay rates to Local Governments, but instead pay a 'rate equivalent' payment to the State Government to comply with the 'competitive neutrality' principle of National Competition Policy.

This matter is of serious concern to Local Governments with substantial State owned trading entities in their district. The shortfall in rates is effectively paid by other ratepayers, which means ratepayers have to pay increased rates because trading entities have a presence in the district.

The State Government trading entities covered by this arrangement includes seven Port Authorities that are based in regional capitals. The rates foregone from these trading entities alone is expected to total \$2.2 million in 2014-15 (the state-wide total of foregone rates for all State owned trading entities is \$17.5 million).³² While ports are an essential part of the local economies in these regional capitals, they also place demands on Local Government infrastructure, especially roads. The Association therefore believes it would be appropriate for Government Trading Entities' rate equivalency payments to be made to the relevant Local Governments instead of the State Government.

Other legislated exemptions from the rates base also constrain Local Government revenue in WA. Section 6.26(2)(g) of the *Local Government Act 1995* provides that 'land used exclusively for charitable purposes' is exempt from Local Government rates. Exemptions under this section of the Act have extended beyond the original intention and provide rating exemptions for land used by not-for profit organisations for profitable purposes. The most prominent example of this is the exemption provided to Independent Living Units (ILUs).

ILUs are separate dwellings, usually in retirement villages, and residents often manage their own affairs without any health, nursing, personal or other forms of support provided by the owner of the village. The not-for-profit sector is an important, although not the only, developer of such accommodation. As the population ages the revenue forgone from conversion of existing rate paying land to ILU accommodation operated by the not-for-profit sector is expected to grow and place an increasing burden on the smaller proportion of the population who do pay rates.

Section 2 of this submission pointed out that regional capitals have had significant growth in the over 65 segment of their population. Local Governments in regional capitals may therefore be

³¹ Department of Treasury and Finance (WA) 2007, *Costing and Pricing Government Services* (5th ed.).

³² Source: WA State Budget Papers 2014-15

increasingly affected by the rates exemption provided to independent living units (ILUs). Again, the Association believes the removal of this exemption would reduce the burden on current ratepayers in regional capitals.

WALGA recommendation:

12. The State Government should remove restrictions on Local Government revenue, including:
- a. regulatory restrictions on fees and charges;
 - b. the rates exemption for State Government owned trading entities;
 - c. the rates exemption for Independent Living Units that do not qualify under the Commonwealth Aged Care Act 1997.

Service Delivery Models

The Association believes that Local Governments in regional capitals would benefit from being able to use more flexible and innovative methods of delivering services. A recent positive development in this area has been the development of legislation in WA that, if passed, would enable the use of 'regional subsidiaries' to deliver services.

Regional subsidiaries are arrangements where two or more Local Governments could share services. While current legislation permits this, the existing arrangements are excessively bureaucratic and act as a disincentive to share services. In contrast, the proposed regional subsidiary model is expected to reduce red tape and improve efficiency in vital areas such as planning approval processes, road maintenance and administrative systems.

Further benefits to Local Governments and their communities could be provided through the development of Council Controlled Organisations (CCOs). This model is available to Local Governments in New Zealand where CCOs are used for a variety of commercial purposes. The model allows one or more Local Governments to establish a wholly Local Government owned commercial organisation. CCOs in New Zealand are employed to:

carry out a broad range of functions where (in the opinion of the shareholding local authorities) the efficiency of delivering such functions would be enhanced by the creation of professionally governed entities established for the specific purpose and where the appropriate consultation and oversight measures are in place.³³

There are a number of benefits of the CCO model. Firstly, the CCO governance structure is flexible and will primarily consist of independent directors with experience relevant to the organisation's purpose and undertakings. Secondly, while the broad purpose and objectives will be set at the Council level, the CCO model removes commercial decisions from the political realm which can lead to improved decision making. Risk can also be reduced by the CCO model by quarantining ratepayers from legal liability and financial risk arising from commercial decisions. Another benefit is the increased oversight that a CCO provides relative to the traditional Local Government approach. The board of the CCO will provide greater oversight to the organisation's undertakings than if the function was undertaken by a business unit inside the Local Government with a hierarchical oversight chain through the Chief Executive Officer to the Council.

³³ Western Australian Local Government Association (2010), *Local Government Enterprises as a Means of Improving Local Government Efficiency*

Another key advantage of CCOs is that they would be able to enter into commercial partnerships with the private sector to deliver infrastructure and related services more effectively than Local Governments themselves. The Association believes that the establishment of CCOs would lead to productivity gains in the Local Government sector and has therefore advocated to the State Government to make the necessary amendments to the *Local Government Act 1995*.

The use of CCOs is likely to be particularly advantageous to regional capitals. For example, a number of Local Governments in regional capitals own and operate airports. The CCO model could allow these airports to be operated more efficiently, but because Councils retain ownership, social objectives can also be met. This might include subsidisation of the airport's operations to ensure residents have access to services or to meet broader economic development goals for the community.

WALGA recommendation:

13. The State Government should investigate amendments to the *Local Government Act 1995* and associated regulations that would enable Local Governments to establish Council Controlled Organisations.

6 Impact of the changing environment

The impact on regional capitals of a changing environment will be the same as impacts being faced by all Local Governments throughout Australia, it is not a specific issue only being addressed by these regional capitals. However, due to the size of regional capitals they may have more resources and capability to address some of the changes that will affect local government operations, assets and the local community. The Association currently helps Local Government members adapt to climate change through a series of tools and resources, available for elected members, officers and the local community.³⁴

While greenhouse emissions need to be reduced, the effects of past emissions will continue to be felt well into the future, therefore, it is expected that there will be warmer temperatures, changes to rainfall patterns, rising sea levels and more extreme weather events.

Changing weather patterns

The drying climate, warmer temperatures and changes to rainfall patterns will change the way Local Government utilise water, manage their public parkland areas and manage bush fire risks. The changes to public parkland management will visually change the types of recreational spaces being provided and place greater maintenance costs on Local Government in managing sporting grounds and facilities. A drying climate can also affect how regional centres manage their growth if there is pressure on the provision of infrastructure, limited water resources availability, and with the soon to be released bush fire maps, these factors could contain urban expansion and modify current management processes.

Rising sea levels

Rising sea levels primarily places extreme pressures on those regional capitals adjacent to the coast, but also for those Local Governments with estuarine systems. A recent report by the Climate Council said that sea level has already risen and continues to rise due to climate change. The report states:

Australia is highly vulnerable to increasing coastal flooding because our cities, towns and critical infrastructure are mainly located on the coast. Australia's infrastructure has been built previously for a stable climate with known ranges of variability and is unprepared for the unstable climate system and the rising sea level.³⁵

Additionally, the Western Australian Department of Planning stated within their recently released Coastal Hazard Risk Management and Adaptation Planning Guidelines that 'the vulnerability of land use and development within the Western Australian coastal zone is expected to increase in the future.'³⁶

These issues will particularly affect WA's regional capitals, since most of them are located on the State's coast. Some of the anticipated impacts include sea level rise, increased incidence of extreme weather, storm surge, increased rainfall (northern Western Australia) or decreased rainfall (south west Western Australia).

³⁴ see: <http://walgaclimatechange.com.au/>

³⁵ Climate Council. 2013. *Counting the Costs: Climate Change and Coastal Flooding*. Accessed on 19 from <http://www.climatecouncil.org.au/uploads/56812f1261b168e02032126342619dad.pdf>

³⁶ Department of Planning. 2014. *Coastal Hazard Risk Management and Adaptation Planning Guidelines*. Accessed from http://www.planning.wa.gov.au/dop_pub_pdf/CHRMAP_Guidelines.pdf

Damage caused by increased coastal inundation, recession or erosion poses a large financial burden on all coastal land managers. This financial burden will be due to the damage of infrastructure, coastal ecosystems and community areas.

Local Government is also concerned that they could be held liable for planning decisions affected by future climate change. Local Government's uncertainty regarding legal liabilities of climate change have arisen due to the relatively uncoordinated approach between Federal, State and Local Government, and the fact that the issue is largely untested within Australia's judicial system.

Extreme weather events

In regard to extreme weather events, one of the biggest impacts for Local Government will be the commitment of sufficient resources to address Emergency Management issues. Natural disaster risk is not the same across the States and Territories and the impact of natural disasters in terms of costs to public infrastructure varies with the type of disaster. Some jurisdictions (and their Local Governments) are particularly prone to costly natural disasters whereas others are not. The financial capacity of councils and jurisdictions also varies greatly and what may be a manageable small disaster for one council may be an unmanageable financial impost for a different council.

Within WA, the State presently has 27 hazards, stemming from both natural and man-made origins that are prescribed in Emergency Legislation. Over the past decade there has been a growing awareness of the importance of measuring and mitigating risk, with mitigation strategies having the potential to minimise future losses, and therefore lead to positive cost-benefit outcomes. Mitigation options should include a range of practical efforts to either reduce the risk of given hazards, such as catastrophic flooding, or simply better prepare the community to deal with such events. Mitigation efforts themselves could be in the form of flood levees and warning systems, improved strategic land use/urban planning practices, enhanced building and construction standards and materials, sustainable environment management and landscaping, community education programs or selected interventions such as strategic buy back of properties and/or strengthening of key infrastructure assets. All of these efforts will cost regional capitals significant time and resources to ensure that the appropriate response is prepared.

The impact of a changing climate on all local communities should not be underestimated; the current delivery and management of our urban areas will need to change in order to provide a truly sustainable urban form for new and existing communities.

WALGA recommendation:

14. The Federal and State Government should provide greater clarity on legal liability, planning and mitigation issues in regards to the potential impacts of climate change.

7 Conclusions

Regional capitals are important to WA as they are vital centres of economic activity in the State's regions and they help to ensure access to essential services for people outside the Perth Metropolitan area. Strong regional capitals can also provide viable alternatives to working and investing in Perth.

The following recommendations are based on the analysis in the preceding sections of this submission and the Association believes their implementation would help to fulfil the potential of WA's regional capitals:

WALGA recommendations:

1. The Federal Government should restore the indexation of Financial Assistance Grants.
2. The Federal Government should review the quantum of the Financial Assistance Grants pool.
3. The State Government should restore road grants to the levels previously agreed in the 'State Road Funds to Local Government agreement'
4. The State Government should either:
 - a. reinstate the Country Local Government fund; or
 - b. develop a new funding program specifically for Local Government infrastructure projects in regional areas.
5. The Federal Government should consider options to improve the evidence base and statistics on temporary and service populations in Australia.
6. The WALGGC should incorporate data on temporary and service populations in its grant allocation models.
7. The State Government should commit to maintaining a presence in regional capitals, particularly for Departments that administer industries relevant to regional WA.
8. The Federal Government should review current fringe benefits tax arrangements, particularly those arrangements that distort the accommodation choices for employers with project sites located near established communities.
9. The Federal Government should conduct a major review of the zone tax offset and implement a one-off increase in the offset which corresponds with the increase in the Australian CPI since 1993.
10. The WA State Government should conduct a tax review and should particularly focus on the need to abolish stamp duty.
11. The Federal Government should implement a per capita model for distributing GST revenue to the States
12. The State Government should remove restrictions on Local Government revenue, including:

- a. regulatory restrictions on fees and charges;
 - b. the rates exemption for State Government owned trading entities;
 - c. the rates exemption for Independent Living Units that do not qualify under the Commonwealth Aged Care Act 1997.
13. The State Government should investigate amendments to the *Local Government Act 1995* and associated regulations that would enable Local Governments to establish Council Controlled Organisations.
14. The Federal and State Government should provide greater clarity on legal liability, planning and mitigation issues in regards to the potential impacts of climate change.

5.5 Interim submission to the Tax Discussion Paper (05-100-03-0001 PS)

Paul Schollum, Policy Manager Economics

Moved: Cr Wayne Sanford

Seconded: Cr Karen Chappel

That the Association's interim submission in response to the Australian Government's Tax Discussion Paper be endorsed.

RESOLUTION 69.4/2015

CARRIED

In Brief

- The Federal Government recently released a discussion paper on the Australian taxation system.
- The discussion paper suggested there are a number of opportunities to improve the equity, efficiency and simplicity of the tax system.
- While the discussion paper mostly discussed federal taxes, it acknowledges Local Government rates are a particularly efficient tax.
- The Association prepared a submission in response to the Tax discussion paper. The main points included:
 - Local Government rates would be even more efficient if State imposed exemptions and restrictions were removed
 - Any initiatives to improve State Government's property tax regime should not result in Local Governments collecting taxes on behalf of the State Government
 - Tax sharing arrangements in the Federation should be reviewed
 - Consideration should be given to tax reforms that would assist regional development by enabling more workers to relocate to remote communities.

Attachments

Interim Submission to the Tax Discussion Paper

Relevance to Strategic / Business Plan

- Providing strong representation for Local Government
- Providing effective leadership for Local Government
- Building a positive profile for Local Government
- Enhancing the capacity of Local Government to deliver services

Policy Implications

A number of recommendations in the attached submission are based on previous State Council resolutions and are consistent with previous submissions that the Association has made on State and Federal tax reform and Financial Assistance Grants (FAGs).

The attached submission also recommended removing restrictions on Local Government rating, such as rating exemptions for Independent Living Units and State Trading Enterprises as well as

restrictions on rating land covered by State Agreement Acts. All of which are long standing Association policies.

Background

In March 2015, the Federal Government released 'Re:think', its discussion paper on the Australian taxation system.

The discussion paper release was the first key development in the Government's taxation review, which is being conducted in parallel with the federation review.

Key points from the discussion paper included:

- While Australia's overall level of taxation is relatively low by OECD standards, there is also too great a reliance on less efficient taxes, such as stamp duty and corporate income taxes.
- The current tax system is very complex, with significant resources spent on tax compliance and tax management activities.
- There are opportunities to improve the fairness of the tax system by improving incentives for workforce participation and reducing incentives for tax planning and avoidance.
- The tax system is inconsistent in its treatment of income from savings.
- Transitional arrangements are very important in making changes to tax policy, since individuals and businesses may have made long-term decisions based on previous arrangements.
- Property value based taxes, such as State land taxes and Local Government rates, are considered the most efficient taxes.

The discussion paper stated that the Government is committed to 'taxes that are lower, simpler, fairer' and sought views on a number of tax policy issues.

The discussion paper consultation is essentially a 'brain-storming' exercise – the Government stated that this stage of the process was about ideas, rather than prescribing solutions. An options (green) paper will be released in the second half of 2015, which will provide a clearer indication of the Government's agenda for tax reform. The Association will make a submission in response to the options paper and continues to work closely with ALGA on national research and advocacy in regards to tax reform issues affecting Local Government.

Because the Tax White Paper Task Force called for submissions on the discussion paper to be made by 1 June, the Association prepared an interim submission, subject to State Council approval. The WALGA President and Deputy President were given the opportunity to provide input. Support for the interim submission was obtained.

Comment

The Association's submission agrees with the Tax discussion paper's view that property value taxes are particularly efficient (because it is difficult to avoid or minimise one's tax liability). Furthermore, the efficiency of Local Government rates is enhanced by the accountability of Local Government spending to the community.

The submission argues the efficiency of Local Government rates could be further improved by removing State Government imposed restrictions. This is because taxes generally work best under a 'broad base, low rate' model. Rate exemptions for Independent Living Units and State Trading Enterprises and restrictions on rating land covered by State Agreement Acts should be removed.

The submission examines the WA State Government's property tax regime and the implications for Local Government. In recent times the State Government has increased its reliance on property value taxes such as land tax and the Emergency Services Levy (ESL). These taxes provide

relatively predictable and stable revenue streams. In contrast, the State Government's main property tax, stamp duty, is based on transactions and is therefore a volatile source of revenue.

Tax reviews often propose that State Governments phase out their use of stamp duty and replace this with a broad based land tax (including applying land tax to the primary place of residence). The submission acknowledges the efficiency gains of such a reform, but states that a clear distinction should be made between State Government property taxes and Local Government rates. It is important that Local Governments are not conscripted into being the land tax collectors for the State Government.

Additionally, the submission states that although Local Government rates are an appropriate source of revenue for the sector, most individual Local Governments are also dependent on a share of taxes from the other levels of Government. As Local Governments' share of Commonwealth taxation has decreased this has resulted in inequitable outcomes for communities with a low fiscal capacity since they suffer disproportionately as the support from grants decreases.

The submission also states that the prospect of reciprocal taxation within the Federation is area of interest, but the numerous implications of a reciprocal taxation regime would need detailed investigation before this reform could be seriously considered.

Finally, the submission suggests two reforms that would assist regional development by enabling more workers to relocate to remote communities. The Zone Tax Offset should be increased and the fringe benefits tax exemption for FIFO work camps located in or near communities should be removed.



Western Australian Local Government Association

WALGA submission to the Tax Discussion Paper – JUNE 2015

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Executive summary

This submission presents the views of the Western Australian Local Government Association (WALGA or 'the Association') on the Australian Government's 'Tax Discussion Paper.'

The Association agrees with the proposition that the tax system needs to be reformed to face contemporary challenges such as globalisation and the ageing population. There is also a need to use more efficient taxes so that Governments can raise the revenue they require with minimal disruption to the economy. Local Governments are already delivering in this respect – there is widespread acknowledgement that rates are a particularly efficient tax.

Nonetheless, rating efficiency could be further improved if the tax base was broadened by reforming the following State imposed exemptions from Local Government rating: Independent Living Units, State Government trading entities and State Agreement Acts.

The WA State Government could substantially improve the efficiency of its own property tax regime by phasing out stamp duty and replacing it with a broad land tax. However, the Association would only support this reform if Local Governments were assured that they would maintain their sovereignty over the rate setting process.

While Local Government rates are an appropriate source of revenue for the sector, most individual Local Governments are also dependent on a share of taxes from the other levels of Government. As Local Governments' share of Commonwealth taxation has decreased this has resulted in inequitable outcomes for communities with a low fiscal capacity since they suffer disproportionately as the support from grants decreases.

The prospect of reciprocal taxation within the Federation remains an area of interest for the Association. However, the numerous implications of a reciprocal taxation regime would need detailed investigation before this reform could be seriously considered.

The Association applauds recent changes in the 2015-16 Federal Budget that will better target the Zone Tax Offset (ZTO) to permanent residents of the relevant zones. The Association suggests that the savings from this measure should be used to increase the ZTO, which has not been increased since 1993. The Association also recommends removing the fringe benefits tax exemption for FIFO work camps located in or near communities where existing dwellings are available to house workers. Both of these reforms would assist regional development by enabling more workers to relocate to remote communities.

1 Introduction

The Western Australian Local Government Association (WALGA or 'the Association') is the united voice of Local Government in Western Australia. The Association is an independent, membership-based group representing and supporting the work and interests of all 138 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 1,249 elected members and approximately 24,900 Local Government employees as well as over 2 million constituents of Local Governments in Western Australia. The Association also provides professional advice and offers services that provide financial benefits to the Local Governments and the communities they serve.

The Association is grateful to the Tax White Paper Task Force for the opportunity to provide a submission in response to 'Re:think', the Australian Government's Tax Discussion Paper. The Western Australian Local Government sector has an interest in the Australian tax system, both as a taxing authority and as the recipient of tax revenue collected by other levels of Government.

This submission represents the Association's current views on aspects of the Australian taxation system and identifies a number of priority areas for reform. The Association looks forward to further opportunities to contribute as the Tax White Paper process continues and the options for reform become clearer.

The Association agrees with the Tax Discussion Paper that tax reform offers the opportunity to improve investment, productivity and standards of living. Additionally, the Association believes that changes to Australia's tax system are necessary to face challenges such as globalisation and an aging population. The Association also agrees with the Tax Discussion Paper that rates are a particularly efficient tax and believes that rates are an appropriate source of revenue for the Local Government sector. Section 2 of this submission discusses the advantages of Local Government rates and their benefits relative to the property taxes used by the State Government.

Section 3 highlights the State Government restrictions that prevent Local Governments from achieving further efficiency gains in rating property in their district. Section 4 presents the Association's views on the frequently raised suggestion that stamp duty should be abolished and replaced by a broad land tax. The Association expresses cautious and qualified support for such a proposal. Section 5 of this submission discusses tax sharing arrangements in the Federation with a focus on Commonwealth grants to Local Government. Section 6 raises the issue of reciprocal taxation and the implications of such arrangements. Finally, section 7 suggests potential reforms to the Zone Tax Offset and Fringe Benefits Tax that would assist in the development of regional Western Australia.

Due to meeting schedules this submission has not yet been endorsed by the Association's State Council. The Tax White Paper Task Force will be informed of any changes to the Association's submission following consideration by the Council.

2 The advantages of Local Government rates

Taxes are said to work best when they are broad based and applied with low rates. Local Government rates perform well against both of these criteria.

The Local Government rates base is particularly broad since it applies to most types of property, including the principal place of residence. Although there are a few exemptions from the rates base, these are: consistent with the tax exemptions applied by other levels of Government, justified by a sound rationale and generally well supported by the community. For example, charitable organisations are exempt from rates as well as Federal company tax and State land tax. These tax exemptions are justified on the basis that charitable organisations provide social services that would otherwise need to be provided by Governments.

Compared to the State Government's property taxes, Local Government's property tax regime is applied at low rates and has a relatively small impact on the economy. In 2013-14, WA Local Government rate revenue was \$1,835 million, which represented 0.7 percent of Gross State Product (GSP). In comparison, over the same period, WA State Government property tax revenue was \$3,113 million, or 1.2 percent of GSP.

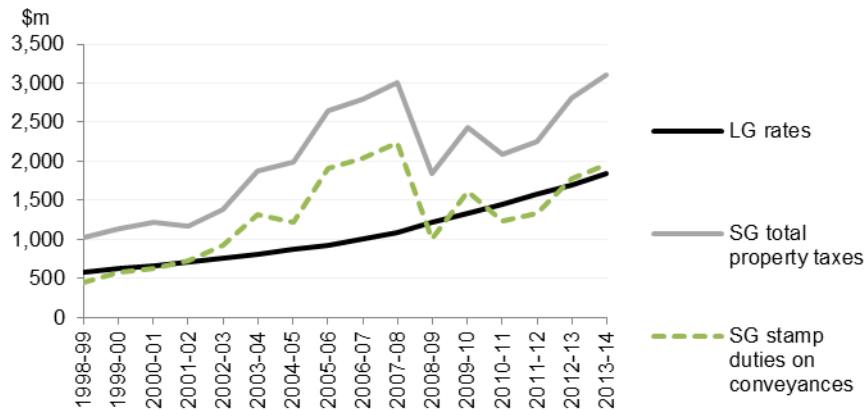
Local Government rates also compare favourably to State Government property taxes on efficiency grounds. In WA, rates are levied on improved property values in urban areas (using Gross Rental Valuation or 'GRV' rating) and unimproved property values in rural areas ('UV' rating). Taxes based on property values are very efficient because the tax base is said to be immobile, which means there is little one can do to avoid or minimise the tax liability. Indeed, the Tax Discussion Paper identifies municipal rates and land taxes as the most efficient taxes used in Australia.

In contrast, most of the WA State Government's property tax revenue comes from stamp duty on conveyances – a tax that is widely criticised for its inefficiency. As a transaction based tax, stamp duties can be quite easily avoided, simply by not conducting the transactions that attract the tax. This causes a number of problems:

- Inefficient use of the housing stock, since older couples are discouraged from downsizing and young purchasers tend to buy bigger homes than they immediately need to avoid paying stamp duty in the future.
- Workers are discouraged from moving closer to their jobs, which contributes to longer daily commutes.
- Workers are discouraged from moving from areas with high unemployment to regions with labour shortages.

A further disadvantage of stamp duty is that it is based on both the volume and value of transactions, and is therefore a volatile source of revenue. Rates, on the other hand, provide a relatively reliable and steady income stream:

Figure 2.1 WA Local Government and State Government property taxes



Source: ABS, 5506.0 - Taxation Revenue, Australia, 2013-14

The stable nature of rates promotes sound decision making and assists in Councils' long term planning. This means that Local Governments have generally avoided the 'boom or bust' scenarios that have affected the Federal and State Budgets recently – considered as an aggregate sector, WA Local Governments have consistently achieved a healthy budget surplus.

A further advantage of Local Government rates is that Councils are particularly accountable to their communities for the use of the funds raised:

Policymakers make better decisions when they also bear the cost and quality of their decisions. Moreover, clear links between tax revenue and expenditure create fewer opportunities for waste and maladministration.

Local government decisions have both these characteristics. Local councillors are affected by the quality of their council's services, and local taxes are used for local ends.³⁷

This level of accountability ensures Local Governments' spending commitments determine the revenue required and the subsequent level of tax rates. As a consequence, Local Governments typically lower the 'rate in the dollar' when property values increase. Again, this contrasts with other levels of Government. The State Government usually retains the same property tax rates and thresholds when property values increase, resulting in 'windfall' revenue gains. Similarly, the Federal Government often relies on income tax 'bracket creep' as a means of improving its revenue outcomes.

Nonetheless, despite these advantages of rates, there will always be some Local Governments that have little capacity to raise rates revenue, such as those with low populations or in remote locations. It is therefore very important that Local Governments with low fiscal capacities have access to tax sharing programs from the other levels of Government.

³⁷ Creighton, A. and Hartwich, O. M. (2011), 'Australia's Angry Mayors: How Population Growth Frustrates Local Councils', *Policy Monograph (Population and Growth series)*, PM120.

3 Restrictions on Local Government rates

The previous section demonstrated that rates are an efficient and appropriate source of revenue for Local Governments. However, rates could be an even more efficient tax if State Government imposed restrictions on Local Government rates were removed.

Independent Living Units

A number of legislated exemptions from the rates base constrain Local Government revenue in WA. Section 6.26(2)(g) of the *Local Government Act 1995* provides that 'land used exclusively for charitable purposes' is exempt from Local Government rates. Exemptions under this section of the Act have extended beyond the original intention and provide rating exemptions for land used by not-for-profit organisations for profitable purposes. The most prominent example of this is the exemption provided to Independent Living Units (ILUs).

ILUs are separate dwellings, usually in retirement villages, and residents often manage their own affairs without any health, nursing, personal or other forms of support provided by the owner of the village. The not-for-profit sector is an important, although not the only, developer of such accommodation. As the population ages the revenue forgone from conversion of existing rate paying land to ILU accommodation operated by the not-for-profit sector is expected to grow and place an increasing burden on the smaller proportion of the population who do pay rates.

State Government Trading Entities

State Government trading entities do not pay rates to Local Governments, but instead pay a 'rate equivalent' payment to the State Government to comply with the 'competitive neutrality' principle of National Competition Policy. This matter is of serious concern to Local Governments with substantial State owned trading entities in their district. The shortfall in rates is effectively paid by other ratepayers, which means ratepayers have to pay increased rates because trading entities have a presence in the district.

The State Government trading entities covered by this arrangement include Port Authorities and a number of utility corporations. Most of these entities place significant demands on Local Government infrastructure, especially roads. The rate revenue foregone from these trading entities is substantial – about \$19 million in 2013-14.³⁸ The Association therefore believes it would be appropriate for Government Trading Entities' rate equivalency payments to be made to the relevant Local Governments instead of the State Government.

State Agreement Acts

Local Governments in WA are often restricted in rating major resources projects, largely as a legacy of a pre-FIFO era where mining firms constructed 'company towns' located in the vicinity of project sites. These arrangements were prescribed in State Agreement Acts, which are essentially contracts between the State Government and proponents of major resources projects that are ratified by the State Parliament.

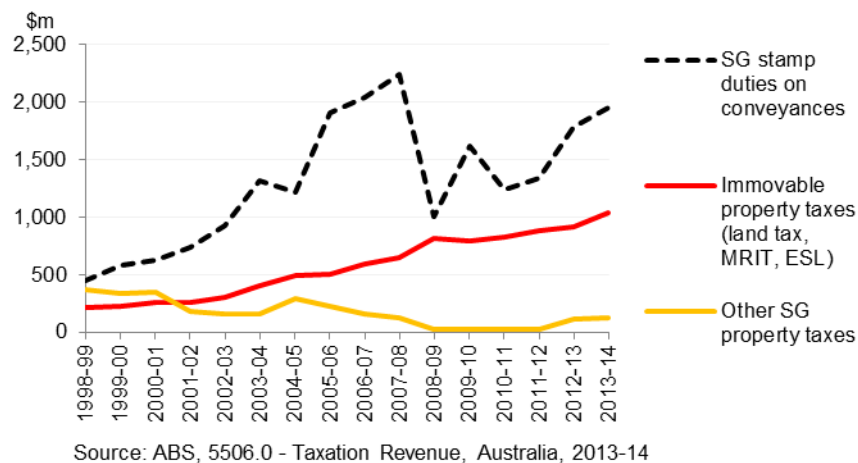
³⁸ Source: WA State Budget Papers 2014-15

Most mining company towns have long been 'normalised' as Local Governments and State Government utility providers have assumed responsibility for services and infrastructure. However, despite the Association and Local Governments repeatedly advocating for change in this area, the rating restrictions remain. This causes inequity between proponents of older projects, who benefit from substantial rates concessions, and newer projects which are generally liable for standard Local Government rates.

4 State property taxes and implications for Local Government

The WA State Government uses a number of property taxes, including: stamp duty on conveyances, land tax, the Metropolitan Region Improvement Tax (MRIT) and the Emergency Services Levy (ESL). Other types of property taxes such as 'financial institutions transactions taxes' and miscellaneous minor stamp duties have mostly been phased out by the State Government over time. Immovable property taxes (land tax, MRIT and the ESL) have become increasingly important over time:

Figure 4.1 WA State Government property taxes



The above graph shows that the State Government is increasingly relying on its 'immovable property' tax base as a source of revenue. This is somewhat understandable given the inherent stability and efficiency of taxing property values – for example, land taxes and Local Government rates share many of the benefits discussed in section 2. However, most State Governments in Australia apply land tax in an inefficient way, with a number of exemptions from the tax base, including the primary place of residence.

When land taxes are applied to a comprehensive base, they have a number of benefits:

- They can be used as a fair and efficient method of taxing and funding infrastructure (since any uplift in land values caused by new infrastructure will be partly captured by the government via increased land tax revenue).
- Because land taxes are based on the unimproved value of land, they encourage development and for land to be put to its most productive use. They therefore also tend to discourage land banking, speculation and urban sprawl.
- They provide a stable source of revenue for the State Government – particularly compared to other revenue sources such as mining royalties and stamp duty.
- Progressive land tax rates can be used to ensure owners of higher valued land pay a higher proportion of tax (just as progressive income tax rates increase the rate of tax paid by higher income earners).
- In contrast to stamp duty, broad land taxes spread the tax burden among the community, rather than the small group of people that move house in a given period.
- If land tax replaced stamp duty this would have positive effects on labour productivity and congestion, since this would remove the disincentive for people to relocate for work purposes.

- If land tax replaced stamp duty this would have a positive impact on housing affordability, since the upfront costs of home ownership would be reduced. Additionally, the supply and turnover of housing stock would probably increase, further improving affordability.

A number of reviews have recognised these benefits and have recommended that State Governments make greater use of broad land value taxes and phase out inefficient stamp duties. This included the 'Henry review'³⁹ of Australia's taxation system and a recent Economic Regulation Authority inquiry into microeconomic reform in WA.⁴⁰ In the ACT, significant tax reform is already taking place – stamp duties are being phased out over the next 20 years and municipal rates are being increased in their place.⁴¹

The efficiency arguments notwithstanding, the prospect of a broadened land tax is a concern for the Local Government sector. Relative to other taxes, rates are a highly visible tax and sometimes a sensitive issue in the community. An annual land tax bill for householders will also be a highly visible tax and the similarities between land tax and rates may cause confusion in the community.

Consequently, the Association believes that if State Governments begin to make greater use of land tax, this should be accompanied by measures that clearly define which level of Government is using which taxes. Furthermore, it should be clear to the community what their property taxes pay for, i.e., a distinction should be made between the services and infrastructure of Local Government and those of the State Government.

The Association therefore believes that Local Government should not be the 'tax collector' for the State. Each level of Government should be 'sovereign in their own sphere'; including being accountable to the community for the tax revenue they raise and having the discretion to set their own tax rates.

This view disagrees with the Henry Review, which suggested significant administrative savings would result from Local and State Governments sharing the same tax base:

A redesigned land tax system could be simply administered by aligning local government rates with the land tax. Ideally, landowners should receive just one bill per year covering both and have a single point of contact for enquires, debt management and compliance. More significant simplification could be achieved if all local government rates had the same base as State land tax. This would reduce administration and compliance costs for individuals and businesses that pay rates across different councils in the same State and lower the cost of valuation, which is a significant part of the cost of collecting land tax and rates.

The Association agrees that it may be possible to achieve savings in the valuation process by using the same valuation base across rates and land tax, and this may be an idea worthy of further investigation. However, the Association disputes the administrative savings claimed by sending 'just one bill per year'. These savings may come with a heavy cost for Local Governments. Shared administrative arrangements would increase the incentive for the State Government to become involved in the rate setting process. In effect, this has already happened in those States where rate capping has been introduced. Shared administrative arrangements may also cause confusion for rate payers – this has already been Local Government's experience in collecting the ESL on behalf of the State Government.

³⁹ Treasury (2010), *Australia's Future Tax System: Report to the Treasurer, Part Two: Detailed Analysis*, Vol. 2.

⁴⁰ Economic Regulation Authority (2014). *Inquiry into Microeconomic Reform in Western Australia*.

⁴¹ Because there are no Local Governments in the ACT, municipal rates are effectively a combination of a land tax for the Territory Government and traditional Local Government rates.

As well as the State Government needing to collect its own land tax (and other property taxes such as the ESL), the Association would also require the following conditions to be met before it could support a broadening of the land tax base:

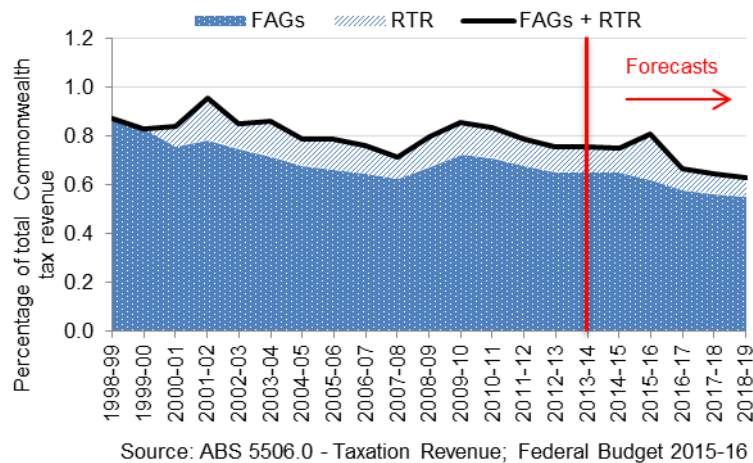
- That land tax should only be expanded to the extent that it replaces stamp duty revenue; the overall State Government property tax burden should remain the same.
- That appropriate transitional arrangements are in place. This should include phasing in the land tax over time and exemptions or concessions for households and other entities that have recently paid transfer duty.
- That appropriate arrangements are made for 'asset-rich, income-poor' households. This could include allowing pensioners to defer their land tax payments until the property is sold, as currently occurs with Local Government rates.
- That most agricultural land should be exempt for land tax, through the application of a per square metre value threshold as suggested by the Henry Review.

5 Tax sharing arrangements in the Federation

While a detailed discussion of tax sharing arrangements is best explored in the Federation White Paper process, there are, nonetheless, implications for own source revenue at lower levels of Government when inefficient tax sharing arrangements are used.

Local Governments currently receive ongoing financial assistance from the Commonwealth under two programs: Financial Assistance Grants (FAGs) and Roads to Recovery (RTR).⁴² Over time Local Governments have become increasingly concerned as the significance of these grant payments (as a share of Commonwealth taxation) has decreased:

Figure 5.1 FAGs and RTR as a proportion of Commonwealth Government taxation



Continued Commonwealth support for Local Governments is justified because Local Governments only have one source of their own tax revenue (rates) and it is not feasible for most Councils to provide a sufficient level of services from rates revenue alone. Because it would be administratively costly to establish income or consumption taxes at the local level, Local Governments should be entitled to a share of taxation revenue from other levels of Government.

This was well recognised when FAGs were established – the funding pool was set as a proportion of income tax revenue. However, since 1995, FAGs have been set with an indexation methodology that only considers the CPI and population growth. Additionally, indexation of the FAGs pool is subject to the discretion of the Federal Treasurer. Currently, the FAGs pool is frozen at its 2014-15 level because the 2014-15 Budget suspended indexation for three years.

RTR payments, when first introduced in 2000-01, somewhat offset the impact of the decreasing significance of FAGs. However, there is no formal process for setting or escalating the RTR pool. Therefore, from 2002-03, the overall decline in payments to Local Government as a proportion of tax revenue continued.

As their share of Commonwealth taxation decreases, Local Governments must either cut services or increasingly rely on their rates base. But large rate increases are not a feasible option for many Local Governments. While rates are overall a small taxation burden for the WA economy, this does not necessarily apply to all regions and communities in the State:

⁴² FAG payments are made 'through' the State Governments according to a set of principles set by the Commonwealth. RTR payments are made directly from the Federal Government to Local Governments.

Table 5.1 Gross Regional Product and rates revenue in WA regions, 2012-13

	Gross Regional Product (GRP) (\$m)	Rates revenue (\$m)	Rates as a proportion of GRP (%)
Perth	177,991	1,098	0.6
Gascoyne Goldfields	14,555	133	0.9
Peel South West	19,232	216	1.1
Pilbara Kimberley	22,873	108	0.5
Wheatbelt Great Southern	8,190	147	1.8
Western Australia	242,841	1,702	0.7

Source: National Economics, State of the Regions 2013-14; WA Local Government Grants Commission data; author calculations

The above table suggests that rates already have a greater impact on the regional economy in the Peel-South West and Wheatbelt-Great Southern areas of WA. This is unsurprising because rural Local Governments often have a small rates base due to low populations and significant expenditure commitments such as large road networks. It is also consistent with a 2008 Productivity Commission study that found rural and remote Local Governments were already drawing heavily on their fiscal capacities and had little potential to increase their own-source revenue.⁴³

The declining significance of operating grants to Local Government will lead to inequitable outcomes in Australia, as some communities have little capacity to absorb the impact of decreasing Commonwealth assistance. The Association therefore believes an effective tax sharing regime, such as the arrangement that was in place when the FAGs program began, has the potential to greatly assist Australia's rural and remote Local Governments.

⁴³ Productivity Commission (2008), *Assessing Local Government Revenue Raising Capacity*.

6 Reciprocal taxation arrangements

Generally, the different levels of Government in Australia do not tax each other. One exception to this arrangement occurs in Tasmania, where the State and Local Governments are liable for each other's taxes. There may be some benefits to such arrangements, particularly where property based taxes are used. For example, when constructing facilities such as schools, hospitals and office buildings, the State Government might choose a smaller land footprint (by building up rather than out) to minimise their rates bill.⁴⁴

Reciprocal taxation arrangements are an area of interest for the Association and their introduction at the State level could potentially provide overall benefits to the sector. However, the impact of reciprocal taxation on Local Governments would vary according to the State Government presence in their district, i.e., the additional rates revenue raised compared to the State taxes incurred.

When Tasmania introduced reciprocal taxation in 2003, it was estimated that only three out of 29 Local Governments would be worse off in net terms as a result of the changes⁴⁵. But reciprocal taxation in WA is likely to be very different as there is a high proportion of small rural and remote Councils that would be worse since they have little or no State Government presence in their Local Government Area. The prospect of reciprocal taxation would need to be accompanied by compensatory arrangements for such Local Governments before it could be supported by the sector.

⁴⁴ Note that the incentive to do this will be greater when UV, rather than GRV or other capital improved valuation methodology, is used.

⁴⁵ State Government of Tasmania & the Local Government Association of Tasmania (2003), *Statewide Partnership Agreement between Government of Tasmania and Tasmanian Councils on Financial Reform*.

7 Personal Income tax and Fringe benefits tax reforms

Zone Tax Offset

The Association believes the Zone Tax Offset (ZTO) should be reformed. The ZTO is an income tax rebate available to residents of particular areas in Australia, designated Zone A, Zone B and special areas within each zone. The ZTO provides assistance to taxpayers in remote areas in recognition of the higher living costs they incur. Much of WA's vast area is within the zones where the ZTO applies.

Taxpayers are eligible for the ZTO if they reside in one of the applicable zones for at least 183 days of the year. This means that some fly-in, fly-out (FIFO) workers (and other non-resident workers using similar arrangements, such as drive-in, drive-out) are eligible for the ZTO despite their home address being elsewhere.

A recent Federal Parliamentary inquiry into the use of FIFO argued that FIFO workers generally spend money and invest in the areas where their families reside, not the areas where they work. The inquiry's final report concluded that it is a misuse of the ZTO 'to support workers and their families who incur little or none of the additional costs of living in the zones.'⁴⁶ Subsequently, the inquiry recommended that 'the Commonwealth Government review the Zone Tax Offset arrangements to ensure that they are only claimable by permanent residents of a zone or special area.'⁴⁷

The 2015-16 Federal Budget announced changes that would tighten eligibility for the ZTO and ensure it was better targeted to permanent residents. The Association applauds this initiative from the Federal Government, but suggests the budget savings should be directed towards an increase in the ZTO.

The nominal level of the main 'fixed' component of the ZTO has not increased since 1993. The Association believes the fixed components should be increased in line with the increase in the CPI since 1993. This would recognise that the real value of the rebate has steadily eroded over time and would also assist regional development by encouraging workers to relocate to WA's more remote communities.

Fringe benefits tax

The Parliamentary FIFO inquiry mentioned above also indicated that fringe benefits tax (FBT) could be reformed with potential benefits for communities in WA's mining regions.⁴⁸ Under current arrangements, employers' use of work camps is exempt from FBT, but using housing in existing towns is subject to FBT. This means FBT has encouraged employers to use FIFO rather than locating workers and their families in regional communities.

The Association acknowledges that the FBT exemption for work camps is reasonable for particularly remote project sites or for the construction phase of projects. However, operational workforces located near existing cities and towns should not be encouraged, through the tax exemption, to be located in camps. Indeed, this practice is detrimental to the development of mining regions as it discourages workers from participating in community life and spending money in the local area.

⁴⁶ The Parliament of the Commonwealth of Australia (2013), *Cancer of the bush or salvation for our cities? Fly-in, fly-out and drive-in, drive-out workforce practices in Regional Australia*.

⁴⁷ Ibid.

⁴⁸ Ibid.

8 Conclusions

The Association agrees with the proposition that the tax system needs to be reformed to face contemporary challenges such as globalisation and the ageing population. There is also a need to use more efficient taxes so that Governments can raise the revenue they require with minimal disruption to the economy. Local Governments are already delivering in this respect – there is widespread acknowledgement that rates are a particularly efficient tax.

Nonetheless, rating efficiency could be further improved if the tax base was broadened by reforming the following State imposed exemptions from Local Government rating: Independent Living Units, State Government trading entities and State Agreement Acts.

The WA State Government could substantially improve the efficiency of its own property tax regime by phasing out stamp duty and replacing it with a broad land tax. However, the Association would only support this reform if Local Governments were assured that they would maintain their sovereignty over the rate setting process.

While Local Government rates are an appropriate source of revenue for the sector, most individual Local Governments are also dependent on a share of taxes from the other levels of Government. As Local Governments' share of Commonwealth taxation has decreased this has resulted in inequitable outcomes for communities with a low fiscal capacity since they suffer disproportionately as the support from grants decreases.

The prospect of reciprocal taxation within the Federation remains an area of interest for the Association. However, the implications of a reciprocal taxation regime would need detailed investigation before they could be seriously considered.

The Association applauds recent changes in the 2015-16 Federal Budget that will better target the Zone Tax Offset (ZTO) to permanent residents of the relevant zones. The Association suggests that the savings from this measure should be used to increase the ZTO, which has not been increased since 1993. The Association also recommends removing the fringe benefits tax exemption for FIFO work camps located in or near communities where existing dwellings are available to house workers. Both of these reforms would assist regional development by enabling more workers to relocate to remote communities.

5.6 Interim Submission - Draft State Biosecurity Strategy (05-046-03-0011MB)

Mark Batty, Executive Manager Environment and Waste

Moved: Cr Geoff Amphlett
Seconded: Cr Chris Mitchell

That State Council endorse the interim submission on the draft State Biosecurity Strategy.

RESOLUTION 70.4/2015

CARRIED

In Brief

- The Department of Agriculture and Food WA (DAFWA) released the draft State Biosecurity Strategy for public comment in late 2014. Submissions closed on 15th May 2015.
- The draft Strategy notes the 'important role' of Local Government in post border biosecurity, but is largely silent on why and how.
- DAFWA are currently developing an Implementation Plan to underpin the draft Strategy, and are undertaking a review of the Declared Species List.
- Key recommendations by the Association for the draft State Biosecurity Strategy include:
 - Greater clarity on roles and responsibilities;
 - DAFWA commitment to adequately resourcing its regulatory role as defined in the Biosecurity and Agricultural Management Act (2007) and its regulations;
 - A mid-term review of the draft Strategy.

Attachment

The interim Association submission on the draft State Biosecurity Strategy is attached.

Relevance to Strategic / Business Plan

- Providing strong representation for Local Government
- Providing effective leadership for Local Government

Policy Implications

Nil.

Budgetary Implications

Nil.

Background

The draft State Biosecurity Strategy has been developed primarily in response to the Auditor General, who in his December 2013 report [*Managing the Impact of Plant and Animal Pests: A State-wide Challenge*](#) sought to assess how effectively terrestrial pests declared under the Biosecurity and Agricultural Management Act 2007 (BAM Act) are managed.

Amongst its recommendations, the Auditor General recommended that DAFWA ensure that an effective framework for the collaborative management of pests across the state is established, and that it develops a state-wide plan for the management of all declared pests.

The attached submission was presented to the Department of Agriculture and Food WA before the 15th May 2015 deadline. In accordance with WALGA procedures, a copy of the submission was forwarded to State Council's Environment and Waste Co-Chairs and the WALGA President for comment prior to submission. Support for the interim submission was obtained.

Comment

The Strategy covers the 10-year period from 2015 to 2025, and discusses the importance of biosecurity to Western Australia, the increasing complexity of biosecurity, the biosecurity continuum, and federal and state partnerships and frameworks.

Five principles considered essential to Western Australia's biosecurity system are presented, and for each principle, the desired outcomes and the broad-scale strategies to deliver upon the objectives are also outlined. The draft Strategy also includes seven case studies, which provide examples of how different organisations are managing specific biosecurity issues.

It is noted that the draft Strategy is silent on the provision of any monitoring and reporting framework that should be required to evaluate the success or otherwise of the proposed strategies. It is equally silent on the resource and investment strategies required by all stakeholders (including Local Government), if the desired outcomes of the draft Strategy are to be realised.

The Strategy identifies Local Government as having "*an important role in WA's biosecurity through awareness raising and surveillance activities within the community, particularly in relation to invasive plant and animal pests. They also play an important role in biosecurity incursions that impact the community, and have biosecurity responsibilities as a land manager*" (p7).

It does not however enunciate what those 'important roles' are, or how they are to be undertaken or resourced. For example, the strategy is silent on any potential role of Local Government in Declared Species Groups, in managing pest or declared species by the use of local laws or under delegation from DAFWA, or in the collection of the declared pest rate, the latter of which has long been opposed by the sector.

Following the development of the draft State Biosecurity Strategy, it is envisaged that DAFWA will develop a detailed Implementation Plan for the Strategy. It is likely that these issues will be canvassed by DAFWA in any draft Implementation Plan. It is important to note that DAFWA is also review the Declared Species List, in keeping with the findings and recommendations of the Auditor General report.

The Association will be advocating for a three month period of public comment for both the Implementation Plan, and the revised Declared Species List.



Draft State Biosecurity Strategy

Interim Submission

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1.0 Introduction

The Western Australian Local Government Association (WALGA) is the united voice of Local Government in Western Australia. The Association is an independent, membership-based group representing and supporting the work and interests of all 139 Local Governments in Western Australia.

The Association provides an essential voice for almost 1,300 elected members and over 14,000 Local Government employees as well as over 2 million constituents of Local Governments in Western Australia. The Association also provides professional advice and offers services that provide financial benefits to the Local Governments and the communities they serve.

The comments and recommendations contained within this Submission have not yet been considered or endorsed by the WALGA State Council, and as such, please be advised that this is an interim submission only and that the Association retains the right to modify or withdraw any or all of the comments and recommendations, as directed by State Council.

The Association appreciates the opportunity to provide comment on key aspects of the draft State Biosecurity Strategy.

2.0 General Comments

The Association notes that the draft Strategy is silent on which sectors/agencies have responsibility for strategy implementation under the range of desired outcomes identified within the document. The Association understands that an Implementation Strategy is being prepared in parallel with the draft State Biosecurity Strategy. It is therefore recommended that the strategies for implementation, the accountable agencies and the indicative timing of each strategy for implementation be collated into an appendix to the State Biosecurity Strategy, thereby providing a strong linkage between the two documents.

Whilst the detail should form the bulk of any accompanying Implementation Strategy, the appendices would provide the reader with the surety that there is both an implementation plan and an overarching Strategy, and that the issues of clearly defined roles, responsibilities, and the estimated target timelines and resources required are all identified, acknowledged and agreed.

The draft Strategy should also incorporate a mid-term review to enable revisions to occur, as required.

3.0 Specific Comments

Page	Issue	Comment
3.	Purpose	The timeline for the strategy should be aligned to the parameters of the State budget processes. It is therefore recommended, given the timelines for any approval of the draft Strategy by the State Government, that its period be 2016-2026. The draft Strategy is also silent on any review period. It is therefore recommended that the Strategy identify, and be subject to, an interim review in 2021.
6/7.	Federal and State partnerships and frameworks	<p>The draft Strategy identifies a range of biosecurity related legislation. The Association also notes the Government commitment to biodiversity legislation. It is therefore recommended that that DAFWA liaise with the Department of Parks and Wildlife, to ensure there is no duplication or overlap of policy intent between the draft Strategy, and the draft biodiversity legislation.</p> <p>The Association notes and welcomes the appointment of a Local Government representative to the State Biosecurity Council, and that the draft Strategy acknowledges the role of Local Government in WA's biosecurity, particularly in relation to invasive plant and animal pests.</p> <p>The draft Strategy asserts that Local Government play an important role in biosecurity incursions that impact the community, yet is silent on what the State Government expects in defining and delineating that role relative to other stakeholders (including the roles and responsibilities of DAFWA).</p> <p>Clearly this could have significant financial and human resource impacts for local government, so it is critical that clarity is provided as to the expectations and implications of the draft Strategy for Local Government.</p> <p>In terms of partnerships, it is noted that the draft Strategy is largely silent on the existing and expected future role of the community. The strategy should recognise both the existence, and the expected role, of community constructs such as Recognised Biosecurity Groups, Declared Species Groups, NRM Regions and Landcare groups in biosecurity.</p>
8.	Figure 2. WA government biosecurity framework for collaboration and advice	<p>The draft Strategy asserts that there is an expectation - through the relevant provisions of the Biosecurity and Agricultural Management (BAM) Act 2007 and its regulations - that the community take on an increased level of regional collaboration and coordination on biosecurity (e.g. Recognised Biosecurity Groups).</p> <p>Whilst Figure 2 outlines the indicative State Government apparatus, it seemingly ignores this overarching policy</p>

		<p>direction, in that it does not indicate the governance arrangements between the State and the industry and the aforementioned community constructs that would surely underpin the successful (or otherwise) implementation of the draft Strategy.</p> <p>It is therefore recommended that the draft Strategy include a diagram that indicates to the community of Western Australia how these groups will interface with the machinery of State Government on biosecurity.</p> <p>If biosecurity is indeed a shared responsibility (draft Principle 1), then the draft Strategy should outline how the required inter-operability will occur.</p> <p>Whilst the strategy indicates that the “WA legislative framework helps clarify the roles and responsibilities...”(p.9), the draft Strategy should be able to clarify this, without sending the reader to the statutes.</p>
9 & 13.	Outcome 2.1	<p>The Association notes the use of the Victorian State Government generalised invasion curve approach. In terms of Outcome 2.1 however, it is critical that the State acknowledges (as the Auditor General did in his report of 2013) that State Government resources also need to be targeted towards regulation.</p> <p>This is a key function of the State Government, and if there is to be stakeholder/sector confidence in the draft Strategy, and the policy direction it supports, then the regulatory role should be acknowledged and committed to by the State. It is pleasing that this is recognised in the draft Strategy (p.13).</p> <p>As found by the Auditor General <i>“There is limited monitoring and almost no enforcement of landowner responsibilities to control established pests⁴⁹.”</i></p> <p>It is also noted that the draft Strategy is not clear as to how and when state funds will be utilised “when there is a compelling case for intervention” (p10). A worked example/decision tree would assist in this regard.</p>
12.	Outcome 3.1 Strategy 5.2.1-2	<p>Surveillance and reporting systems also need to be applied to on-ground monitoring and reporting activities for established pests, which would also require a centralised management regime for the collation, management and interpretation of reported data and information. This function should be undertaken by DAFWA.</p>

⁴⁹ *Managing the Impact of Plant and Animal Pests: A State-wide Challenge, Report 18 2013*, Auditor General of Western Australia (p.9)

12.	Principle 4	“The state government needs clear strategies of how we prevent and manage pests and diseases at each stage of the framework”. Agreed.
13.	Strategy 4.2.5	Consideration should be given to extending the availability of on-line emergency management awareness and logistics training to all those that Strategy envisages having a role in emergency response.
14.	Outcome 4.3	<p>The Association is aware that there is currently a review being undertaken by DAFWA of the Declared Species List. It will be important to ensure that a streamlined Declared Species List is not the sole determining factor in where strategic management effort is directed for established pests.</p> <p>It is clear that the regulatory function of DAFWA will need to be increased, as regulation is a key tool in ensuring the containment of established problematic species, whether they are listed or not.</p> <p>As noted by the Auditor General <i>“Monitoring and enforcement is a key element of a regulatory framework and there is a risk that some landholders will not control pests if there is no prospect of enforcement”⁵⁰</i>(p9).</p>
14.	Outcome 4.4	<p>The draft Strategy should prescribe after what period a legislative review should take place.</p> <p>The Association notes that the BAM Act (2007) has a statutory review period as soon as is practicable after every 10th anniversary of its commencement (Part 9 s.194 (1)). It is recommended that a full mid-term review be undertaken every five years.</p>
14.	Strategy 4.4.1	<p>In terms of broadening “a consistent regulatory and compliance framework” effort, Local Government CEO’s should be delegated responsibility by the Director General of DAFWA to deal with local incursions of declared species, and only where the Local Government requests this delegation.</p> <p>The delegation of powers, at the request of individual (or groups of) Local Governments, will be important in ensuring the regulatory effectiveness of the BAM Act and its regulations can be applied as required at the local and sub-regional level for established declared species.</p> <p>This approach would, in the view of the Association, still allow the provisions of the BAM Act (and its regulations) to</p>

⁵⁰ *Managing the Impact of Plant and Animal Pests: A State-wide Challenge, Report 18 2013*, Auditor General of Western Australia (p.9)

		<p>be enacted, and would therefore be a more efficient and effective approach than any move to un-declare C3 species (for example) and leave it merely to the somewhat inconsistent and less powerful application of Local Government local laws. This opportunity was raised by the Association with the Minister for Agriculture late last year (Our Ref: 05-046-03-0011).</p>
14.	Strategy 4.4.4	<p>It is noted that a key strategy for implementation is “Develop skills, knowledge and capacity within government to ensure government agencies can meet their regulatory responsibilities”.</p> <p>The Association expects that ‘capacity’ in this context also includes ensuring that the financial capacity required by DAFWA of the State Government is met, in order to meet its regulatory responsibilities under the BAM Act (2007).</p>

**MATTERS FOR CONSIDERATION BY STATE COUNCILLORS
(UNDER SEPARATE COVER)**

5.7 Finance & Services Committee Minutes (01-006-03-0006 TB)

Moved: Cr Karen Chappel
Seconded: Mayor Logan Howlett

That the Minutes of the Finance and Services Committee meeting held 24 June 2015 be endorsed.

RESOLUTION 71.4/2015

CARRIED

Mayor Henderson, Cr O'Connell, Mayor Roberts, Mayor Zelones and Cr Short declared an interest and left the room at 4.58pm.

5.8 Honours Panel Committee Minutes (01-006-03-0006 AF)
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Moved: Cr Lynne Craigie
Seconded: Mayor Ron Yuryevich

That the minutes of the Honours Panel meeting held on 27 May 2015 be received.

RESOLUTION 72.4/2015

CARRIED

Mayor Henderson, Cr O'Connell, Mayor Roberts, Mayor Zelones and Cr Short returned to the meeting at 5.03pm.

6. MATTERS FOR NOTING / INFORMATION

6.1 Metropolitan Local Government Reform Reimbursement Request (05-034-01-0018TL)

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

Moved: Cr Doug Thompson
Seconded: Cr Eileen O'Connell

That State Council note the Minister for Local Government's refusal to reimburse Local Governments for costs incurred as a result of the abandoned Metropolitan Local Government Reform process.

RESOLUTION 73.4/2015

CARRIED

In Brief

- WALGA collated and submitted to the Minister for Local Government a claim for reimbursement totaling \$5.4m on behalf of 15 Local Governments;
- The Minister for Local Government has replied to the reimbursement request by refusing to provide any funding to reimburse Local Government for incurred expenses.

Attachment

Nil.

Relevance to Strategic / Business Plan

- Providing strong representation for Local Government
- Providing effective leadership for Local Government
- Building a positive profile for Local Government
- Enhancing the capacity of Local Government to deliver services

Background

The Metropolitan Local Government Reform process ended on Tuesday, 17 February 2015 when the Premier and Minister for Local Government announced that Governor's Orders for metropolitan boundary changes would be revoked. This announcement followed the defeat of three amalgamation proposals by polls of the community in East Fremantle, Kwinana and South Perth.

Following the abandonment of the Metropolitan Local Government Reform process, WALGA hosted a meeting of metropolitan Mayors, Presidents and Chief Executive Officers. At that meeting, WALGA offered to coordinate a request to the State Government on behalf of Local Governments for reimbursement of incurred costs.

WALGA wrote to affected Local Governments on Friday, 6 March seeking the submission of incurred costs. The correspondence stated that eligibility and funding criteria in WALGA's submission would align with the Department of Local Government and Communities' (DLGC) previously releasing Funding Guidelines. To that end, WALGA advised that only Local Governments that were subject to a recommendation by the Minister for Local Government for an

amalgamation or a boundary change to proceed would be included in the consolidated claim for reimbursement.

WALGA provided a template for Local Governments to compile their reimbursement requests, which corresponded to the DLGC's guidelines in terms of eligible expenses. Therefore, the consolidated claim only included costs that were directly attributable to reform and were eligible under the DLGC's guidelines. The claim did not include staff time – representing opportunity costs for the Local Government sector – despite significant staff resources being allocated to the reform process.

WALGA received submissions from 15 of the 21 affected Local Governments and, on 2 May, submitted a claim to the Minister for Local Government of \$5,406,986, wholly based on the DLGC's Funding Guidelines.

The reimbursement request was submitted on the basis that \$15m was allocated for Metropolitan Local Government Reform and Local Governments commenced expenditure to progress reform in good faith as a result of Government policy.

The Minister for Local Government refused WALGA's request and stated, in a letter dated 22 May:

"I can only reiterate my previous advice that any additional State funding beyond the significant funding already provided to the sector is not available."

Comment

WALGA's formal request for reimbursement met a predictable response from the Minister for Local Government with a direct refusal to provide funding to Local Governments.

Prior to the submission of the formal request to the Minister for Local Government, WALGA advised the Minister in a letter dated 9 March that a reimbursement request would be collated and submitted to him. Further, WALGA raised the issue and provided an update on the reimbursement claim directly with the Minister at a meeting held on 1 April. At each juncture, formally and informally, the Minister indicated that funding for reimbursement of costs would not be forthcoming.

WALGA submitted the final claim of \$5.4m to the Minister for Local Government on 2 May.

WALGA issued a media release on 6 May titled "Reform Reimbursement a Fair Claim" and received media coverage in relation to the claim for reimbursement. On 6 May, *The West Australian* published a page 6 article on the issue titled "Councils deliver \$5m reform bill" and several local newspapers also covered the issue.

Now that Metropolitan Reform has come to an end, WALGA will work with the sector to produce a paper on 'lessons learnt' from this reform process. A draft paper will be presented to an upcoming State Council Strategic Forum meeting before being distributed to the sector for input and the submission of case studies.

6.2 Response to the Department of Local Government and Communities – Proposed Amendments to the Local Government (Functions and General) Regulations 1996 (05-034-01-0007 JM)

James McGovern, Manager Governance

Moved: Cr Doug Thompson
Seconded: Cr Eileen O’Connell

That State Council notes the response to the Department of Local Government – Proposed Amendments to the Local Government (Functions and General) Regulations 1996.

RESOLUTION 74.4/2015

CARRIED

In Brief

- In August 2014, State Council considered the interim submission to the Department of Local Government and Communities’ Consultation Paper on proposed amendments to the purchasing and tendering provisions in the Local Government (Functions and General) Regulations 1996;
- The Department of Local Government and Communities drafted amendments to the Regulations, seeking WALGA feedback by 29 May 2015;

Attachment

Nil.

Relevance to Strategic / Business Plan

- Providing strong representation for Local Government
- Providing effective leadership for Local Government
- Building a positive profile for Local Government
- Enhancing the capacity of Local Government to deliver services

Policy Implications

WALGA’s response is consistent with the Association’s Interim Submission.

Budgetary Implications

Nil

Background

In May 2014, the Department of Local Government and Communities prepared an Issues Paper on fifteen (15) amendment proposals specific to the *Local Government (Functions and General) Regulations 1996* for consideration. The proposals contained in the Issues Paper align with those identified by the Steering Committee. Additionally, the Issues Paper included commentary on proposals from the Corruption and Crime Commission and State Procurement Reform for consideration.

WALGA subsequently released an InfoPage and the Issues Paper for sector comment. The Interim Submission represented the Association’s response based on Local Government feedback and was endorsed by State Council in August 2014.

The Department of Local Government and Communities provided WALGA with a draft of proposed amendments to the Regulations with request for comment by 29 May 2015.

Comment

The proposed amendments to the Functions and General Regulations are in accord with the matters set out in the Issues Paper of 2014.

WALGA's response seeks to improve the content of the proposed amendments, lifting a number of financial values above proposed limits, limiting the capacity for proposed amendments to have unintentional consequences and addressing technical drafting issues. The main issues raised in the WALGA response follow:

Regulation 11A. Purchasing policies for local governments

Amendment proposes lifting the tender threshold to \$150,000. WALGA supports an increase in the tender threshold to \$250,000, to align with the State Government tender threshold

Regulation 11(1) When tenders have to be publicly invited

The current tender threshold of \$100,000 is not time-limited. The amendment proposes applying a three year period to the proposed new tender threshold of \$150,000, but this will have the effect of limiting recurrent, year on year procurement activity to a threshold of \$50,000 per annum. WALGA supports setting a one year period as the time criteria for determining whether tenders are to be publicly invited

Regulation 11(2) - Tender exemption

WALGA supports the proposed inclusion of Australian Disability Enterprises and registered Aboriginal Businesses for tender exemption to align with State Government procurement policy.

Division 3 — Panels of preferred suppliers

Proposed amendments to permit panel tenders generally aligns with our position, with some technical drafting amendments proposed in accord with WALGA's Interim Submission, that facilitate the efficient selection and operation of panels.

Regulation 30(3) - Disposition of property

Amendment proposes an increase in the prescribed value for disposal from \$50,000 to \$75,000. WALGA recommends the prescribed value for disposal be increased to \$100,000.

A further amendment is also recommended by WALGA, introducing a third disposal exemption whereby Local Government are provided with a discretionary exemption when the primary purchase of goods and services is made through WALGA's preferred supply arrangements, and the Local Government is satisfied that direct disposition to the primary supplier (i.e. trade in, changeover) represents value for money.

WALGA will meet in the near future with the Department of Local Government and Communities to discuss the final draft content prior to the amendment Regulations taking effect.

6.3 Review of Local Government Water Services Licensing (05-064-01-0007 MB)

Mark Batty, Executive Manager Environment and Waste

Moved: Cr Doug Thompson

Seconded: Cr Eileen O'Connell

That State Council note the Department of Water is undertaking a review of Local Government Water Services Licensing.

RESOLUTION 75.4/2015

CARRIED

In Brief

- The Department of Water is commencing a review into the regulation and performance of Local Government service providers licensed under the Water Services Act (2012).
- The aim of the review is to:
 - Identify the extent and nature of any compliance issues in Local Government water services;
 - Assess options for reducing the regulatory burden on Local Government; and
 - Identify options for increasing the capacity of Local Government to provide the water services.
- Twenty Local Governments are currently licensed for water service provision, predominately the provision of waste water treatment services
- The Department is consulting with Local Government licensed water service providers, and written submissions can be provided to the Department of Water by 30 July, 2015

Attachment

Nil.

Relevance to Strategic / Business Plan

- Providing strong representation for Local Government
- Providing effective leadership for Local Government
- Building a positive profile for Local Government
- Enhancing the capacity of Local Government to deliver services

Background

There are 20 Local Governments licensed to provide water services under the *Water Services Act 2012*. Most Local Government licensees provide sewerage and non-potable water services (the Shire of Denmark is the only Local Government that supplies potable water) and all Local Government licensees, with the exception of the City of Kalgoorlie-Boulder, service less than 1000 connections.

The primary purpose of water services licensing is to prevent providers from exploiting their monopoly power and to ensure that customers are provided with good quality services. Under the licensing framework, the licensees undergo operational audits for licence compliance and asset

system management reviews. The audits and reviews are conducted at least every two years by the Economic Regulation Authority (ERA) and paid for by the licensees (currently around \$14,000 per audit).

Audit frequency, and therefore cost, can increase if there the ERA determine there are compliance issues that warrant rectification. In some cases, compliance costs largely negate the modest revenue generated from the provision of the service by Local Government

The licensing framework applies equally to all license holders, regardless of the size and complexity of their water services.

The Department of Water has noted that the performance of Local Government licensees in providing the services and complying with their licenses is generally adequate. Issues identified in audits and reviews are addressed through post-review and post-audit implementation plans. However, resource constraints (i.e. revenue and staff) can make it difficult for Local Governments to manage their water services in accordance with the water services licensing framework.

Comment

The Association and affected Local Government water service providers have long advocated for an even playing field and a reduction of the administrative burden associated with both the licensing and auditing of Local Governments under the Water Services Act (and its preceding raft of legislation).

On the 14 February 2015, the Minister for Water provided a class exemption, in accordance with section 7 of the Water Services Act 2012, to water service providers providing some types of water services on single premises under their control or management (essentially retirement and /or 'lifestyle' villages).

The Association has provided comment to the Department that, in terms of public policy there was clearly an equity issue at play, in that some small providers (Local Government) were ineligible under that proposed exemption, with Local Governments having both less connections and a greater regulatory regime in place than that class of license holder given the recent exemption.

Moreover, Local Government compliance with the Department of Local Government Integrated Planning Framework, and its focus on asset management planning and reporting, should give confidence to the State that relief from the current regulatory burden, as required by the Regulators (Department of Water and the ERA) is warranted, and that the necessary safeguards are in place.

The Department is now undertaking a public interest assessment in relation to Local Government licensing and auditing, and is meeting with the twenty Local Governments that hold water services licenses, and the Association to discuss the review.

The Association will be making a submission to the Review. The Department will present its findings of the review and subsequently make a recommendation(s) to the Minister for Water in September 2015.

6.4 Local Government Exemption from Drainage Licensing Regime (05-064-01-0007 MB)

Mark Batty, Executive Manager Environment and Waste

Moved: Cr Doug Thompson
Seconded: Cr Eileen O'Connell

That State Council note that Local Government has been granted a further exemption from being licensed under the Water Services Act (2012) for the provision of drainage services.

RESOLUTION 76.4/2015

CARRIED

In Brief

- The Minister for Water, Hon Mia Davies MLA has granted a class exemption from section 5 (1) of the Water Services Act (2012) in respect to drainage services provided by local government.
- A local government that provides a drainage service anywhere in the State is exempt from the requirement, under section 5 of the Act, to hold a water service licence.
- This exemption replaces the Water Services Licensing (Local Government Drainage Services) Exemption Order 2011, under the previous Water Services Licensing Act (1995).
- The class exemption is valid until May 8th 2017.

Attachment

Nil.

Relevance to Strategic / Business Plan

- Providing strong representation for Local Government
- Providing effective leadership for Local Government
- Building a positive profile for Local Government
- Enhancing the capacity of Local Government to deliver services

Background

As outlined in the Government Gazette, a drainage service means a water service principally constituted by:

- (i) the management of the flow of storm water, surface water or ground water by means of reticulated drainage assets; or
- (ii) the management of soil salinity by means of reticulated drainage assets;

and which may include the management of the quality of the water dealt with⁵¹.

In the Ministers view, granting the decision is not contrary to the public interest. It is considered by the Minister that:

- The risk of monopoly power in the provision of Local Government drainage services is low.
- Local Government drainage services present a low risk to public health.

⁵¹ Government Gazette WA, 8 May 2015, p 1633

- The regulatory burden imposed by licensing would be disproportionately high given the low levels of risk in Local Government drainage services.

Comment

Drainage governance and management has continued to be a vexed issue for the State Government, be it in dealing with deep drainage issues in the wheat belt, or with regard to urban drainage in town and regional centres and the metropolitan area.

The Association has continually advocated for local government to be exempt from drainage licensing, particularly whilst the governance arrangements in relation to arterial drainage remain unclear. This exemption is a continuance of the previous exemptions given to Local Government in relation to drainage under the previous *Water Services Licensing Act (1995)*.

Whilst the Government has confirmed drafting of the Water Resource Management Bill, which may have future implications for drainage planning and management, it is not envisaged that this legislation will come into full effect before the conclusion of the current drainage exemption.

6.5 Report Municipal Waste Advisory Council (MWAC) (01-006-03-0008 RNB)

Rebecca Brown, Manager Waste & Recycling

Moved: Cr Lawrie Short
Seconded: Cr Doug Thompson

That the resolutions of the Municipal Waste Advisory Council at its 22 April 2015 meeting be noted.

RESOLUTION 77.4/2015

CARRIED

In Brief

- This item summaries the outcomes of the MWAC meeting held 22 April 2015

Attachment

The Minutes are attached.

Relevance to Strategic / Business Plan

- Providing strong representation for Local Government
- Providing effective leadership for Local Government
- Building a positive profile for Local Government
- Enhancing the capacity of Local Government to deliver services
-

Background

Under previous arrangements, the Municipal Waste Advisory Council has reported to each Western Australian Local Government Association meeting following its meetings. Minutes were submitted for noting consistent with the delegated authority bestowed on the Municipal Waste Advisory Council.

The Municipal Waste Advisory Council is seeking State Council noting of the resolutions from the 22 April 2015 meetings, consistent with the delegated authority granted to the Municipal Waste Advisory Council to deal with waste management issues.

Copies of specific items and further supporting information are available on request from Municipal Waste Advisory Council staff.

Comment

The key issues considered at the meetings held on 22 April 2015 included:

Pay as You Throw

There are a variety of charging mechanisms that can be used to fund waste management systems. Pay-as-you-throw systems are an approach used in the UK and US, but not widely in Australia. These systems are focused not solely on cost recovery for service delivery, instead they are intended as a method of behaviour change by providing very clear economic incentives to reduce waste and recycle more.

MWAC will undertake research into pay as you throw systems and charging mechanisms for waste management in WA, Australia and overseas, with the aim of ultimately developing a position on this matter.

MUNICIPAL WASTE ADVISORY COUNCIL MOTION

That the Municipal Waste Advisory Council undertake research into charging mechanisms for waste collection systems with a view to develop a position on charging mechanisms.

Australian Packaging Covenant – Extension

The Australian Packaging Covenant has been extended for 1 year, while discussions occur on the next phase. Currently the negotiations on the next phase are being held between Federal/State Government and industry, Local Government is not part of this process.

An opportunity exists to influence the direction of the future Covenant. However, to develop a position will require consultation with the sector and further work. It should be noted that Local Government may have a limited direct capacity to influence the outcome of the Covenant development.

MUNICIPAL WASTE ADVISORY COUNCIL MOTION (CR RE/ CR MUNN)

That the Municipal Waste Advisory Council:

1. Continue to engage, through the Australian Local Government Association, to be part of the negotiations on the next phase of the APC
2. Develop a preferred approach for the next Australian Packaging Covenant, based on resolving the issues identified by MWAC in relation to Governance, effectiveness and capacity to influence packaging design.

TV and Computer Product Stewardship Scheme

In late 2014, MWAC approached the Waste Authority and requested assistance for the Local Governments that were experiencing financial pressures as a result of the termination or reduction of contracts with Product Stewardship Arrangements. A response from the Waste Authority has now been received indicating they will be providing funding to the Local Governments/Regional Councils whose contracts were terminated or reduced.

At a Federal level, there is yet to be any announcement on the outcome of the Operational Review. WALGA had a positive meeting with the Federal Environment Ministers advisor on this matter.

The action identified for MWAC focuses on influencing the WALGA Preferred Suppliers to ensure their support for the Scheme and increases in the recycling targets.

MUNICIPAL WASTE ADVISORY COUNCIL MOTION

That the Municipal Waste Advisory Council write to WALGA Preferred Suppliers who are liable parties under the TV and Computer Product Stewardship Scheme encouraging them to support an increase in targets for the Scheme.



MUNICIPAL WASTE ADVISORY COUNCIL
"Getting the Environment Right"

Municipal Waste Advisory Council

Unconfirmed Minutes

4.00pm Wednesday
22 April 2015
City of Subiaco
241 Rokeby Road, Subiaco

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ATTENDANCE

Cr Michael Aspinall (Gingin)	Non Metropolitan Local Government	Deputy Chair
Cr Lawrie Short (Dandaragan)	WALGA State Council	
Cr Chris Mitchell (Broome)	WALGA State Council	
Cr Jennie Carter (Bassendean)	Eastern Metropolitan Regional Council	
Cr Laurie Graham	City of Greater Geraldton	
Cr Elizabeth Re (Stirling)	Mindarie Regional Council	
Cr Jeff Munn (Armadale)	Rivers Regional Council	
Cr Lee Hemsley (Subiaco)	Western Metropolitan Regional Council	
Mr Mark Wong	City of Greater Geraldton	OAG Chair
Mr Brian Callander	Mindarie Regional Council	OAG Deputy
Mr Steve Fitzpatrick	Eastern Metropolitan Regional Council	
Ms Ruth Levett	Rivers Regional Council	
Mr Tim Youé	Southern Metropolitan Regional Council	
Mr Sebastian Camillo (Gingin)	Non-Metropolitan Local Government	
Mr Peter Hoar (Joondalup)	Metropolitan Local Government	
Mr Bernie Burnett (Canning)	Metropolitan Local Government	
Ms Rebecca Brown	Municipal Waste Advisory Council	
Ms Tazra Hawkins	Municipal Waste Advisory Council	
Ms Ariane Katscherian	Municipal Waste Advisory Council	

APOLOGIES

Cr Doug Thompson (Fremantle)	Southern Metropolitan Regional Council	Chair
Cr Greg Campbell (Harvey)	Bunbury Harvey Regional Council	
Cr Fiona Reid (South Perth)	WALGA State Council	
Mr Mark Batty	WA Local Government Association	
Mayor Troy Pickard	WALGA President	Observer
Cr Ron Hoffman	FORC Representative	Observer
Ms Heather Squire	Municipal Waste Advisory Council	
Mr Vitor Martins (Busselton)	Non-Metropolitan Local Government	
Mr Kyle Boardman (Mandurah)	Non-Metropolitan Local Government	
Mr Alex Sheridan	Rivers Regional Council	
Mr Tony Battersby	Bunbury Harvey Regional Council	
Cr Lynne Craigie (East Pilbara)	WALGA State Council	

1 PROCEDURAL MATTERS

1.1 MWAC Minutes tabled at WALGA State Council

The Minutes of the Municipal Waste Advisory Council meeting held Wednesday, 18 February will be noted at the WA Local Government Association State Council meeting on Friday, 8 May 2015.

2 MATTERS ARISING

3 MINUTES OF PREVIOUS MEETING

3.1 Confirmation of the Previous MWAC Minutes

MUNICIPAL WASTE ADVISORY COUNCIL MOTION (CR RE/ CR SHORT)

That the Minutes of the meeting of the Municipal Waste Advisory Council held on 18 February 2015 be confirmed as a true and accurate record of the proceedings.

CARRIED

3.2 Business Arising from the Previous MWAC Minutes

A	Issue	August MWAC Item 4.2 Preferred Supplier – Recyclable Material		
	Action	1. That the Municipal Waste Advisory Council investigates the potential for the development of a recyclable material preferred supplier panel.		
	Timeframe		Status	1. It is anticipated the Tender will be released in April.

B	Issue	August MWAC Item 4.3 Product Stewardship – Approaches December MWAC Item 5.1 Plastic Bag Local Law December MWAC Item 5.2 Action on Used Tyres		
	Action	1. That the Municipal Waste Advisory Council write to the Parliamentary Secretary for Sustainability and Urban Water advocating that a co-regulatory or mandatory approach be taken in the development of Product Stewardship Schemes for paint and batteries. 2. That the Municipal Waste Advisory Council investigates plastic bag alternatives and relevant issues in order to encourage the reduction in use of non-biodegradable plastic bags state-wide. 3. That the Municipal Waste Advisory Council develop and implement an advocacy plan for a co-regulatory or mandatory tyre Extended Producer Scheme. 4. Provide an update on the current situation in WA, with regard to Tyre Recycling.		
	Timeframe		Status	1. Complete 2. Complete 3. On hold 4. Complete

C	Issue	December MWAC Item 5.3 MWAC Strategic Plan Report / Annual Engagement with MWAC Stakeholders		
	Action	That the Municipal Waste Advisory Council: 1. Note the MWAC Strategic Plan Report December 2013; 2. Discuss the approach to Stakeholder engagement; 3. Send the survey to all Local Government Councillors and relevant officers, however a low response rate should be expected as it is likely on those specifically interested in waste management will answer the questions.		
	Timeframe		Status	1. Complete 2. Complete 3. In progress

D	Issue	June MWAC Item 4.2: Australian Packaging Covenant		
	Action	That the Municipal Waste Advisory Council: <ol style="list-style-type: none"> 1. Withdraw from the Australian Packaging Covenant at an appropriate time; 2. Communicate the key reasons for withdrawal as the flaws in the current Governance structure, inability to have widespread impact on packaging design and inadequate funding available; and 4. Empower the MWAC Chair to work with the WALGA President, and other State Associations, on the timing of this announcement 		
	Timeframe		Status	See item 4.2

E	Issue	WARR Act Review		
	Action	Updates to be provided to MWAC on the progress of the WARR Act Review.		
	Timeframe		Status	An update will be provided at the meeting on the WARR Act Review.

Discussion at the Municipal Waste Advisory Council Meeting

Item E: a response has been provided by the Department of Environment Regulation, which is currently analysing submissions and is developing a report which is at an advanced draft stage. This report will be tabled in Parliament. No timeline is available for the tabling of the report because it is a Government decision. MWAC will contact the Department again to establish if there will be an opportunities to review what has been proposed.

4 DECISION ITEMS

4.1 Pay as You Throw

MUNICIPAL WASTE ADVISORY COUNCIL MOTION (CR RE/ CR ASPINALL)

That the Municipal Waste Advisory Council undertake research into charging mechanisms for waste collection systems with a view to develop a position on charging mechanisms.

CARRIED

In Brief

- The proposed research is to identify different mechanisms of charging for waste collection in WA, Australia and internationally, with the aim of ultimately developing a position on this matter.

Relevance to Strategic / Business Plan:

- Key results area: 4 INFORMATION EXCHANGE.
 - Strategy: 4.3 undertake research into key issues identified by MWAC, with a view to developing discussion papers, position papers or Policy Statements
 - KPI 10: New industry developments and issues brought to MWAC's attention, at each meeting.

Policy Implications: N/A

Budgetary Implications: N/A

Actions/Advocacy Activity

MWAC members should look at the current charging mechanisms in their Local Government.

Background

There are a variety of charging mechanisms that can be used to fund waste management systems. Pay-as-you-throw systems are an approach used in the UK and US, but not widely in Australia. These systems are focused not solely on cost recovery for service delivery, instead they are intended as a method of behavior change by providing very clear economic incentives to reduce waste and recycle more. Currently in WA, Local Governments have many different ways of constructing their fees and charges for waste management services. Many of the fees are based on cost recovery. However, Local Governments may include a range of factors in a waste charge such as graffiti removal.

The approach to fees and charges may make it difficult for a Local Government to provide services that are responsive to the needs of the community. Additionally, it makes it very difficult to collate costs across the sector for advocacy purposes as there is not a consistent approach.

Comment

It is proposed that MWAC undertakes research into pay as you throw systems and charging mechanisms for waste management in WA, Australia and overseas. The aim of this research will be to:

- Outline the range of different charging mechanisms WA Local Governments use for waste management
- Look at Australian examples of charging mechanisms/incentive payments for waste management
- Identify different pay as you throw systems used internationally, including their strengths and weaknesses
- Identify options for further research / approaches that WA Local Governments can use to influence waste management behavior.

When this information has been gathered it will be referred back to MWAC for further discussion and input, with the ultimate aim of developing a position MWAC on this issue.

Discussion at the Municipal Waste Advisory Council Meeting

Members raised the problem of providing sufficient incentive to change behaviour, when residents may be more willing to pay to take waste to landfill rather than take the time to separate recyclables. Details of the research, including the impacts of different waste collection systems, tip/ratepayer passes, greenwaste options and free collection days were discussed. The DrumMuster program was highlighted as a very successful program.

4.2 Australian Packaging Covenant – Extension

MUNICIPAL WASTE ADVISORY COUNCIL MOTION (CR SHORT/ CR RE)

That the Municipal Waste Advisory Council:

- 3. Continue to engage, through the Australian Local Government Association, to be part of the negotiations on the next phase of the APC**
- 4. Develop a preferred approach for the next Australian Packaging Covenant, based on resolving the issues identified by MWAC in relation to Governance, effectiveness and capacity to influence packaging design.**

CARRIED

In Brief

- MWAC has resolved to withdraw from the Australian Packaging Covenant. However would reconsider this if the Council's issues with governance, effectiveness and influencing packaging design could be resolved.
- The Covenant has been extended for 1 year, while discussions occur on the next phase.
- Currently the negotiations on the next phase are being held between Federal/State Government and industry, Local Government is not part of this process.
- The next phase of the Covenant offers an opportunity to resolve the issues MWAC has with the Covenant.

Relevance to Strategic / Business Plan:

- Key Results Area: MEMBER ENGAGEMENT AND SERVICES.
 - Strategy: 3.2 Facilitate Local Government engagement in Product Stewardship Schemes.
 - KPI 7: Success of engagement activities in relation to Product Stewardship Schemes

Policy Implications: N/A

Budgetary Implications: N/A

Actions/Advocacy Activity

- MWAC members to consider what outcomes they would like from a future Packaging Covenant.

Background

On 26 February, Commonwealth, State and Territory Environment Ministers met to progress key environment issues of national significance. One of the items on the agenda was packaging waste and the role of the Australian Packaging Covenant. There was an agreement to extend the existing Australian Packaging Covenant for 12 months, while various approaches are investigated. The Commonwealth, State Governments and industry are now developing the next phase of the Covenant.

Comment

MWAC has previously agreed to withdraw from the Covenant, based on concerns regarding governance, effectiveness and ability to influence packaging design. Currently Local Government is not part of the negotiations between the Commonwealth, State Governments and industry on the future of the Covenant. This issue has been raised at ALGA and is being progressed but there is no guarantee of Local Governments direct involvement in the negotiations on the next phase of the Covenant.

The Covenant secretariat has developed a Review of the Covenant, which includes a number of recommendations relating to how the Covenant is run. The Executive Officer will outline some of these recommendations at the meeting, as the Review is considered to be confidential.

An opportunity exists to influence the direction of the future Covenant. However, to develop a position will require consultation with the sector and further work. This item is seeking MWAC's endorsement to progress a position on a future Covenant. It should be noted that Local Government may have a limited direct capacity to influence the outcome of the Covenant development.

Discussion at the Municipal Waste Advisory Council Meeting

Members clarified that MWAC would attempt to resolve the issues identified with the current Covenant during the negotiations on the next phase of the Covenant. If the issues are not satisfactorily resolved, MWAC will withdraw.

4.3 TV and Computer Product Stewardship Scheme

MUNICIPAL WASTE ADVISORY COUNCIL MOTION (CR RE/ CR MUNN)

That the Municipal Waste Advisory Council write to WALGA Preferred Suppliers who are liable parties under the TV and Computer Product Stewardship Scheme encouraging them to support an increase in targets for the Scheme.

CARRIED

In Brief

- MWAC has successfully advocated for funding to assist Local Governments and Regional Councils to continue to recycle TVs and Computers.
- The operational review of the TV and Computer Product Stewardship Scheme is continuing and an increase in the targets is anticipated.
- Additional advocacy is needed to ensure that the Scheme is supported by the importers of TVs and Computers, MWAC can achieve this by engaging with the WALGA Preferred Suppliers for these products.

Relevance to Strategic / Business Plan:

- Key Results Area: MEMBER ENGAGEMENT AND SERVICES
 - Strategy: 3.2 Facilitate Local Government engagement in Product Stewardship Schemes.
 - KPI 6: Use of Local Government collective bargaining power in relation to purchasing/negotiation.

Policy Implications: N/A

Budgetary Implications: N/A

Actions/Advocacy Activity

- Members to consider what opportunities there are within their Local Government to influence TV and Computer importers.

Background

In late 2014, MWAC approached the Waste Authority and requested assistance for the Local Governments that were experiencing financial pressures as a result of the termination or reduction of contracts with Product Stewardship Arrangements. A response from the Waste Authority has now been received indicating they will be providing funding to the Local Governments/Regional Councils whose contracts were terminated or reduced.

The funding is retrospective and \$400,000 has been allocated to help support Local Governments in covering the costs associated with TV and Computer recycling. This funding is available until June 2016, to complement the National Scheme. Guidelines on Phase II of the WATEP will be available from the Waste Authority website soon.

Comment

At a Federal level, there is yet to be any announcement on the outcome of the Operational Review. WALGA had a positive meeting with the Federal Environment Ministers advisor and will provide additional information at the meeting on the timeframe for the Review.

The recommendation focuses on additional advocacy activities to support the implementation of the TV and Computer Product Stewardship Scheme.

Discussion at the Municipal Waste Advisory Council Meeting

MWAC discussed that WALGA preferred suppliers should ideally support the Scheme targets and that there is the potential for the tender process to be reviewed to recognize this. Members agreed that any adjustment of the tender process to specify that agreement with Scheme targets must be appropriate, potentially as part of the selection criteria.

The Executive Officer will follow up with the Minister's office to enquire when the funding for Local Governments will be available.

4.4 MWAC Strategic Plan

MUNICIPAL WASTE ADVISORY COUNCIL MOTION (CR SHORT/ CR GRAHAM)

That the Municipal Waste Advisory Council agree to the proposed review process and timeline for the development of the next MWAC Strategic Plan.

CARRIED

In Brief

- The MWAC Strategic plan concludes this year.
- The aim of this item is to seek agreement on the process and timeline for the Strategic Plan.

Relevance to Strategic / Business Plan: Review Timeline for the Strategic Plan

Policy Implications: N/A

Budgetary Implications: N/A

Actions/Advocacy Activity

- Consider what changes are needed to the MWAC Strategic Plan.

Background

The MWAC Strategic Plan runs from 2012 – 2015, therefore it is necessary to begin the process of developing the next MWAC Strategic Plan to ensure that it is agreed before the current plan ceases. This item proposes the approach to the review of the Strategic Plan and the development of the new Plan.

Comment

The following are the proposed steps in the review of the Strategic Plan. The first step is to consider what changes there have been to the environment in which MWAC operates and to look at general achievements against the current Strategic Plan. Following that process, a new draft Plan will be developed.

Completed by	Action
June MWAC meeting	Review the operating environment of the MWAC Strategic Plan, including both internal WALGA reforms and external changes.
June MWAC meeting	Present Report on achievement of Strategic Plan to date – against KPI's.
August	Draft Strategic Plan for discussion with stakeholders – including internal WALGA consultation and Metropolitan Regional Council Working Group.
August OAG meeting	Workshop Draft MWAC Strategic Plan.
August MWAC meeting	Workshop Draft MWAC Strategic Plan.
October/November MWAC meeting	Final MWAC Strategic Plan presented for decision.

Discussion at the Municipal Waste Advisory Council Meeting

Members discussed whether MWAC should wait until the WALGA review is finalized before completing the MWAC Strategic Plan. No substantial impact to MWAC's structure is expected from review of WALGA governance.

5 DISCUSSION ITEMS

5.1 Presentation – Household Hazardous Waste Survey

MWAC commissioned a survey of the public on behaviour relating to Household Hazardous Waste. The MWAC Program Coordinator provided an overview of the results from the Survey.

Discussion at the Municipal Waste Advisory Council Meeting

A short report of results from the survey will be circulated. It was further agreed the MWAC should write to the Water Corporation highlighting the range of chemicals that are disposed of down drains/sinks.

5.2 Bin Tagging Update

In Brief

- The Bin Tagging Pilot is nearing completion, this item is an opportunity to discuss the outcomes of the Pilot to date and ask any questions about the Program.

Background

The trial bin tagging program is nearing completion in Kwinana, Joondalup and Cambridge. The initial results of this trial are positive. Recycling behavior has clearly improved over the two month period, in areas where feedback on performance was provided directly to residents. Many lessons have been learnt during this trial, these will be captured in a report for the Waste Authority.

Table 1 shows the initial results from City of Joondalup. This is the most complete data set currently, as due to inclement weather and public holidays bin tagging has been slightly delayed for Cambridge and Kwinana. From the results to date, the trial has been successful. A full report will be provided to OAG/MWAC in June.

	Weeks – total number of households				Weeks – Percentages			
	1	2	3	4	1	2	3	4
WASTE BIN								
Recycling in waste bin	712	742	577	292	62.4%	55.0%	43.9%	27.7%
No bin	117	98	127	160	10.3%	7.3%	9.7%	12.2%
Total Contamination	850	919	767	373				
RECYCLING BIN								
No contamination	597	745	837	829	52.3%	55.2%	63.7%	78.5%
No bin	168	150	187	226	14.7%	11.1%	14.2%	21.4%
Recycling in bags	119	72	108	38	10.4%	5.3%	8.2%	3.6%
Total contamination	617	586	483	213				
Total Households	1141	1350	1313	1056				

Table 1: Statistics from Joondalup

Discussion at the Municipal Waste Advisory Council Meeting

An update on the current status of the City of Bunbury third bin project was requested. It was noted Broome have RFID tagged all their bins so are able to identify a range of things relating the waste collected.

6 INFORMATION ITEMS

6.1 Update – Waste into Planning Project***

- An item will go to the next WALGA State Council (**attached pg. 1**) on the Planning Project MWAC has been undertaking to better incorporate waste management into the planning system. The item provides an update to State Council on the progress of the project and will be included in the MWAC Agenda.

6.2 Emission Reduction Fund - Source Separated Organics

- The Federal Department of Environment has progressed the Emissions Reduction Fund method on avoiding landfill emissions through source-separation of organic waste.
- The latest discussion paper, focused on baseline settings and the calculations used in baseline and project scenarios. Comments on this paper closed 30 March 2015.
- The WA WMAA Carbon Working Group has been involved in these discussions.

6.3 Emission Reduction Fund – Safeguard Mechanism

- The Australian Government has released a consultation paper on the design options for the Emissions Reduction Fund safeguard mechanism. The Safeguard Mechanism will apply to facilities emitting over 100,000 tonnes of CO₂-e. Although waste will be covered, given the threshold it is unlikely that any Local Government landfills in WA will be affected.
- The Paper is available from <http://www.environment.gov.au/climate-change/emissions-reduction-fund/about/safeguard-mechanism> Comments are due by 27 April 2015.

6.4 Waste Authority Communication Guidelines

- Waste Authority Communication Guidelines are being developed and tested with a small group of Local Government/ Regional Council officers. These Guidelines are based on the UK WRAP Guidelines with some specific local examples.
- It is anticipated these Guidelines will be released in the near future.

6.5 Household Hazardous Waste Program – current and next

- The Department of Environment Regulation (DER) has indicated that the current HHW Program will be extended by 1 year, with a budget of \$2.6M. The next phase of the Program will be developed during that time, with the aim of a new Program design by September 2015.
- The DER commissioned a review of the HHW Program and the outcomes of this review will be available from the Waste Authority website. Once released, further engagement with the sector will be undertaken to identify future needs for the HHW Program.
- A new training packaging is being developed for the HHW Program, which focuses on material which is more Program specific, rather than a general dangerous good course.
- At the MWAC meeting, a short presentation will be given on the outcomes of the HHW Survey.

6.6 C&D Workshop

- Concerns have been raised regarding lack of markets for recycled C&D material, one potential use for fit for purpose products from these sources is in Local Government roads, pavements etc.

- As part of the Strategic Partnership Project with the Waste Authority, MWAC will be engaging with Local Governments to encourage the use of recycled C&D material. Initially the Local Governments with the biggest road networks will be approached – Wanneroo, Swan, Stirling, Joondalup and Rockingham.
- The WALGA Preferred Suppliers for C&D will meet with these Local Governments to discuss issues/opportunities for the use of recycled C&D material.
- WALGA will also be writing to the Transport Minister to highlight the opportunity for Main Roads to use recycled C&D material.

6.7 Officer Vacancy

- Shelley Cocks, Town of East Fremantle, has tendered her resignation to MWAC. Advertisements have been circulated for a replacement.

7 REPORTS

7.1 Regional Delegates Report

1. Chairs Report

No report

2. Country Reports

- Given the formalization of the Affiliation of the Shires of Dandaragan, Gingin and Chittering being still in consultation stages, any Regional Waste Development, along with other sharing of resources and assisting in Benefits to the Region, such as the recent Coastal considerations with Dandaragan and Gingin working together, is still to be determined.
- The Dandaragan Locality and Badgingarra Locality waste sites contractor, Ex Councilor (1997-2001) Mr Keith Hammond recently passed away unexpectedly. I would like to take this opportunity to acknowledge the conscientious contribution Keith made to a very effective Recycling and Waste Management effort for the Shire of Dandaragan. Executive Manager of Infrastructure Garrick Yandle is organising a temporary situation and will call for tenders for a new contract as soon as possible.

3. Bunbury Harvey Regional Council (BHRC)

- Latest results from the City of Bunbury 2014 recycling results show an increase to 60% diversion from landfill, pre third bin results were 25% recycling.
- An amended rehabilitation plan has been submitted to the DER for approval, the amended plan consists of a synthetic capping instead of the clay capping proposed in the initial plan.
- Nine additional groundwater monitoring bores are to be installed as part of expanded groundwater investigation plan and for future landfill expansion purposes.
- An alternative site to be found for the Banksia Road compost facility since the sale of the site by the Shire of Dardanup. Stanley Road Waste Facility to be explored as an option for the compost facility.
- Conducting a trial on skip bin waste separation to determine the feasibility of a permanent skip bin waste recycling operation.

4. Eastern Metropolitan Regional Council (EMRC)

Hazelmere

- Environmental approval for a wood waste to energy plant at the EMRC's Hazelmere site is still being progressed.
- Haas fixed grinder repaired and re-commissioned on producing wood chip and wood chip fines.
- Hammel slow speed shredder now being used to process mattresses on site.
- Design of the building for the C&I waste separation plant is complete and tenders will be called in coming months.

Red Hill

- The next landfill cell -stage 15 - works are continuing with completion scheduled for June.
- Clearing permit for the following stage being progressed.
- Annual planting and cell rehabilitation works in preparation.
- Crushing and screening of ferricrete campaign underway.

- ISO 14001 certification for Red Hill planned for 2015.
- Preparations for the tender process for the AWT facility at Red Hill continuing.
- A forced aeration leachate fan to be commissioned in April/May to help manage leachate volumes on site.
- Longer term leachate treatment options still being evaluated.
- Tender for crushing and screening of lateritic caprock issued today.

Other

- Earthcarers training course to be held in May.
- New Waste & Recycle guides for 2015/2016 ready for printing for member Councils.

5. City of Greater Geraldton (CoGG)

- The City of Greater Geraldton has signed a 7 year waste collection contract for multiple Local Governments. The WALGA Preferred Supplier panel was used.

6. Mindarie Regional Council (MRC)

- The MRC is actively working with the member councils to encourage them to look for and participate in regional waste solutions. A report has been produced by the MRC in consultation with Hyder, looking at the Waste Processing Infrastructure requirements for the region and the optimum locations for the infrastructure. This report has been endorsed by Council and the MRC is now looking to have member councils engage with it.
- The MRC is currently investigating green waste and mattress solutions on behalf of member councils
- Two MRC member councils, City of Joondalup and Town of Cambridge took part in the trial WALGA Bin Tagging program looking to improve recycling rates and reduce contamination in bins. Early results have indicated positive outcomes.
- City of Stirling will be changing their residential waste collection system in July 2015 to 3-bins and an on demand skip bin for bulk collections.
- E-waste recycling services have been maintained throughout the region due to MRC's regional service contract with InfoActive.
- The MRC has developed its new Business Continuity Plan.

Tamala Park

- The clay lining for Stage 2 Phase 3 of the Tamala Park landfill has now been installed to the level required to now permit future installation of a synthetic liner. This level will enable another 12 months' operations before the synthetic liner will need to be installed.
- Continued trialing of a GPS system fitted to compactors to monitor tip face activity including vehicle movement and compaction rates. It is hoped results will improve operational efficiencies.
- A conceptual site model has been developed for the landfill to provide critical information on the movement of leachates (mainly water and gas). This will assist in the management of these and assist in addressing any identified issues.
- A spike in tip face fires has been recorded in the last 12 months and is being attributed to higher volumes of NiCd and Li batteries, in particular those in-situ (i.e. in remote controls, toys, e-tablets). A comprehensive education campaign is being looked at to raise community awareness of the issue.
- A series of short segments promoting the Tamala Park Recycling Centre is being screened during April/May on the WA Weekender (Channel 7) program.
- An Open Day being held at Tamala Park on April 18th

Resource Recovery facility (RRF)

- The Resource Recovery Facility (RRF) in Neerabup continues to operate well in its role of diverting waste from landfill. The composters have experienced structural cracking dating back to 2009 and are to be replaced in July 2015 resulting in the closure of the facility for about three months.
- A trial to recover potential road base material from the coarse heavy residue has been undertaken
- The MRC is looking to run a campaign to discourage residents from placing glass into their green top bin, in an effort to reduce the glass contamination in the RRF produced compost to improve its quality and as a result its marketability and usage in general.

7. Rivers Regional Council (RRC)

- The preferred tenderer, Phoenix Energy, is working towards completing all phases of the project to satisfy RRC and execute the contract.
- Phoenix attended meeting with the Appeals Convenor of EPA 13 April. They indicated there are no problems, no issues that would prevent the project from proceeding on appeal.

- This decision will be submitted to Minister next week, they have 2 weeks to consult with major decision making authorities before Approval can be issued.
 - Progress to date:
 - Phase 1 – Basic Engineering completed
 - Phase 2 – Detailed Engineering – end May/early June
 - Construction and engineering contractors have been selected, contracts being established.
 - Financials – Ernst & Young are managing the debt and equity raising process.
 - Finalising term sheets
 - Due diligence being undertaken by selected financial institutions
 - All aspects of project are on schedule.
 - RRC is very pleased to have the commitment of the City of Canning to participate in this contract.
 - RRC is pleased that they have been able to maintain contracts for e-waste collection and recycling with Sims E-Recycling, an amendment to the contracts will see Council paying \$200 per tonne
- 8. Southern Metropolitan Regional Council (SMRC)**
- SMRC has been issued an amendment to its operating license and now able to process at full capacity
 - A new Regional Strategic Plan is being prepared
 - Developing an ISO Occupational Health and Safety specification
 - Received an LGIS Safety Ward and a Worksafe Gold Safety award
- 9. Western Metropolitan Regional Council (WMRC)**
- Western Earthcarers have been very active, organising a Less Is More Festival with over 800 participants, a Plastic Free Summer Festival and have received a Lottery West grant
 - The AWT plant is still in commissioning phase.
- 10. Forum of Regional Councils (FoRC)**
- No report

7.2 Working Groups/Committee Reports

1. Metropolitan Regional Council Working Group

The Working Group had its inaugural meeting on Thursday 9 April. The Working Group agreed to a minor variation to the Terms of Reference for the Group and agreed that the MWAC Chair should attend the Working Group meetings in an ex-officio capacity. Peter Schneider was appointed Chair of the Group, and Alex Sheridan Deputy Chair. The Working Group is now determining its priorities for action over the coming year.

2. Waste Management Association of Australia (WA)

Representative: MWAC Executive Officer

WMAA met with Minister Jacob on Tuesday 14 April to discuss opportunities to increase the use of C&D materials in road construction.

3. Australian Packaging Covenant (APC)

Delegates/Nominees: MWAC Executive Officer

At the most recent APC meeting the new Data Collection methodology was discussed. From data gathered, it appears that there has been an underestimate of the amount of packaging being imported. The new data collection methodology will address this issue.

4. Electrical, Utilities and Public Administration Training Council – Waste Industry Working Group

Delegates/Nominees: MWAC Executive Officer

The Group has not met since the previous MWAC meeting.

5. Regional Investment Plan Assessment Group

Delegates/Nominees: MWAC Executive Officer, Mr Brendan Doherty, Mr Mark Wong

The Group has not met since the previous MWAC meeting.

6. HHW Program Advisory Committee

Delegates/Nominees: Mr Peter Hoar

The Group has not met since the previous MWAC meeting.

7. State Waste Planning Infrastructure Project

Delegates/Nominees: Mr Brian Callander

The Group has not met since the previous MWAC meeting.

7.3 Correspondence

The Municipal Waste Advisory Council correspondence report from 19 February to 22 April was tabled at the meeting. It was agreed that in future significant correspondence will only be included in the Minutes, rather than printed and circulated at the meeting.

MUNICIPAL WASTE ADVISORY COUNCIL MOTION (CR MITCHELL/ CR MUNN)

That the Municipal Waste Advisory Council correspondence report from 19 April to 22 April 2015 be received.

CARRIED

CORRESPONDENCE IN				
Date	File Ref	From	Subject	Outline of content
8/04/15		2 Ms Shelley Cocks	OAG resignation	Resignation from OAG/MWAC
CORRESPONDENCE OUT				
Date	File Ref	To	Subject	Outline of content
13/04/15	01-006-01-0004MA:AK	3 Ms Shelley Cocks	Acknowledgment for time on OAG	Thanking Shelley for participating at the Officers Advisory Group
13/04/15		4 Local Government metropolitan officers	Call for Officer nominations	Call for nominations for 1 metropolitan Officers Advisory Group Member

8 OTHER GENERAL BUSINESS

8.1 Waste related events

It was requested that upcoming waste related conferences, workshops and forums be provided to MWAC members in the Agenda.

8.2 LGMA WA

There is an opportunity for MWAC to approach LGMA to ensure waste management issues are being tabled. The Executive Officer will clarify WALGA's relationship with LGMA.

8.3 CDS in NSW

Following the NSW Government promise to commence a container deposit scheme, there may be opportunity to approach the WA Premier to regarding a WA scheme. Correspondence will be sent to the Government on this issue.

8.4 Town of Victoria Park balloon ban

The Town of Victoria Park has recently announced a ban on the release of balloons to combat their negative environmental impacts. MWAC agreed to investigate what the Town had put in place and consider options for other Local Governments.

8.5 Waste & Recycle Conference 2015

The 2015 Waste & Recycle Conference will take place 8-11 September. MWAC members were encouraged to attend.

9 NEXT MEETING

The next meeting of the Municipal Waste Advisory Council will be held at WALGA, Boardroom at 4:00pm on Wednesday 24 June 2015.

6.6 Partnership with Disability Services Commission - Change Places Project (06-071-01-0002 EB)

Elle Brundson, Grant Project Officer Planning & Community Development

Moved: Cr Doug Thompson
Seconded: Cr Eileen O'Connell

That State Council notes the partnership between WALGA and the Disability Services Commission to develop Change Place facilities and Community Infrastructure to improve access and inclusion to Community infrastructure to assist people with disabilities.

RESOLUTION 78.4/2015

CARRIED

In Brief

- In 2014 Disability Services Commission (DSC), contracted WALGA to conduct research into Local Governments' adult changing facilities to assist DSC with developing a policy position for adult changing facilities in Western Australia. WALGA's research suggested Local Government needed greater assistance to develop change places.
- Local Governments will be able to apply for funding to support new infrastructure designed to assist people with disability with a total of \$2.75 million in State Government funding.
- WALGA is administering the grant programs in partnership with the Disability Services Commission (DSC) and National Disability Services WA (NDS)

Attachment

Nil.

Relevance to Strategic / Business Plan

- Providing strong representation for Local Government
- Providing effective leadership for Local Government
- Building a positive profile for Local Government
- Enhancing the capacity of Local Government to deliver services

Background

In July 2014 the Disability Services Commission contracted the WA Local Government Association to undertake preliminary research with Local Governments on the current availability of change places and any issues associated with their development and use.

A Change Place is different to a standard toilet in that it includes a height adjustable adult sized change bench, a hoist, sling, sufficient surrounding space and a safe and clean environment for those who require assistance with using a bathroom. Changing Places programs have been successfully implemented in both the UK and Victoria.

WALGA distributed a survey to all Local Governments requesting feedback on current Local Government facilities and the demand for new and upgraded facilities. The feedback was collated and analysed before a confidential report was submitted to the Commission in February 2015.

The research and report was well received by the Disability Services Commission Board.

In January 2015, the Commission approached WALGA to lead two projects with a combined value of \$2.75 million

Change Places project

The first project is to develop a framework to identify locations for change places and to coordinate and administer a grants program to identified Local Governments to install a change place.

A standard accessible toilet is designed for independent use by an individual and does not include the features required by many people who use continence aids or appliances. Adult changing facilities (change places) are an enhanced version of a standard accessible toilet and also include an adult-sized adjustable changing table, ceiling hoist and sufficient circulation space for up to two assistants.

DSC seeks to partner with Local Government and partially fund the development of change places to demonstrate best practice in participation and inclusion for people with disability. WALGA will lead the identification and consultation with Local Government on sites. This will be done in consultation with the Metropolitan Redevelopment Authority as they are putting in changing place at Elizabeth quay and other key redevelopment sites.

This body of work is part of a broader Local Government focus being undertaken by DSC as they prepare for the National Disability Scheme roll out in Western Australia and progress their self-service focus.

The program was officially launched on 21 May 2015.

WALGA and DSC are developing the funding program which will run over the next two financial years. The first step is to identify what Local Governments are currently planning through an expression of interest process. This will assist in the identification of locations to coordinate and administer a grants program of identified Local Governments to install a change place.

An information workshop will be held at WALGA on Wednesday, 17 June.

Community Infrastructure projects

The second project is for WALGA to develop and oversee a devolved grant for community infrastructure projects. The purpose is to improve access and inclusion to community services and facilities so people with disability, families and carers have the opportunity to participate fully in their communities.

The primary outcomes of the grant are:

- To increase and or upgrade the number of communities facilities for people with disability.
- To increase the number of people with disability participating within their communities
- To enhance the capacity of communities to support individuals with disability to participate.

WALGA has advised members of the grants via Local Government News. An information session for the Community Infrastructure grants was held on Tuesday, 26 May. Further information on this grant can be found at on the DSC [website](#). Deadline for grant applications is 10 July

Comment

It is estimated that 20.6 per cent of West Australians have a disability, which equates to one in five. An estimated 12.6 per cent of West Australians are carers for people with disability. By 2026, it is estimated that this will increase to one in four West Australians with a disability.

While the degree and type of disability varies with individual circumstances, people with disability frequently experience barriers to participation in community life. Many cannot use standard accessible toilets and require appropriately equipped facilities to participate within the community.

Access and inclusion is about ensuring that all public services, facilities and information are available to all community members. Local Governments are ideally placed to assist with making their services and facilities accessible to people with disability.

People with disability, their families and carers have the same rights as other people to access services, facilities and information within the community. It is unlawful to discriminate against a person with disability.

The rights of people with disability are protected under the:

Western Australian Disability Services Act 1993 (amended 2004)

- Western Australian Equal Opportunity Act 1984 (amended 1988)
- Commonwealth Disability Discrimination Act (DDA) 1992
- United Nations Convention on the Rights of Persons with a Disability (2007).

The Changing Places project is part of a national advocacy agenda for public toilets with full sized change tables and hoists in major public spaces across Australia. Change places underpins the goals of the National Disability Scheme by removing a considerable barrier to social inclusion and community participation by providing toilet facilities that meet the needs of people with disability, their families and carers.

Change places underpins the goals of the National Disability Scheme by removing a considerable barrier to social inclusion and Community participation by providing toilet facilities that meet the needs of people with disability, their families and carers.

6.7 Review of Local Government Alcohol Management Package (05-031-01-0001 MP)
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Melissa Pexton, Senior Policy Advisor Community

Moved: Cr Doug Thompson
Seconded: Cr Eileen O'Connell

That State Council notes the review of the Local Government Alcohol Management Package.

RESOLUTION 79.4/2015

CARRIED

In Brief

- WALGA has received funding from Drug and Alcohol Office to review the Local Government Alcohol Management Package
- This work continues the long term partnership between WALGA, the Drug and Alcohol Office and the Public Health Advocacy Institute Western Australia (PHAIWA) to develop the capacity of Local Government to better understand and manage alcohol related issues.
- The revised package is planned for completion in December 2015.

Attachment

Nil.

Relevance to Strategic / Business Plan

- Providing strong representation for Local Government
- Enhancing the capacity of Local Government to deliver services

Background

Alcohol is reported as a major drug of concern by the Western Australian community. As planners, policy makers and community leaders, Local Governments can support the creation of environments that promote responsible drinking practices and a safer community.

In line with the Public Health Act (soon to be enacted), many Local Governments have commenced the development of local health plans and are identifying alcohol management as a key issue. This package will be a timely resource to assist in understanding the impacts of alcohol on the business of local government.

The Alcohol Management Project is a long term partnership between WALGA, the Drug and Alcohol Office and the Public Health Advocacy Institute WA. Phase I of this project saw the production of the original Local Government Alcohol Management Package (2007).

The package contains guidance in the form of ideas, tips and tools that promote a 'prevention and risk management approach' to existing local government activities, responsibilities and processes with regards to alcohol. It recognizes that every Local Government authority is different and unique and this is reflected in tools contained within the package.

Phase II focused on the development of the Local Government Town Planning Guideline for Alcohol Outlets (2014). The guideline provides advice on the potential use of town planning instruments and processes to help control and manage alcohol-related development through appropriate strategic planning processes and more specific development mechanisms.

The purpose of this review is to update the existing Local Government Alcohol Management Package (2007). Updates will reflect changes in legislation emerging literature, recent case studies and the removal of the planning component of the resource, which is now contained in the Local Government Town Planning Guideline for Alcohol Outlets. Adopted by State Council September 2013 (Reference 252.4/2013).

Comment

WALGA is continuing its long term partnership with the Drug and Alcohol Office and the Public Health Advocacy Institute WA to undertake a review of the Local Government Alcohol Management Project.

The Association has engaged PHAIWA to undertake the review which will be overseen by Dr Melissa Stoneham, Deputy Director of PHAIWA and Ms Melissa Pexton, Senior Policy Advisor Community, WALGA.

The review of the package will include consultation and workshops with Local Government officers primarily responsible for alcohol management within the Local Government sector. The aim of these workshops will be to gain feedback on areas that need revision within the resource, to access new strategies being trialed in the sector, to generate new case studies and to encourage uptake of the new resource once completed. To maximize resources, workshops will be clustered with the Local Government Town Planning Guideline for Alcohol Outlets where appropriate.

The revised package is planned for completion in December 2015.

6.8 Presentation to Parliamentary Committee – Planning and Development (Development Assessment Panels) Regulations 2011 (05-047-01-0016 VJ)
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Vanessa Jackson, Policy Manager Planning and Improvement

Moved: Cr Chris Mitchell

Seconded: Cr Geoff Amphlett

That State Council note the information presented to the Parliamentary Committee on Uniform Legislation and Statute's Inquiry on the Planning and Development (Development Assessment Panels) Regulations 2011.

RESOLUTION 80.4/2015

CARRIED

In Brief

- On 30 January 2015, the Parliamentary Committee on Uniform Legislation and Statutes Review received the WALGA submission about the operation and efficiency of Development Assessment Panels in WA. This submission was formally endorsed at the March 2015 State Council meeting.
- The Association was invited to present to the Committee on 4 May 2015, to clarify the comments and data in the submission and to answer questions from the Committee members.
- A copy of the evidence presented is attached for State Council's information.

Attachment

Presentation to the Parliamentary Committee on Uniform Legislation and Statutes Review

Relevance to Strategic / Business Plan

- Providing strong representation for Local Government
- Building a positive profile for Local Government

Background

At the March 2015, State Council meeting, the following recommendation was made:

That the interim submission to the Parliamentary Committee on Uniform Legislation and Statute's Inquiry on the Planning and Development (Development Assessment Panels) Regulations 2011 be endorsed (Resolution 3.1/2015).

Comment

Following the receipt of WALGA's submission and thirty-six other submissions, the Committee advised that it would be holding public hearings as part of its inquiry into the Planning and Development (Development Assessment Panels) Regulations 2011. The first hearing took place on 4 May 2015. A further hearing with the Kennedy Street Collective was held on 11 May 2015.

The Parliamentary Committee supplied the Association with thirty nine questions in regards to its submission and posed a series of additional questions to clarify the operation and effectiveness of the panels. A copy of the information presented to the Committee is attached to this report, with the Committee indicating that WALGA might be called upon to give further evidence to assist in the inquiry. The Committee has also been granted an extension of time from Parliament to complete its review, until 8 September 2015.

Presentation to Parliamentary Committee on Uniform Legislation and Statutes Review

Inquiry into Planning and Development (Development Assessment Panels)
Regulations 2011 – 4 April 2015



Thank you for the opportunity for the Association to make a submission on the operation and efficiency of DAPs and for the opportunity to present to the Committee today.

Please note that the submission from the Association was endorsed by State Council on the 4 March 2015 and if the Committee have any specific queries on the content of our submission, happy to clarify any points, comments or suggested improvements to the system.

WALGA would like to note on the record that the Association is disappointed that the Minister for Planning recently announced changes to the DAP regulations. It is frustrating that the regulation amendments prepared by the Department of Planning are being implemented prior to a Parliamentary Committee completing its investigations. The Department of Planning's changes do not address the concerns of Local Government.

One of the primary requests within the Association's submission is that an independent cost benefit analysis of the system be undertaken as a matter of priority, in order to establish whether this process is in fact delivering the intended benefits and to inform where changes are required. The cost benefit analysis should also consider whether good planning outcomes are being achieved by this decision making system.

It should also be noted that the Department of Planning did not consult with WALGA or the Local Government sector on the final regulation amendments to be implemented and they are not based on evidence, rather on anecdotal comments and perceptions of the Department and the development industry.

As a series of questions have been asked by the Committee, WALGA has provided specific answers to the questions that it is able to answer. A significant number of these questions would be more appropriate to discuss with the Department of Planning and State Administrative Tribunal, to seek responses that directly relate to their administration processes and record keeping.

List of questions

Development of DAPs

1. The Committee understands WALGA was a member of the DAP Regulations Working Group and the DAP Fees Working Group and that both working groups gave their support to the Regulations and the Fees.

Yes, a WALGA officer did attend meetings of both the Regulations and Fees 'Working Groups'. However, it must be noted that neither of the groups operated as true working groups.

In the case of the Regulations Working Group, meetings were used by the Department officers to present matters already determined – for example the regulations were presented by the Department of Planning in draft form, and only minor changes, which supported the existing intent, were accepted for inclusion. There was no work-shopping or true consultation undertaken with the stakeholders about the content of the regulations.

In the case of the DAP Fees and Charges Working Group, there were 2 stages. Initially the working group met with the consultants engaged by the Department, Ernst and Young to determine the costs, formula and fees. The consultants delivered a final report with recommendations to the Department but this was never released to working group members or adopted by the Department. The Department subsequently developed a methodology in house, which was presented to working group members as a 'fait accompli'.

Members of the working groups were not asked their formal position on either the Regulations or Fees. Having said that WALGA's representative continually advised the Department of Planning about the flaws and inaccuracies in the assumptions behind the preparation of the DAP Regulations and Fees.

- Please set out any concerns you relayed to the Government during the consideration of these working groups.

WALGA's entire submission to the original DAP's regulations was endorsed at its State Council meeting in February 2010 (copy attached) with specific extracts as follows:-

- Overwhelming opposition to the introduction of Development Assessment Panels in the form proposed in the Discussion Paper. The model is un-informed and at odds with the benefits purported to be delivered. Notwithstanding, Local Government recognises that there are opportunities to improve performance in some areas and contribute to the Minister's planning reform objectives for WA, in line with the COAG agenda. As such, WALGA's submission was composed of 3 Parts: a review of land use planning and the COAG agenda; an evaluation of the proposed DAP model; and recommendations to the Minister on a suite of initiatives that could achieve the State's objectives, including where a revised DAPs model could be effective.
- DAPs in the form proposed are fundamentally flawed and will not achieve the stated benefits. However, the feedback from some Local Governments has indicated that there could be some merit in the establishment of independent panels as proposed in the initial DoP Discussion Paper *Building a Better Planning System*. It was disappointing that the intent expressed in *Building a Better Planning System* was markedly different to the proposed DAP model in the Discussion Paper. It was unclear how or why the model morphed from the initial proposal and on what authority.
- The *Building a Better Planning System* discussion paper introduced the notion of DAPs for WA as follows: *"In cases of major projects that are likely to face significant approval delays and may be highly contentious, and in cases where major projects are proposed but there is limited Local Government technical capacity to undertake an appropriate level of assessment, Development Assessment Panels are being considered, as have been established in other States. Development Assessment Panels would include elected representatives as well as independent experts."*
- There has been a significant shift of intent from what was proposed in *Building a Better Planning System* and the current model. In particular, the criteria for referral and determination of DAs by panels extends far beyond Local Governments that have limited technical capacity to undertake assessment of major projects and the use of panels is not limited to major projects.
- As general support for the principle of DAPs for major projects was given, it was very disappointing to have a further Discussion Paper released by DoP, with an extremely inflexible and short timeline for public consultation, which took a completely different approach. The Discussion Paper and the introduced Bill, imply DAPs are a fait accompli, and that the State Government were paying lip service to true community consultation on this matter.

- In summary, WALGA advised the State that the DoP Discussion Paper was misguided and inaccurate. The proposal has little to commend it and will result in less timely and more expensive decision making. **The State Government was advised that if it enacted legislation to implement panels as proposed it cannot claim that it has not been strongly advised by Local Government that the promises made to improve the system will not be borne out.**
- In short, the DAP model displayed little understanding of the current development approval process (as evidenced by the inaccuracies in the discussion paper and the oversight of such basic realities as delegation arrangements and the small role played by dual approvals) and as a consequence, the improvements touted would not simply fail to occur but rather the proposed DAPs would result in negative outcomes including greater delays and additional costs that will be borne by applicants. State Government resources would be better directed towards addressing the key priorities of the development industry such as integrated land and infrastructure planning, improved coordination of approvals across government, improved environmental approval processes and development of regional water and drainage management plans.
- Did these include any of the points and conclusions that are set out in your submission to this inquiry arising from the surveys conducted by WALGA? For example, did you have any concerns that the level of the current opt-in and mandatory thresholds might attract a preponderance of applications of a local, residential nature and not those of regional or state significance?

Yes, WALGA's submission on the original DAP's regulations, which was endorsed at its State Council meeting on in February 2010, had the following relevant comments: -

- The proposed DAP criteria are too all-encompassing, the thresholds are too low and will result in minor matters being referred to DAPs and they do not give regard to land use and associated impacts on the community. The nomination of a monetary figure is not an accurate measure of significance or complexity of a development approval or its impact on the surrounding locality.
- The proposed criteria will result in a negative outcome ie thousands of DAs currently determined under delegated authority will take longer and cost more to process due to them now having to be determined by a DAP.
- WALGA also provided a spreadsheet of application and determination data from a random sample of Councils that demonstrated this point.

Questions on submission

2. Can the Committee be provided with a copy of WALGA's best practice delegation guidelines, as referred to on page 15 of its submission?

Yes – hard copies will be provided for the committee and an electronic copy will be emailed after this presentation.

What relevance do you see these guidelines as having to DAPs?

In the initial stages of the development of the DAP system and following several discussions about the perceived lack of delegation of decision making to officers and poor performance of local government, WALGA provided a snapshot of actual data from a sample of local governments, to show the exact nature of the processing times. See table below.

Local Government	Applications received	Average weeks for approval	Through Electronic lodgement
City of Swan	985	3 weeks	10 days
City of Stirling	3147	1 week	1 week
Town of Mosman Park	131	3 weeks	N/A

City of Wanneroo	5529	3 weeks	10 days
City of Subiaco	346	5.5 weeks	N/A
Town of Vincent	650	1 week	N/A

Source : WALGA survey in 2009

WALGA's submission on DAPs also made the following comment with regard to the number of applications considered by officers or full Council - *In the last five years, of the 32,681 total DAs lodged with 7 metropolitan Local Governments, 30,630 or 93.7% were determined under delegated authority.*

Notwithstanding the already high level of planning delegations, the new Planning Delegation Guidelines provide further advice to Councils in the setting of delegation arrangements. They provide guidance to Local Governments on decisions about strategic policy, which matters should be determined by the elected Council and which should be determined by officers, in accordance with endorsed policies. This ensures that elected members are involved in decision making on matters that are either not considered under existing scheme or policy provisions, or that require the use of substantial discretion. This ensures that staff determine the majority of planning applications while Council considers the more strategically important or controversial applications.

This document will now guide Local Governments in the annual review of their delegation arrangements, ensuring Elected Members and officer's time is used efficiently in the development assessment process.

The Guide also provides the Department of Planning with a clear outline of how delegation arrangements are prepared, as the initial discussion papers on DAPs did not clearly understand the Local Government delegation process. Copies of the Delegation Guide have been provided to the Department of Planning to meet one of the objectives in the State's planning reform agenda.

3. Do you have any suggestions as to what independent organization should conduct the cost/benefit analysis of the DAP system recommended in the submission?

The Association suggests that the WA Economic Regulation Authority (ERA) would be best placed to conduct a cost/benefit analysis of the DAP system. One of the ERA's functions is to 'conduct independent inquiries on important economic issues'. This has included inquiries based on costs/benefit analysis, such as:

- Inquiry into the Benefits and Costs Associated with the Provision of Shared Corporate Services in the Public Sector (2011)
- Inquiry into State Underground Power Program Cost Benefit Study (2011)

An ERA inquiry into the DAP system would include extensive consultation, providing stakeholders and the general public with an opportunity to present their views and inform the inquiry. The conduct of the inquiry would also be a transparent process, particularly since it would require the inquiry's final report to be tabled in Parliament.

If the ERA is unable to undertake the review due its large workload of reviews already underway, then a consultant could be appointed to investigate this issue further, under the guidance of the Parliamentary Committee.

4. Have you presented the results of your data analysis and survey to the Department of Planning?
If so, what has been their feedback?

Not at this stage as it is understood that information and submissions to the Parliamentary Committee are confidential and can only be released with the approval of the Committee.

Further, WALGA was advised by the Department in 2013 that its review had been completed.

5. In WALGA's submission it is stated that the results of the survey indicate that a significant portion of DAP resources are going towards determining residential development applications of little state or regional significance but of considerable local significance. It also states, on page 9, that many survey respondents identified that the use of a monetary figure to determine state significance is rudimentary. WALGA then recommends consideration be given to the New South Wales system of 'calling in' an application and that the threshold be raised to \$30 million.
- Can WALGA suggest a definition of what constitutes 'regional or state significance' and what specific changes could be made to the DAP Regulations to ensure only developments that can be characterised in this way are considered by DAPs?

The Association suggests that a system similar to that in practice in NSW is considered in order to ensure that DAPs process only state or regionally significant development applications (as outlined in the 'Guideline on 'call-in' of State significant development' from the NSW Government Department of Planning & Infrastructure). When considering the state of regional planning significance of a development applications in NSW, the following indicators of significance are used:

1. Whether the proposal is of regional or state importance because it is in an identified strategic location, or is critical in advancing the nominated strategic direction or achieving a nominated strategic outcome, contained in a relevant state policy, plan or strategy, or regional or sub-regional strategy
2. Whether the proposal delivers major public benefits such as large-scale essential transport, utility infrastructure, or social services to the community
3. Whether the proposal is likely to have significant environmental, social or economic impacts or benefits, be of a significant hazardous or environmentally polluting nature, or is located in or in close proximity to areas or locations that have state or regional environmental archaeological or cultural heritage significance
4. Whether the proposal is of significant economic benefit to the region, the state or the national economy, such as those with high levels of financial investment and continuing or long term employment generation
5. Whether the proposal is geographically broad in scale, including whether it crosses over multiple council and other jurisdiction boundaries, or impacts a wide area beyond one local government area
6. Whether the proposal is complex, unique, or multi-faceted and requires specialist expertise or state coordinated assessment including where councils require or request state assistance.

Details on the NSW state significant call in system can be obtained via the following link.
(<http://www.planning.nsw.gov.au>)

6. The Committee also notes that on page 2 of the document 'Implementing Development Assessment Panels in Western Australia, Policy Statement, April 2010' it states 'some applications with a lower development value are complex and may raise issues of particular state, regional or local significance that are appropriate for consideration by a development assessment panel.' 'Local significance' is also mentioned on page 1 of the Explanatory Memorandum to the Approval and Related Reforms (No.4) (Planning) Bill 2009.
- Given the number of references in WALGA's submission to 'regional or state significance', is it WALGA's position that there was a shift in policy subsequent to this policy statement and the release of the Explanatory Memorandum to only focus on developments of regional or state significance or is WALGA just saying that the focus of DAPs should be on applications of 'regional or state significance'?

It is WALGA's view that DAPs should substantially focus on matters of state or regional significance – however if a lower value development is particularly complex, impacts surrounding Local Governments or raises issues of state or regional significance the State should have a call-in power and the receiving local government a referral power.

There was a shift in focus from the original Department of Planning Discussion Paper *Building a Better Planning System* during the preparation of the Bill, away from implementation of a DAP's system that focused on state and regional matters and assisted Local Governments without the technical expertise to consider complex development applications. The change occurred with no apparent rationale or consultation with the Local Government sector.

WALGA's view is that the substantive focus of DAPs should be on applications of 'regional or state significance' as per the original intention of the proposal in 2009.

7. Please expand upon your recommendation No.6 on page 5 of your submission:

That a system be introduced to temporarily remove the planning powers of a Council due to ongoing poor performance and DAPs be utilised to process development applications that cannot be dealt with under delegated authority during the suspension period.

Is there no existing power for this to be undertaken and do you have any examples you can refer to where this has occurred?

There are two existing heads of power within the planning system for this to occur.

Firstly, the WAPC can withdraw its delegation arrangements to a local government, ie local governments are 'delegated' the WAPCs development control and approval functions under a Region Scheme or through the WAPC delegation powers under Section 16 of the Planning and Development Act 2005.

Secondly, the Planning and Development Act 2005 includes provision for the Minister for Planning to 'Call in' specific development applications (Sections 246 and 247).

It should also be noted that in 2009, there was an amendment to the Planning and Development Act to include a head of power for regulations to be made requiring performance reporting by local governments, through the return of development assessment data to the Department. WALGA has recommended that the performance reporting system be introduced for all stakeholders in the development assessment process so that an evidence base showing how all parties to an assessment perform. Where it is demonstrated that a local government is consistently underperforming the State could suspend the decision making powers of the Council for a period of time and refer such matters to a DAP for determination. During the period of suspension the local government should be supported to review its policies and processes to enable performance improvements to be made.

This system would enable underperformance by an individual local government to be addressed without the whole sector being penalised.

In addition, had the head of power for performance reporting been introduced, it would have shown by now that the majority of Local Governments are meeting the statutory timeframes, and that introduction of the DAP's to ensure 'timeliness of decision making' is not a valid premise.

The NSW Government has introduced a framework for implementing early intervention which outlines the process for dealing with dysfunctional councils via the 'Framework for Implementing Early Intervention Orders'. The framework was established because it was identified that the use of a public inquiry as a first step of action was inefficient, ineffective and expensive. The new powers enable the ability to issue a performance order and/or to suspend Councillors for up to 3 months, with the possibility to extend for a further 3 months. This is coupled with other intervention options including informal intervention, such as issuance of advice and support, and formal intervention, such as investigations and public inquiries.

The process is designed to clearly guide decisions making and processes that lead up to the suspension of a council to ensure that, in as many cases as possible, the council has the opportunity to self-reform and improve under guidance of the state. Should this fail, the state reserves the opportunity to suspend the council and appoint a commissioner.

Details on the NSW intervention order process can be accessed via the following link (<https://www.olg.nsw.gov.au/>)

WALGA recommends that the DAP system be an 'opt in' only process, which will encourage Local Government to perform to a consistently high standard as it is in their interest to retain control over decision making for developments in their area. If however, for whatever reason, the Local Government feels it is unable to determine a development application, the option would be there to refer the application to a DAP.

8. Regarding finding No.2 on page 9 of the submission, please give a summary of the comments of those who were of the view that the DAP system is achieving its stated objectives.

The survey asked respondents to indicate which objectives have been achieved by the DAP system by ticking either one or more choices - i.e. transparent, consistent and reliable, or ticking none of the above. Additionally, respondents were provided with the opportunity to provide more detailed comments on the DAP system's achievement of their stated objectives. There were no detailed comments on the view that the DAP system is achieving its stated objectives. The responses to whether DAP has achieved its objectives were as follows:-

- Transparent – 1
- Consistent – 4
- Reliable – 5
- Consistent and reliable – 2
- Transparent and reliable - 1
- Transparent and consistent – 1
- Transparent, consistent and reliable – 3
- None of the above - 36

9. Regarding finding No.8 on page 9 of the submission, which states:

One of the objectives of the DAP system was to provide a balance of independent professional advice and Local Government representation. However, 55% of respondents said there is an imbalance with more independent professionals on a panel than Elected Members, this is seen to create a scenario of poor community representation and an over representation of the interests of the developer

On what basis does WALGA think there is a perception that more independent professionals on a panel than elected members constitutes an over representation of the interests of the developer (given they are described as 'independent professionals')?

Based on the split of 3 technical experts and 2 local government representatives – the numbers do not represent a balance as the technical experts have one member more than the Local Government representation, which can result in the technical members out voting the local government members. For the system to be truly balanced, there should be an equal number of technical experts and local government representatives with the presiding member only required to use a casting vote in the event of a tied vote. It would be more appropriate to establish a larger panel, for example with a 3/3 split and a Presiding member, and the Presiding member only voting when the decision is 50/50, which would be a more balanced outcome.

10. Does WALGA believe there is any inconsistency between what is stated in Regulation 25 and clause 2.1.2 of the DAP Code of Conduct (Regulation 25 referring to local government DAP members being 'representatives of the relevant local government' and clause 2.1.2 of the DAP Code of Conduct stating a local government member 'must exercise independent judgment')?

In answering this question consider a scenario where a DAP may decide not to follow the recommendation in the RAR as well as the views of the local government council?

Yes, there is inconsistency. This has caused much confusion as to the role of the Local Government representatives. Some Local Governments have gone to the extent of obtaining their own legal advice and have been advised that the individual DAP member must obtain their 'Council's' advice prior to participating in a DAP meeting, in order to be representative of the Local Government.

In those local governments, DAP applications are considered at a full council meeting prior to the application being presented to the DAP. Despite requests from WALGA and individual local governments, the regulations are still not clear on whether this is an appropriate response. Currently, there is nothing in the Regulations that prevents a Council from requiring an RAR to be presented to the Council before being submitted to the DAP.

Further, clarity on the role and powers of Local Government members determining DAP applications is required as there remains confusion about whether there is a contradiction between the Local Government Act and the DAPs regulations and Code of Conduct.

11. What proportion of appeals to the State Administrative Tribunal were from DAP decisions that were in accordance with Local Government responsible authority reports?

Whilst this question is more appropriately directed to the DoP and/ or the SAT, the Association notes that the proportion of appeals to SAT that were from DAP decisions that were in accordance with Local Government RAR was 48% or 33 out of 68.

12. Would WALGA consider there are systemic issues with the DAP system based on the number of DAP decisions that have been regarded as controversial in nature, when comparing that to the total number of DAP decisions?

It probably wouldn't matter who the decision maker is in the consideration of 'controversial' applications, as they would usually involve the applicant seeking a variation, or the application being considered as not in alignment with the Council's Local Planning Scheme or policies. It maybe that the concerns raised about the DAP system are more about the lack of community engagement in the process, and less about the number or type of applications being considered. The DAP process doesn't encourage community participation in the development assessment process, through the formalised pre-presentation request process, the irregular meeting schedules and locations, as well as the timeframes on the entire process.

The Planning Institute of Australia (PIA) consider that there are several core elements of good planning, which requires high quality, transparent and efficient planning practices and systems. To achieve the outcomes that advance the public interest PIA considers that the first core element is to provide: -

*Opportunities for the **community** and key stakeholders to actively contribute to the planning process in a manner that is effective, inclusive, respectful of community values and genuine; (emphasis added)* <http://www.planning.org.au>

An example where a DAP decision has not acknowledged the significant community involvement in their local planning occurred in application DP/14/00212 within the Town of Cambridge. An application for a multiple dwelling was approved that was not in accordance with a number of strategic level documents that were developed and adopted by the Local Government, in close consultation with the community. These strategic documents include the West Leederville Planning and Urban Design Study, the West Leederville Activity Centre Plan and Local Planning Policy 6.5: Precinct P5 – West Leederville.

The proposal was located in an area designated to be medium density and the DAP ultimately permitted a building that, after 9 months of mediation, was still recommended by the Town for refusal because it did not comply with the Town's adopted strategic framework. The variations ultimately permitted by the DAP include:

- Exceeding the maximum allowable bonus plot ratio. The Local Government considered that it was not consistent with existing or future desired built form of the locality and has not adequately reduced the impact of its additional bulk and height on the adjacent residential community.
- Exceeding building height limit. The proposal failed to achieve plot ratio bonuses applicable to justify the six storey height creating an adverse impact on the amenity of adjoining residential properties.

The Local Government considered that the proposal failed to meet the statement of intent in Local Planning Policy 6.5 for development in the area and did not contribute to improvement of the area through the provision of laneway connections, public open space, enhanced pedestrian movements and/or shared parking facilities.

These variations would not have been accepted by the Council under the various strategic planning documents that were prepared to guide development in the West Leederville precinct. The West Leederville Activity Centre Plan and associated policy were prepared through extensive community input and consultation and is an endorsed guide to strategic planning decision making, adopted by the Local Government. In this example, the master planning completed and policy guidance has been over-ridden by the Metro West JDAP and a development has been approved which will have an adverse impact on the adjoining residential community.

The full agenda and minutes can be obtained at <http://daps.planning.wa.gov.au/5903.asp> by downloading the minutes and agenda dated 12 November 2014.

This one example clearly highlights the growing community disillusionment with the DAP process and the incredible disregard that the 'technical experts' showed to the strategic planning documents that were prepared with the local community. Within the consideration of this application, one DAP member even questioned the content of the Local Government policies, which is clearly not the role of DAP members.

Preparation of these significant documents inevitably also includes the involvement of the Department of Planning, which makes these type of DAP decisions even more curious to override State endorsed master planning. It is exasperating for Local Governments to prepare strategic documents in consultation with its community to guide the future development of an area, and in line with good planning practice as recommended by PIA, to then have these documents disregarded.

13. On page 23 of the submission it states the State Administrative Tribunal stated in their annual report that the processing of appealed DAP applications is taking up 11% of the Development and Resources Stream, citing a total of 42 appeals since the DAP system commenced. On pages 18 and 23 of the submission it is stated that 68 appeals were lodged with State Administrative Tribunal for the three year period since DAPs commenced.

- Please identify which State Administrative Tribunal Annual Report the submission is referring to and what passages;

Please refer to the State Administrative Tribunal Annual Report 2013 – 2014 on page 11 paragraph 3. The report indicates that 11% of their workload has been processing DAP application appeals. Further, the report states that the number of development review applications involving decision of Development Assessment Panels that were finalised increased from 12 (5%) to 30 (11%) in comparison to the previous reporting year. Also see Appendix two, page 29 for more details on the No. of DAP decision appeals each year.

- Is there any discrepancy between the 42 and 68 figures?

The discrepancy is likely to be due to the way that the Association counted decisions that were appealed to SAT. When a DAP decision is appealed to SAT the DAP members are notified during the following meeting, and this information is included in the minutes. The SAT annual report states that their figure for DAP decision appeals include only those that were 'finalised'. A SAT appeal may have been withdrawn after it was listed in the minutes of the following DAP meeting, and therefore, not included in the SAT's list of finalised DAP appeals. It is not currently known what proportion of DAP decision appeals were withdrawn. The annual report can be accessed via the following link (<http://www.sat.justice.wa.gov.au>)

It would be more appropriate for the Committee to check these numbers with SAT who can advise on the number of applications lodged for appeal as well as those 'finalised'.

- Is there any evidence to suggest:
 - a) that the upward trend from 9 appeals in year one, 28 appeals in year two and 31 in year three may be down to increased development activity?
 - b) the upward trend may continue for year four or reverse (the Committee noting the smaller increase from year two to year three)?

Difficult to determine what the trend has resulted from, a survey of the developers appealing to SAT would be the only way to determine whether there is any trend occurring and provide reasons for appealing to SAT.

- How many appeals were made to the State Administrative Tribunal arising out of Local Government planning decisions in the three years before the introduction of the DAP system?

WALGA does not have access to this information as it is collated by the State Administrative tribunal.

14. Regarding page 21 of the submission, does WALGA have figures to indicate processing times for planning applications considered by Local Government?

As previously mentioned, there is no central collation of Local Government statistics even though the head of power to regulate this has been around since 2009. WALGA is supportive of the collation of statistics on an annual basis as it would clearly show the substantial number of development applications assessed and the significant number of development applications that are processed within the allocated timeframes. It would also show the reasons for applications to be delayed, as a major complaint from the Local Government sector is the delays in receiving timely advice from other referral agencies within the development assessment process. The quality of information contained in applications is a problem too, but Local Governments will endeavour to work with applicants in order to process applications which although provides good services, makes the application process appear to take longer than it is.

15. Regarding the last paragraph on page 13 of the submission, can you give some details of this anecdotal evidence that WALGA suggests that applicants are undertaking efforts to avoid the DAP system by staging developments to avoid the mandatory opt in threshold or by under valuing the cost of a development?

In discussions with our members and within the DAP survey undertaken, there were several mentions that developers were splitting their development proposal into several stages, so one development application being split into three stages, to avoid the DAP's mandatory threshold. This then allows the developer to have the Local Government assess and

determine their applications. As suggested by WALGA, if the whole system became a voluntary opt in process, it would not penalise those developers who have an excellent working relationship with their Local Government, and vice versa.

16. The Committee notes WALGA's evidence that 95% of all DAP decisions have been determined in accordance with the recommendation outlined in the Responsible Authority Report (**RAR**) and that a significant proportion of conditions in RARs have been modified by the DAP. The Department of Planning states in its review dated September 2013 on page 11 that the changing of conditions by DAPs 'demonstrates that a need for improved consistency and greater rigour in condition setting has been found by DAPs.' What is WALGA's perspective on this?

WALGA considers that improvements and greater consistency in the setting of planning conditions is not achieved through DAPs. Word smithing or fine tuning of development conditions was never the edict of DAPs, and there is nothing to suggest that the wording of conditions set by a DAP are of a higher standard than those set by a local government.

Further, there is no system that demonstrates that because DAPs are changing the wording of conditions, greater consistency is being achieved. In fact, there is likely to be no greater consistency in condition setting between the 15 DAPs than there are between the local governments, as each DAP develops its own preferences for wording and the lack of detailed record keeping means there is little explanation that can be shared with others.

This is very evident when alternate members sit on Panels who have different preferences for conditions than the regular member and so puts forward their own personal preferences. Many local governments have adopted a model set of conditions following legal advice, so as to be effective under the provisions of their scheme (very important for schemes that are not aligned to the MST) and changes as a result of DAP word smithing can pose additional problems later in the development process.

It is also important to note that in some cases Local Government conditions are deleted or altered en masse. This can have an impact on a Local Government's ability to manage the construction and operation of new developments because, while Local Government conditions have been refined over time and are often adopted by Council, the DAP altered conditions are determined on the spot and may not be able to meet the test of validity for planning conditions that are:

- Imposed for a planning purpose;
- Fairly and reasonably relate to the development for which permission is given; and
- Be reasonable, that is, be a condition which is reasonable.

At the City of Perth LDAP, the officers experience has been that the wording of conditions have been modified by the DAP on numerous occasions, but it is important to note that it has been rare that the reason for the changes was because of deficient wording by the City of Perth planning staff. In the very large majority of cases (around 90%) it is in response to information presented by applicants at the DAP meetings, where they present details or further information that was not part of the original application submitted to the City. The applicant has then asked for revised details to be incorporated into the conditions for various design/flexibility reasons or some have even asked for additional conditions.

In most cases the DAP has consulted the City on the matter just prior to the meeting and officers have often tabled further amended wording that satisfies the applicant's request but also the City's requirements. On some occasions, the officer has picked up a minor error and asked for a condition to be modified for clarity/accuracy. There have only been a couple of occasions where DAP members changed wording because they think it can be improved, and on many of these occasions, the changes seem to be 'nit-picking' without any material change to the meaning or intent, but rather justifies their presence at the meeting.

WALGA supports improved consistency and rigour in condition setting, however this should be done through a centralised process and based on evidence.

WALGA's State Council has committed to improving Local Governments involvement in planning through development and implementation of a Planning Improvement Program. The goal is to ensure Local Government effort, guidance, processes and regulations are applied where they are effective. Policy and procedure should be proportionate to the issues and facilitate good planning outcomes whilst increasing business efficiency, customer service and community satisfaction.

A variety of projects have already been completed through the Association's Planning Improvement Program, the aforementioned Best Practice Delegations Guide, new Town Planning Guidelines for Alcohol Outlets, as well as model policies for waste management and entry statements. The next projects will investigate best practice models for development conditions and community consultation processes. The development conditions project will be split into three parts, preparing a legally verified top 20 conditions used by Local Government, guidance on the best way to write planning conditions (expanding the information in the DAP manual) and advice on newly developed conditions, as per the recently released waste management conditions.

It would be interesting to check the number of appeals from DAP decisions that related to the wording of conditions particularly when they have been word smithed by the panel, to determine whether DAP decisions are in the same position as Local Government decisions when setting planning conditions.

17. Does WALGA believe that feedback it has received from respondents to its survey that there is not an appropriate balance between technical experts and local representation on DAPs can be reconciled with its evidence that 95% of all DAP decisions have been determined in accordance with the recommendation outlined in the RAR? If so, how and if not, why not?

It shows that the technical experience in Local Government already exists, with only 5% of applications debated, and puts into question why a whole new decision making system has been established for such a small number of items that may only be locally 'contentious'. This is why a cost benefit analysis is required, to clearly outline what value for money the DAP's panel provides, given that the Local Government already has this technical expertise, contrary to the original assumptions by the Department of Planning in setting up the DAP system.

Maybe if DAPs are reformed to only be referred items that a Local Government feels could be assisted by an independent technical panel, similar to the way that design advisory panel works in Local Government, rather than taking over the control of the whole approvals process.

18. What proportion of DAP decisions analysed by WALGA were not unanimous?

WALGA has not undertaken a review of the voting arrangements. As this would require all 520 applications to be reviewed it would take at least a week for compilation. WALGA does not currently have the resources to undertake this additional research. This information should be available from the regulator of the regulations, the Department of Planning.

19. Of that number, please break down the numbers according to:

- decisions in favour of the development application opposed by one or two local government members;
- decisions in favour of the development application opposed by one or more specialist members.

WALGA has not undertaken a review of the voting arrangements. As this would require all 520 applications to be reviewed it would take at least a week for compilation. WALGA does

not currently have the resources to undertake this additional research. This information should be available from the regulator of the regulations, the Department of Planning.

20. What proportion of the 95% of DAP decisions that followed the recommendation in the RAR were regarding recommendations to refuse the development application?

During the first three years of operation, the DAP system processed a total of 520 DAP applications. Out of those 520 (form 1 DAP applications), a total 95.1% or 494 decisions followed the recommendation outlined in the responsible authority report. Of those a total of 30, or 6% were regarding recommendations to refuse the development application and the remaining 94% or 464 were regarding recommendations to approve the development application.

21. Of those how many did the relevant local government council vote on to also oppose?

WALGA has not undertaken a review of the voting arrangements. As this would require all 520 applications to be reviewed it would take at least a week for compilation. This information should be available from the regulator of the regulations, the Department of Planning.

22. What proportion of DAP decisions analysed by WALGA that did not follow the recommendation in the RAR (5%) were voted on and not support by the local government council?

23. Of that number, please break down the numbers according to:

- decisions in favour of the development application opposed by one or two local government members;
- decisions in favour of the development application opposed by one or more specialist members.

In answer to Qu.22 and 23

WALGA has not undertaken a review of the voting arrangements in the minutes, nor the inclusion of Council's support or not with the Minutes or the Agendas. A brief review of several applications indicates that there seems to be no consistent reporting in the minutes or agendas of whether the application was considered by a full council meeting prior to the DAP determination or not, even though the RAR agenda template has a section to complete.

WALGA has not compiled this information and therefore is not able to answer these questions and it would be more appropriate to direct them to the Department of Planning.

24. In its submission WALGA refers to the lack of timeliness associated with the decisions of DAPs.

- Has the data that has been collected on the average number of days taken to process DAP applications been compared to the average number of days taken by local governments to do the same?
- If so, how do they compare?
- If not, how can it be certain DAPs have increased the time needed to process planning applications?

As outlined in Qu.14 there is no central collation of statistics in WA even though the State introduced the head of power in 2009. However as tabled in answer to question 2 shows, Local Government applications are usually determined within 3 weeks which is considerably less than the target of 60 or 90 days for DAPs to determine applications

Third party appeals

25. Some submitters have stated that an appeal right should be extended to persons other than the applicant aggrieved by the determination of an application by a DAP who have a special interest in the outcome. This is on the basis that, unlike before the DAP Regulations were made, the representatives of the Community no longer control the decision-making process (which provided some justification in restricting the right of review to an applicant aggrieved by the Local Government).

- Taking into account this point of view, what is WALGA's position on interested parties having a right of appeal against decisions of DAPs, including local governments and members of the community?

As indicated in its submissions on the Private Members Bill, the *Planning and Development Amendment (Third Party Appeals) Bill 2007*, Local Government does not support the introduction of Third Party Appeal rights within the WA planning system. It is considered that the current strategic and statutory planning process in WA, and consideration of applications by Local Governments, this process already takes into account the views of affected parties and the community generally.

There is no justification for Third Party Appeals legislation and there are significant negative implications for Local Government, industry and the community, Local Government continues to be opposed to the introduction of third party appeal rights in Western Australia. (*State Council resolution: 326.1/2008 – 8 February 2008*).

26. The Committee understands there are few, if any, local planning schemes in Western Australia that grant third party appeal rights against planning decisions and that there were calls for such rights before the introduction of the DAP system.

- Do you believe the absence of third party appeal rights has in any way compromised the position of those who claim they are adversely affected by the planning decisions of Local Governments and DAPs and also resulted in the DAP Regulations operating in an ineffective way?

There are no local planning schemes in WA that have third party appeal rights, the City of Albany was the last Local Government to amend their scheme to align with the current Model Scheme Text in the consolidation of its two operating schemes in 2014, removing third party appeal rights

Rather than introducing 3rd party appeals, the DAP process should create an environment within which broader community views are able to be better considered in the determination process, i.e. access to the meetings and ability to present to the panel.

Planning decisions should be cognisant of all views, factors and considerations including those of affected individuals. The community currently feels shut out of the DAP process and unable to have a say in the process.

Cost recovery

27. The Committee has received evidence that raises concerns about the financial sustainability of the DAP system and the fact full cost recovery is not been applied. Do you believe:

- fees for applications are currently set at a reasonable level; and
- full cost recovery should be applied and if so, why and if not, why not?

This question cannot be answered or even contemplated without a cost/benefit analysis being undertaken. Undertaking a cost benefit analysis to determine what the actual cost is to the community, developer, a Local Government and the Department of Planning should occur before undertaking any fee amendments.

It should also be noted that during the original setting of the DAP's fees and charges, the Department of Planning engaged Ernst and Young to prepare a cost recovery model. WALGA never received a copy of this report, however, it is WALGA's understanding that the report was not well received by the Department as the model recommended would result in significant fees and was uneconomic. The current fee system was created by the Department. WALGA recommends the Committee obtain a copy of the consultants' original report on costs and fee structures and the subsequent rationale for the current fee setting model.

28. Are Local Governments operating at full cost recovery for planning applications on which they are the decision maker? Please provide any details.

No, as the maximum fee that can be charged by a local government is regulated by the State.

The sector has been advocating for over four years that the regulations for local governments' fees and charges must be reviewed as they do not enable Local Governments to achieve full cost recovery. WALGA funded an independent study of local government fees and charges in 2013 demonstrating that the current system is deficient.

This advocacy is ongoing and becoming critical, as the Government has not approved any CPI increase to fees for the last 2 years and has effectively frozen planning fees and charges pending a full review being undertaken. Unfortunately the Department advised WALGA that it does not have the resources to undertake such a review.

Following advocacy by WALGA the ERA are currently undertaking this review; WALGA has supplied the committee with advice on the terms of reference, plus WALGA provided the results of the previously mentioned three month study into the Planning Fees and Charges from a selection of eight Local Governments. A copy of this report is tabled with the State Council resolution.

Timeliness of decision making

29. Do you think that the 'stop the clock' mechanism which has been introduced by the Planning and Development (Development Assessment Panels) Amendment Regulations 2015 (**Amendment Regulations**) to apply in circumstances where an incomplete application is received (with the consent of the applicant) will address WALGA's concerns about the timeliness of decision making? If not, what changes does WALGA recommend be made to address the concerns?

It is one way to achieve better 'numbers' for DAP processing times, but why are 'incomplete applications being lodged? This places undue pressure on the Local Government planning department to hold applications pending further information. It should also be noted that applicants have been submitting new information at DAP meetings without providing a copy to the Local Government, which is inappropriate and delays the process even further. The whole processing system and additional administrative burden on Local Government needs to be considered as part of the cost benefit review.

30. Are you aware of any applications being made to the State Administrative Tribunal for a review by an applicant due to there having been a deemed refusal by a DAP because it has not made a determination within the timelines required by the relevant planning scheme?

WALGA is not aware of any examples, but this should be checked with SAT.

DAP decisions in secret

31. In a submission to the Committee, concerns have been expressed about State Administrative Tribunal processes being undertaken on a confidential basis and decision making being undertaken by DAPs in closed meetings.

- Would the same procedure apply to a Local Government consideration of a development application subsequent to a State Administrative Tribunal mediation – would that council meeting also be closed to the public?
- Does WALGA believe DAP meetings which discuss the outcomes of State Administrative Tribunal mediations should be open to the public?

With respect to the first question, no, the same procedure would not occur. Once the item returns from mediation, the application is considered again at the full Council meeting (or under delegated authority, if applicable), and the Council makes a decision in an open, accountable and public meeting. The only time the meeting would be closed to the public is in the following circumstances: -

- if there was some commercial sensitivity in the application, which usually can be addressed by circulating this information to elected members as a confidential attachment; still allowing the item to be discussed and the debate remains public, but confidentiality is preserved.
- where it was required by the SAT mediation process and it would be issued as part of the orders following mediation. In that circumstance, it is a Tribunal order rather than a local government decision to have the meeting closed.

The DAP meetings should reflect the same governance arrangements as Local Government does in the consideration of any applications that have been returned from SAT meditation.

Reasons for decisions

32. The Committee notes that WALGA's submission as well as other submissions express concerns regarding instances where DAPs have not given reasons for approving applications. This is when these go against the recommendation in the RAR and, especially, the application does not comply with the deemed-to-comply provisions and the exercise of discretion results in a significant variation to the R code for the area.

- What is WALGA's view?

As stated previously, the minutes of DAP meetings should clearly set out all discussions about an item and provide in detail, any rationale for the approval, refusal, or condition setting of a development. This is particularly the case when there is a change from the RAR or when discretion has been applied.

An example is the Red Castle redevelopment in Burswood where the refusal was overturned for the following reason: *'whilst the proposal exceeded the size of development, which the Council was prepared to support, the Specialist members considered the merits of the proposal were insufficiently recognised in the RAR Primary Motions'* (emphasis added).

There is no further detail or explanation of the 'Planning Merit' used to justify the substantial increase in the density, nor any detailed rationale in changing the RAR report from refusal to approval. It would have been appropriate for the members to outline what they thought the 'merits' of the proposal were, to provide good governance and to explain their decision to the local community and the Local Government. WALGA considers that the reason for the approval outlined in the DAP minutes is not an appropriate justification for the approval of a planning application (see Metro Central JDAP 12 December 2013).

- a) Is WALGA aware of any instances where someone attending a DAP meeting, where an RAR recommendation to refuse an application has not been followed and the development approved without reasons being given, has asked the DAP to give reasons for its decision?

WALGA does not attend DAP meetings; several of its members have advised that they are not aware of any occurrences.

Further, how would it be possible for a person to ask such a question? The only people permitted to speak at a DAP meeting are the Panel members. Once a decision is made, the DAP Standing Orders do not seem to enable a Panel member to ask such a question

either, so there is no appropriate Procedural Motion and debate on an item cannot be re-opened once a decision is made.

33. The Committee notes that some local planning schemes state that where an application is refused, the decision making authority is to give reasons for its refusal, but not if it has been approved. Is it WALGA's understanding that this is common in local planning schemes and would it be fair to say that the practice regarding reasons given by DAPs merely reflects established practice by Local Governments?

This is the current wording in the Model Scheme Text; that any decision of refusal needs to be accompanied by a reason for that refusal. WALGA's submission was more concerned with the applications that have been approved after the RAR recommended refusal, and there is no explanation for the change. Within the Local Government process, good governance results in a clear rationale being minuted for any change in the officer's recommendation, not just outlining the reasons for refusal of an application. It is also usually a requirement of submitting an alternate (or an amendment) to an officer recommendation under the relevant Standing Orders/Meeting Procedures, as captured by the individual local government's local law.

In the interests of true 'transparency' of the decision making process, DAP minutes should include clear planning justification for the approval or refusal.

Role of elected Councillors

34. Does WALGA believe the role of elected Councillors on DAPs has been clearly articulated (given they are required to make their own independent decision on the planning merits of an application as well as be representatives of the local government)?

Same question as Qu.9 and 10.

DAP members representing developers on applications

35. The Committee has received evidence from some submitters that DAP members have represented developers in applications before DAPs on which they sit (having been excused on that occasion from sitting on the DAP due to having a conflict of interest). It has been argued this creates negative community perceptions and there should be a blanket ban on them doing so in the area of the DAP they are appointed to. What is WALGA's view on this?

Any changes to the DAP member panel criteria to remove any perceived or real conflicts of interest would be supported.

WALGA is also supportive of the comments in Dennis McLeod's paper *Development Assessment Panels in WA: Developing Land – To Whose Advantage? - A Shift From Community Responsibility*, which assert that the intent of planning legislation in WA was based on the protection of the public and community interests. McLeod's paper maintains that by consistent lobbying of governments and strategic support for political parties, the development industry bodies are progressively bringing the planning system in WA into a form which better suits their interests. The role of Local Government with its focus on community interest is considered to represent an obstacle to the development process. It has been clear to Local Government for some time that community interest and the primacy of Local Planning Schemes are gradually being diminished under the pressure of those with a short term commercial interest.

The State and Local Government have a responsibility to represent the interests of all stakeholders, in balancing development of the built environment with: the natural environment, community needs, cultural values and economic sustainability. Only then can we improve our quality of life and create vibrant, sustainable communities.

It may also be appropriate to consider the establishment of a peer review process of DAP members. Informally from our Local Government members, there have been complaints

about individual members of DAP panels, specifically about their voting patterns. Regardless of the planning outcome, merits of the proposal or impact on local community, a few members have supported planning applications with poor outcomes and are seen to be pro-development at any cost.

A peer review process for DAP members would provide an opportunity for an audit of the DAP members to be undertaken, a quality assurance check via DAP peers, to strengthen the professionalism of DAP members.

Valuing of applications to achieve DAP threshold

36. Some submitters have alleged there may have been instances of applicants providing an estimate of the value of their application in order to achieve a DAP threshold and suggesting that all estimates should be subject to assessment by the relevant Local Government planning office before the application can be decided upon by a DAP. What is WALGA's view on this?

Agree that there could be some estimate over calculations or under-calculations within this process. WALGA would need to survey its members on whether they should be involved in the checking of estimated value, as it could be just another purely administrative function given to the Local Government planning departments.

Informally, members have advised that there is at best limited expertise in local government to undertake such an assessment. Perhaps the applicant should be required to submit certification of the estimated value (from a QS or someone appropriately qualified) with the application.

Lack of qualification of local government Councillors on DAPs

37. Some views have been expressed that Local Government Councillors lack the qualifications to make planning decisions on DAPs and that the training they undertake pursuant to Regulation 30 is inadequate. The Committee also notes the results of WALGA's survey regarding training on pages 32 and 55 of its submission. Does WALGA believe the training afforded to Local Government DAP members by the Department is adequate?

The view that Local Government Councillors lack the qualifications to make planning decisions on DAPs is condescending and more than likely another attempt by the development industry to undermine the involvement of Local Government within this process. It is important to recognise that the objectives of DAPs as expressed by the DoP is to **"improve the balance between technical advice and local knowledge"**. As such, local elected members should not be expected to be technically qualified, that is the role of the specialist panels members. Nevertheless, some Local Government Councillors are actually qualified architects, engineers, planners etc so this cannot be a blanket statement.

Also, not all DAP members are planners either so the same comment could be applied to these members about lacking qualifications. It would be more relevant to indicate that DAP specialist members lack the experience to govern planning decisions and understand public concerns. When compared to Local Government elected members, specialist members have only considered a small fraction of the planning applications that have been approved through the Local Government determination process. Specialist members may have been involved in the planning system and obtained their 'qualifications', but until the DAP system was established they would have had limited experience in the consideration and determination of development applications.

Those 'views' mentioned in the question fail to understand the role of the Elected member and the knowledge, experience and the training that they already bring to the table prior to the Department's DAP training. Specialist members (unlike Elected Members) often have little or no understanding of the site context, the character of the area and the relevant local issues within the community. Similarly they have no background on the specific local planning scheme policy provisions, how they were arrived at and how they have been applied to other developments.

In the survey conducted by WALGA, members were asked if they thought that training provided by the Department for DAP procedures was adequate, 2% said they were very satisfied, 60% said they were satisfied and 38% said they were unsatisfied. Members were also given the opportunity to provide a comment on DAP training. The comments are summarised as follows:

- The most common view was that training has not been followed up since 2011 and some DAP members have demonstrated non-observance of DAP regulations, which indicates that follow up training is required. As DAPs have been in operation for a number of years, there is an opportunity to utilise case studies to improve the decision making process in follow up training courses.

A number of other comments referred to the following:

- The use of discretionary clauses is identified to sometimes be abused, training sessions should include guidance on the acceptable and ethical use of these clauses. This is particularly relevant for schemes which are not modelled on the MST and the exercise of discretion may be subject to some very specific criteria under the scheme.
- The training itself assumed that elected members have no experience in making planning decisions and that planning decisions should be made so that they are less likely to be won when appealed at SAT.
- Online training was recommended as a good method to better reach DAP members in regional areas.

It is also unclear whether the training provided by the Department of Planning has been reduced in timeframe. Anecdotal comments have been received that the current training provided is not as comprehensive as the initial training undertaken and that the quality of the training is also dependent upon who is the trainer. The Department of Planning is not the prime repository of planning expertise in WA

The Committee should also note that as part of WALGA's Planning Improvement Program a project called Better Planning Decisions is currently underway, this project will provide a land use training path through WALGA's training system. Currently WALGA is working with PIA on a new training package, to guide Local Government elected members and officers in making good planning decisions through the use of practical examples and case studies. This course will be significantly more comprehensive than the existing DAP training model.

Exercise of discretionary powers

38. The Committee notes what has been stated in WALGA's submission regarding the exercise of discretionary powers by DAPs and that these are the same discretionary powers available to Local Governments. Concerns have also been expressed by other submitters about their exercise, which have been described as unfettered and 'without justification or scrutiny'. A recommendation has been made that any exercise of discretion by DAPs be limited to variations of no greater than one R-Code above that of the site in question and that the DAP give reasons for its decision. What is WALGA's view on this issue generally and these recommendations?

The DAP powers and the Local Government discretionary powers are the same discretionary powers, but a DAP has no historical basis on which to justify any variations, as in comparison to a Local Government that has dealt with a substantial number of applications over the years, and has a better understanding of what level of variation might be considered acceptable by its local community.

Setting a standard could be difficult given the range of issues that could be considered by a JDAP, however, if the 'regional or state' significance was enacted, then the Committee's example relating to R-codes variation applications wouldn't be applicable. Further, the exercise of discretion would have to be limited by the provisions of the local government scheme unless it was intended to further override a scheme by introducing additional regulations. This surely would be inconsistent with one of the intents of DAPs – ie to reduce complexity in the decision making process.

As previously mentioned with this report, not having any justification for the approval or refusal is perhaps more appropriate to query, particularly if discretion is being applied, there needs to be rationale in which to support the use of the discretion.

The Town of Victoria Park provides clear guidance on the use of discretion in considering development applications as follows - <http://www.victoriapark.wa.gov.au> .

Amendment of DAP Regulations 2015

39. Various amendments have been made to the DAP Regulations, which will take effect on 1 May 2015. Some of the changes made are as follows:

- A lowering of the opt in threshold to \$2m for all DAPS;
- A quorum being any 3 DAP members including the presiding member;
- the regulations prevail over any planning instrument to extent of any inconsistency; and
- The introduction of a 'stop the clock' mechanism whereby the time period for the submission of the RAR to the DAP does not include the time between the applicant being given a notice to provide specified information or documents.

What are the views of WALGA on the amendments?

The Department of Planning's changes do not address the concerns of Local Government nor will they not significantly improve the system whilst the lowering of the threshold further moves the DAPs system away from focusing on strategic and regionally significant development applications. WALGA is disappointed to see the regulation amendments prepared by the Department are being implemented prior to a Parliamentary Committee completing its investigations into the operation and efficiency of DAPs.

An independent cost benefit analysis of the system has been requested as a matter of priority in order to establish whether this process is in fact delivering the intended benefits and to inform where changes are required. It is hoped that the Parliamentary Committee's review will result in a comprehensive assessment of the existing DAPs process.

The Department of Planning did not consult us on the final regulation amendments to be implemented and they are not based on evidence, rather on anecdotal comments and perceptions.

Concluding Comments

It is not the Association's view to recommend specific changes to DAP regulations that are considered fundamentally flawed. Tweaking a system that was developed from a profoundly flawed policy position is not supported, it is suggested that the Committee needs to look at the entire objectives, achievements and determinations of DAPs before any changes to the regulations are suggested. This is why WALGA suggests that a cost benefit analysis is needed, without this comprehensive assessment of the DAP system, any suggested regulation changes will only be a band aid treatment.

The Association therefore reiterates the request for a cost benefit analysis to be undertaken as a matter of priority.

WALGA's March 2015 State Council resolution on the matter: -

1. That a full and comprehensive cost-benefit analysis of the DAP system be conducted by an independent organisation as a matter of priority.
2. That the minimum monetary threshold for an application to be eligible for consideration by a DAP be increased to at least \$30 million.
3. That the DAP system be amended to be an opt-in only process, so that when an application does meet the minimum monetary threshold, the proponent still has to elect to have the application determined by a DAP. This will identify individual Local Governments that are

unable to adequately satisfy applicant expectations and allow the industry to determine the relevance of DAPs.

4. That a procedure similar to that in NSW be introduced to 'call in' a development application where it has state or regional significance and should be determined by a DAP, even if it is below the monetary threshold.
5. That DAPs be permitted to process development applications that are below the new minimum monetary threshold, providing the application has been 'called in' as having either state or regional significance or referred by a Local Government.
6. That a system be introduced to temporarily remove the planning powers of a Council due to ongoing poor performance and DAPs be utilised to process development applications that cannot be dealt with under delegated authority during the suspension period.
7. That the Parliamentary Committee investigate specific examples of DAP decisions provided by Local Government members, in order to consider the transparency of the meeting process.
8. That the Department of Planning's proposed changes to the regulations as a result of their internal review of DAPs in 2013, be put on hold until a cost-benefit analysis of DAPs has been undertaken and the outcomes of this Parliamentary review are finalised.
9. That the Department of Planning be required to provide detailed internal performance data (raw data) for all DAP applications, so that internal processing times can be considered by the Parliamentary Inquiry and any independent organisation engaged to do a cost-benefit analysis.

6.9 Senate Economics Reference Committee Report: Out of reach? The Australian housing affordability challenge (05-036-03-0020 CG)

Christopher Green, Senior Planner Planning and Community Development

Moved: Cr Doug Thompson
Seconded: Cr Eileen O'Connell

That State Council note the findings of Senate Economics Reference Committee's inquiry into affordable housing as tabled in the Committee's report, Out of reach? The Australian housing affordability challenge.

RESOLUTION 81.4/2015

CARRIED

In Brief

- In May, the Senate Economics Reference Committee published the results of its inquiry into affordable housing in Australia, in its report, *Out of reach? The Australian housing affordability challenge*.
- The Committee's report makes a total of 40 recommendations, the most significant of which being that;
 1. The Australian Government prepares a long-term national affordable housing plan.
 2. Greater governance freedoms are afforded to Local Governments, particularly around the development of government owned land; and
 3. The Australian Government investigates disincentives to downsizing together with the implications of negative gearing and capital gains tax discounts on housing affordability.
- WALGA is supportive of the Committee's findings which are generally consistent with the Association's submission as endorsed by State Council at its May 2014 meeting.

Attachment

Nil.

Relevance to Strategic / Business Plan

- Providing strong representation for Local Government
- Providing effective leadership for Local Government
- Building a positive profile for Local Government
- Enhancing the capacity of Local Government to deliver services

Policy Implications

State Council Resolution 33.2/2014: Endorsement of WALGA's Inquiry Submission

Budgetary Implications

Nil

Background

In December 2013, the Senate referred an inquiry into affordable housing to the Senate Economics References Committee. The Committee tabled its final report in May 2015.

In conducting the inquiry, the Committee's terms of reference were comprehensive, examining a broad range of issues affecting housing affordability including, amongst others, the role all levels of

government in facilitating affordable housing options, planning and policy implications and funding mechanisms.

The Committee's report highlights the fact that the sustained growth in median housing costs above the rate of growth in median household income has made it increasingly difficult for a growing proportion of the population to afford appropriate housing. The worsening of housing affordability has led to a decline in home ownership rates across the nation.

In response, the Committee makes a total of 40 recommendations which are primarily directed towards improving home purchase affordability.

The Committee's most significant recommendations are that:

- The Australian Government appoints a Minister for Housing and Homelessness.
- The Commonwealth and states and territories agree to establish a ministerial council on housing and homelessness.
- A national affordable housing plan is prepared and a statutory body established to monitor progress and performance against the plan.
- State and territory governments replace conveyancing stamp duties with a more efficient tax regime, such as a land taxation system levied on a broader base.
- State and local governments investigate the possibility of using Tax Increment Financing and other more innovative finance mechanisms to fund infrastructure supporting new housing developments.
- The Australian Government takes a more prominent role in national urban planning, particularly around urban regeneration and reinstate the National Urban Policy and Major Cities Unit.
- Government-owned land is explored as a potential land supply for affordable housing with current governance and divestment arrangements improved to support such land releases.
- The Treasury examines the implications of negative gearing and capital gains tax discounts on housing affordability.
- The Australian Government seeks to address the barriers to downsizing by retirees.
- The States review their existing system for settling tenancy disputes with consideration given to establishing an independent body / ombudsman to give greater protection to tenants. Further the Australian Government examines its aged care policies so that difficulties confronting older Australians in the rental market are taken into account.
- The Federal and State Governments, commit to retaining an adequate supply of public housing with the goal of increasing the overall proportion of public housing as a percentage of housing stock.
- The Productivity Commission investigates the merits of transferring public housing to the community housing sector.
- Incentives are investigated, to encourage landlords to improve housing energy efficiency and to make required modifications for tenants with disability.
- The National Rental Affordability Scheme (NRAS) or replacement scheme is re-established.

Comment

The Association provided a submission and presented evidence to the Committee during the course of its inquiry. The Association is pleased that the Committee's findings are consistent with its feedback and that the Association's evidence is widely referenced throughout the Committee's report.

In particular, the Association welcomes the Committee's recommendation that greater governance freedoms be afforded to Local Governments to support the development of affordable housing, especially around the disposal of government owned land. The Association is also supportive of the recommendation that the impacts of current fiscal policies on housing affordability especially those which disincentivize 'downsizing' are examined, particular in light of Australia's aging population.

Although the Association acknowledges the difficulty of defining 'housing affordability' or 'affordable housing', the Committee's failure to provide any further clarity on this issue represents a missed opportunity. Further the Association is disappointed that the Committee's findings and recommendations remain largely silent on the issue of 'land banking'.

6.10 Report on Local Government Road Assets and Expenditure 2013/14 (06-007-03-0016 MB)

Mark Bondietti, Policy Manager Transport and Roads

Moved: Cr Doug Thompson
Seconded: Cr Eileen O'Connell

That State Council note the Report on Local Government Road Assets and Expenditure 2013 /14.

RESOLUTION 82.4/2015

CARRIED

In Brief

- The Report on Local Government Road Assets and Expenditure 2013/14 has been finalised. This Report provides information, statistics and trends on:
 - the length and types of roads managed by Local Governments;
 - sources of funding and the use of funds in expanding, upgrading, renewing and maintaining roads and paths;
 - actual expenditure relative to that needed to sustainably maintain the road network.
- The Report is intended to underpin advocacy for continued and increased Federal and State funding for Local Government roads and to support Councils wishing to benchmark aspects of their own roads programs with similar or neighbouring areas.

Attachment

Report on Local Government Road Assets & Expenditure 2013/14: Conclusions and Statistics Summary.

The complete Report is available here -

<http://www.walga.asn.au/MemberResources/Infrastructure/Roads/RoadAssetsandExpenditure.aspx>

A hard copy of the full report will be distributed to all Local Governments.

Relevance to Strategic / Business Plan

- Providing strong representation for Local Government
- Providing effective leadership for Local Government
- Building a positive profile for Local Government
- Enhancing the capacity of Local Government to deliver services

Background

The Report on Local Government Road Assets and Expenditure is produced annually by WALGA with assistance from the WA Local Government Grants Commission. The report provides information on the lengths and types of roads, paths and bridges and highlights trends in the data over the preceding five years. It includes statistics and trends on the funding sources and amount of Local Government expenditure on roads, paths and bridges. Details are provided on the allocation of expenditure between expansion, upgrade, maintenance and renewal of the network at a regional level and for individual Local Governments.

The expenditure statistics are analysed to provide comparisons of road preservation performance, net preservation needs and expenditure effort. These comparisons provide insight into the adequacy of funding and the difference between road preservation needs and current expenditure on road preservation.

Comment

Expenditure on Local Government roads has increased 35% over the past five years to reach \$807.4 million in 2013/14. In 2013/14 a record high 57.4% of this expenditure was funded from Local Governments' own sources. Federal Government funding has fallen from 30% in 2006/07 to just 17.6% of total expenditure in 2013/14, which was the last year of the previous five year Roads to Recovery Program. The Report also identifies a fall in State Government funding, largely the consequence of less funding for road repairs following declared Natural Disasters, and completion of most of the Grain Freight package of works. There remains an \$85 million per year shortfall in expenditure to just preserve the road network in its current condition.

The report provides a public statement on how money is being invested in the road network and an assessment on the adequacy of the investment. This is a basic requirement to underpin advocacy for continued and increased Federal and State funding for local roads, paths and bridges. The Report is also a useful resource to support Councils seeking to benchmark their roads and strategic investment in roads with similar or neighbouring areas.

Report on Local Government **Road Assets & Expenditure** 2013/14



walga.asn.au

REPORT ON LOCAL GOVERNMENT ROAD ASSETS & EXPENDITURE 2013/14

Conclusions 2013-14 Report

1. Local Government is responsible for 127,796 kilometres of local roads of which 30% are sealed. Excluding Forestry and National Park roads, the Local Government roads make up 88% of the WA road network. Local Government roads have a replacement value of \$23.71 billion as at 30 June 2014.
2. The written down value of the road network is \$13.73 billion. The National Local Roads Data System uses the percentage of written down value over replacement value as a National Performance Measure of the state of the road network. It is 58% for local roads compared to 65% for State highways and main roads in WA.
3. In the five years 2009-10 to 2013-14 total road expenditure on local roads increased by 34.7% to \$807.4 million.
4. The estimated cost of maintaining WA's road network in its current condition in 2013-14 was \$641.6 million. Local Governments spent \$556.9 million on road preservation, a shortfall of \$84.7 million.
5. The shortfall in 2013-14 has decreased from \$142.9 million in 2010-11 to \$84.7 million in 2013-14.
6. State wide, Local Government provided 57.4% of its total road expenditure from its own resources. The Commonwealth Government provided 17.6%, the State Government 20.9%, excluding funds allocated for expenditure by Main Roads WA. Various private sources contributed 4.0% of the total road expenditure.
7. Roads in the Metropolitan region are in a better state than roads elsewhere. The reason for this is that Metropolitan Local Governments have a much greater revenue capacity to satisfy their road needs from their own resources than other Local Governments. For example:
 - Local Governments in the Metropolitan Region have to spend only 18% of their estimated revenue capacity to make up the difference between their road preservation needs and the road grants they receive for preservation.
 - Local Governments in Wheatbelt South would have to spend 96% of their entire estimated revenue capacity on road preservation to make up the difference between their road preservation needs and the road grants they receive for preservation. Local Governments in Wheatbelt North would have to spend 79%.
 - Over the whole State, Local Governments would have to spend 30% of their estimated revenue capacity to make up the difference between their road preservation needs and the road grants they receive for preservation. In 2013-14 Local Governments spent 28% of their revenue capacity on roads.
8. Expenditure on maintenance and renewal of the existing road network [\$576.7 million in 2013-14] has increased 38.5% in the five years from 2009-10 to 2013-14. Expenditure on upgrading and expansion [\$230.7 million in 2013-14] has increased by 26.0%

9. Road preservation expenditure for each class of local road varies considerably.

ROAD PRESERVATION EXPENDITURE PER KILOMETRE OF ROAD 2013-14

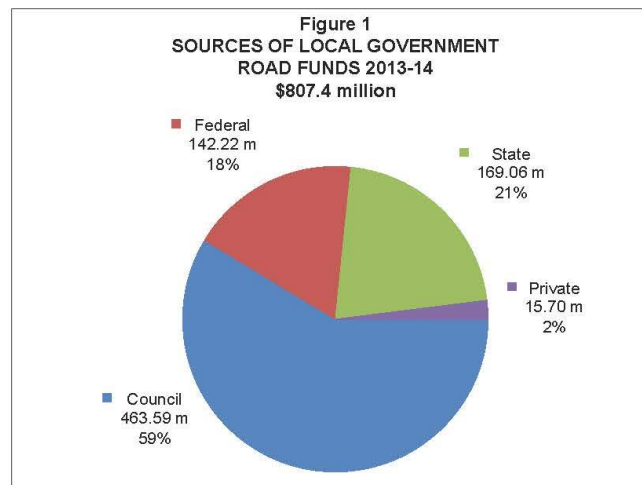
Regional Road Group	Built Up Areas		Outside Built Up Areas	
	Sealed Roads \$ per Lane Km	Sealed Roads \$ per Lane Km	Gravel Roads \$ per Km	Formed Roads \$ per Km
Gascoyne	15,233	2,061	2,388	467
Goldfields Esperance	11,131	1,481	1,979	757
Great Southern	8,654	2,662	1,882	971
Kimberley	17,607	1,307	3,244	1,334
Metropolitan	11,683	3,437	0	0
Mid West	7,747	1,222	2,607	703
Pilbara	15,487	1,455	1,155	1,203
South West	6,942	2,588	2,343	1,498
Wheatbelt North	6,565	1,521	1,384	557
Wheatbelt South	4,917	1,775	1,198	640
STATE	10,780	2,054	1,837	788

Important statistics are presented graphically in the following pages.

Important Statistics

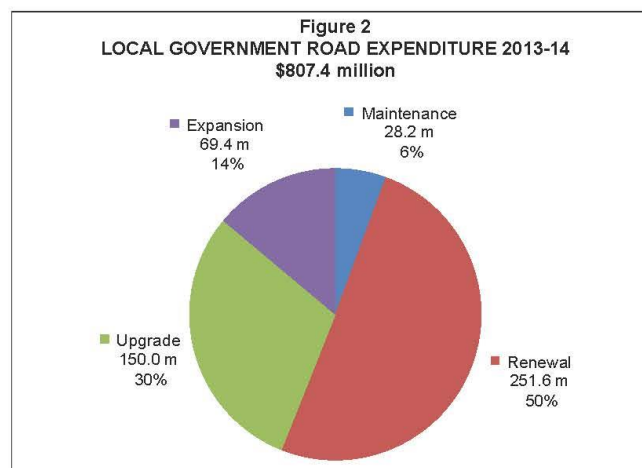
1. SOURCES OF LOCAL GOVERNMENT ROAD FUNDS

Total Local Government expenditure on roads was \$807.4 million in 2013-14, an increase of \$39.8 million over the previous year. Local Governments provided 57.4% of their total road expenditure from their own resources.



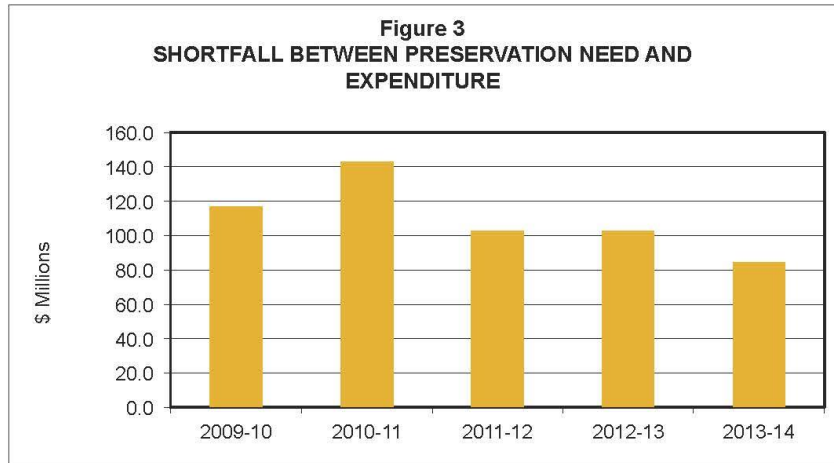
Note: Excludes funds allocated to Local Government roads for expenditure by Main Roads WA.

2. EXPENDITURE ON MAINTENANCE, RENEWAL, UPGRADE AND EXPANSION



Note: Maintenance includes \$28.2 million flood damage.

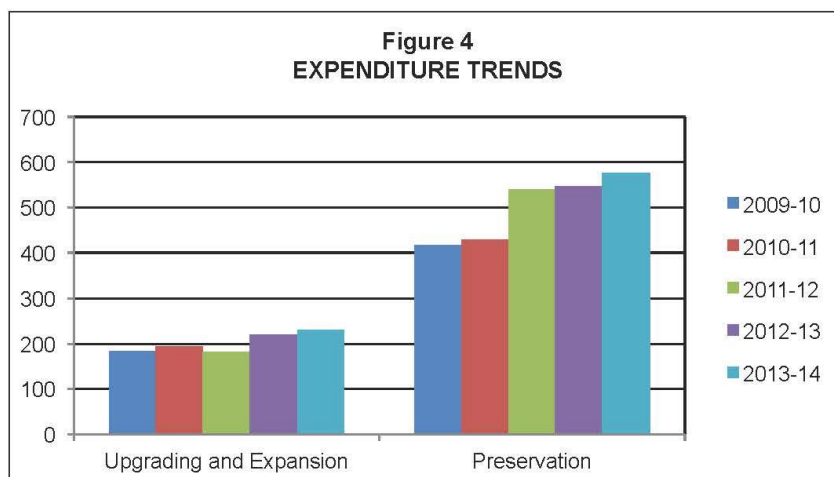
3. SHORTFALL BETWEEN ROAD PRESERVATION NEEDS AND EXPENDITURE



The shortfall has decreased from \$142.9 million in 2010-11 to \$84.7 million in 2013-14.

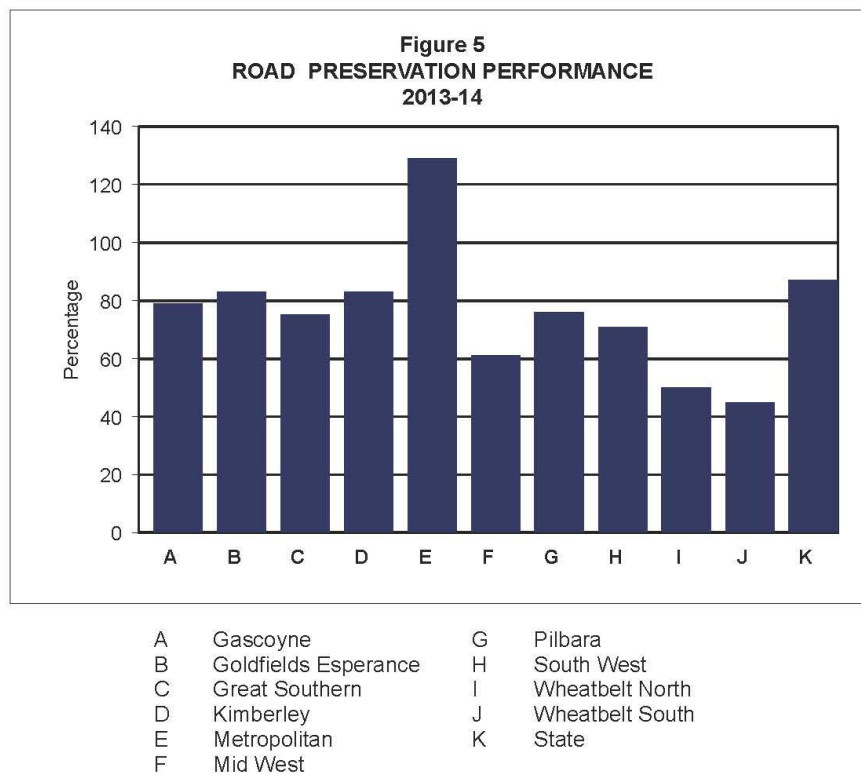
4. EXPENDITURE ON ROAD PRESERVATION AND CAPITAL UPGRADING AND EXPANSION

Expenditure on road preservation has increased by 38.5% over the five years from 2009-10 to 2013-14 while expenditure on upgrading and capital expansion increased by 26.0%.



5. ROAD PRESERVATION PERFORMANCE

Road preservation performance is the percentage of the amount spent on road preservation over the amount that should have been spent to maintain roads at their current condition.



Overall [K] State Performance is 87%, which means that Local Governments spent 87% of the amount required to maintain their roads at their current condition. However, this performance is overly influenced by the Metropolitan Region which had a very high performance of 129%. When the Metropolitan Region is excluded, the average performance for the non-metropolitan regions is 64%.

The preservation performance varies widely between the regions from 129% for the Metropolitan Region [E] to 45% for the Wheatbelt South Region [J] and 50% for the Wheatbelt North Region.

6. CAPACITY TO FUND ROAD PRESERVATION NEEDS

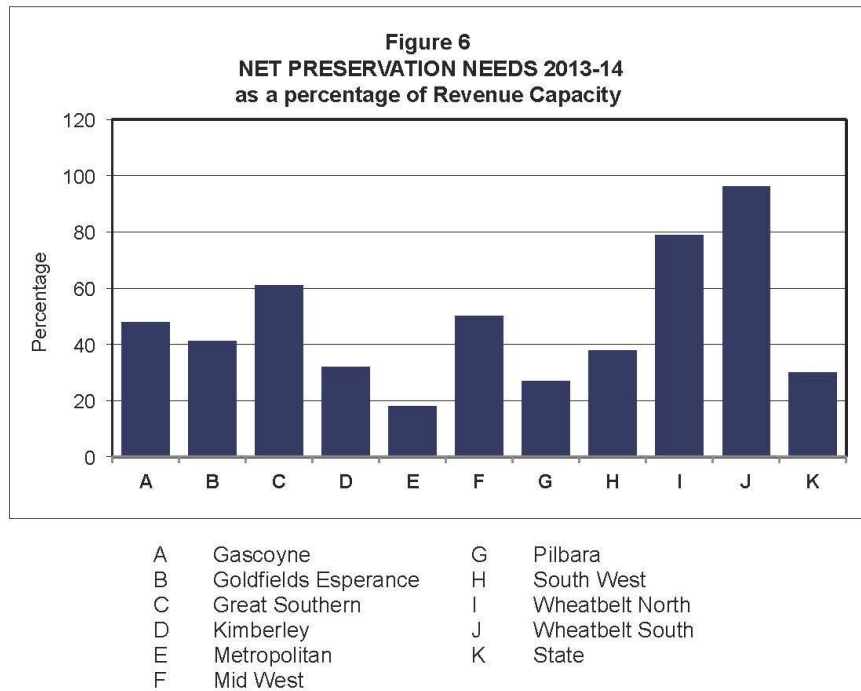


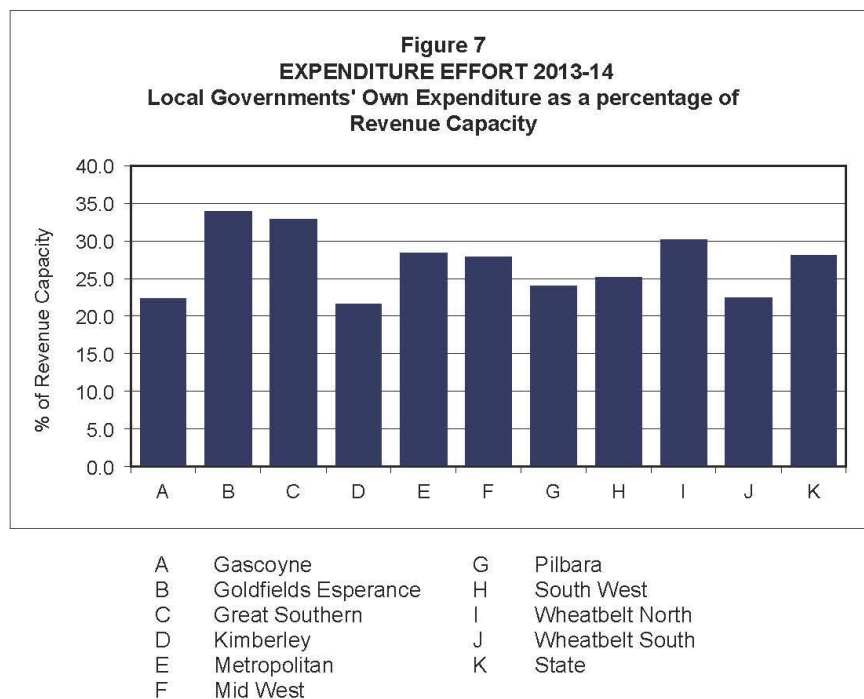
Figure 6 shows that over the whole State [K], Local Governments would have to spend 30% of their estimated revenue capacity from their own resources to make up the difference between their road preservation needs and the road grants they receive for preservation. In 2013-14 Local Governments spent 28% of their estimated revenue capacity on road preservation, less than the required 30%.

Figure 6 shows that the percentage that Local Governments would have to spend varies widely between the regions from 18% for the Metropolitan Region [E] to 96% for Wheatbelt South [J].

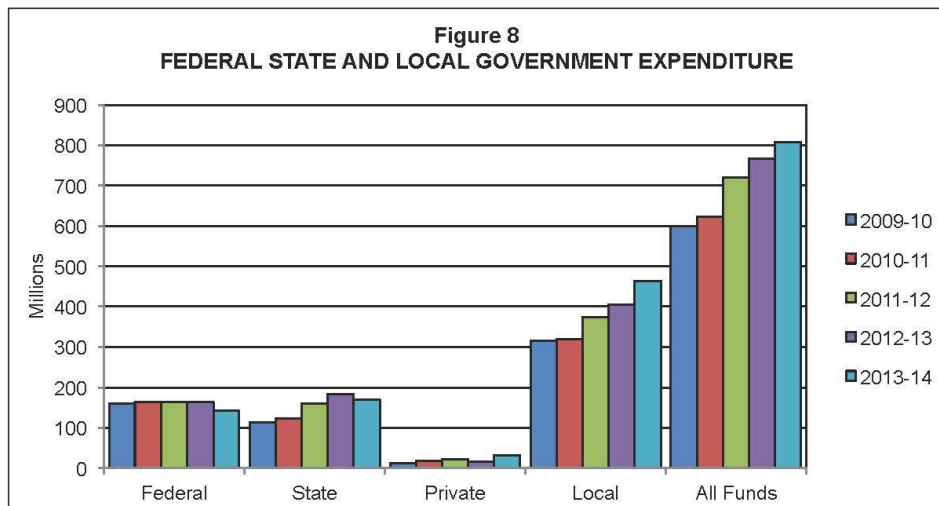
7. LOCAL GOVERNMENT ROAD EXPENDITURE FROM ITS OWN RESOURCES

Local Government expenditure on roads from its own resources, expressed as a percentage of estimated revenue capacity, averages 28.0% for the State [K] and ranges from 21.6% for the Kimberley Region [D] to 33.4% for the Goldfields Esperance Region [B].

The Metropolitan Region, which would have to spend only 18% of its estimated revenue capacity to make up the difference between its road preservation needs and its road grants, spent 28.4%. This data is presented in Figure 7.



8. TOTAL LOCAL GOVERNMENT ROAD EXPENDITURE 2009-10 TO 2013-14



Note: State Government Grants exclude funds allocated to Local Government Roads for expenditure by Main Roads WA

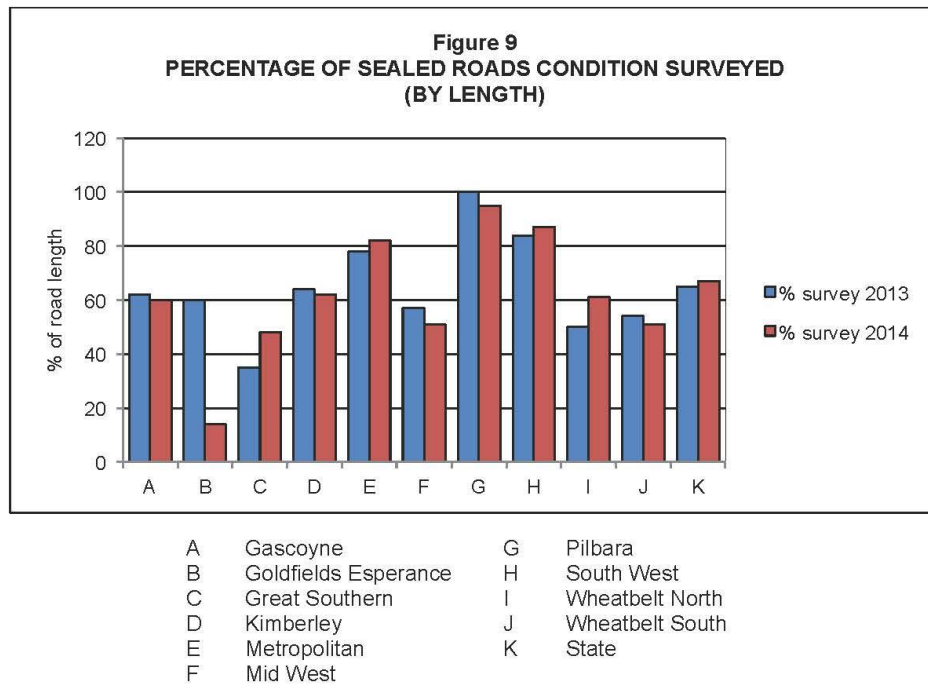
Figure 8 shows that:

- Total expenditure increased by 34.7% between 2009-10 and 2013-14
- Federal road grants decreased by 11.4%.
- State Government grants increased by 50.7%.
- Local Government funds increased by 46.8%.
- Funds from Private sources increased by 193%

The big increase in State funds is because of increased expenditure on flood damage repairs and because an increased proportion of funds allocated under the category of State Initiatives has been spent by local governments. Most of the latter expenditure involves grain haulage routes.

9. ROAD CONDITION SURVEYS ON SEALED ROADS

Road condition data is an essential component in road management. Table 9 shows the percentage of sealed roads (by length) that have had their condition surveyed in the previous 5 years.



Source: ROMAN II June 2014

6.11 User Guide for Calculating the Cost of Road Wear on Sealed Local Roads (05-006-03-0008 MB)

Mark Bondietti, Policy Manager Transport and Roads

Moved: Cr Doug Thompson
Seconded: Cr Eileen O'Connell

That State Council note the “Estimating the Incremental Cost Impact on Sealed Local Roads from Additional Freight Tasks: User Guide”.

RESOLUTION 83.4/2015

CARRIED

In Brief

- Local Governments face significant costs from road wear as a consequence of unforeseen heavy vehicle traffic.
- The financial impacts of heavy vehicle traffic are much greater on roads that were not designed and constructed for this purpose
- Local Governments have long been seeking a methodology to calculate the cost of road wear for a defined industry task.
- WALGA has developed a User Guide that provides a tool to estimate the cost of road wear for a defined freight task. This document is to be made available to all Local Governments.

Attachment

Estimating the Incremental Cost Impact on Sealed Local Roads from Additional Freight Tasks: User Guide -

<http://walga.asn.au/MemberResources/StateCouncilDocuments/AgendasampMinutes/2015.aspx>

Relevance to Strategic / Business Plan

- Enhancing the capacity of Local Government to deliver services

Background

Western Australian Local Governments face significant costs from road wear as a consequence of unforeseen heavy vehicle traffic triggered by projects, typically in the resources industry. The impacts of additional heavy vehicle traffic on shortening road life and increasing maintenance requirements are greater for roads that were not designed and constructed for this purpose, which is the case for most Local Government roads.

Methods previously used to estimate the cost impact often required detailed input data, specialised engineering evaluation and modeling skills which are not readily available to Local Government.

WALGA has developed a methodology around the concept of a marginal cost of road wear. The marginal cost of road wear in this context, is defined as the difference in cost of maintaining a road in a serviceable condition, between an increased load of traffic and a base traffic load. The marginal cost is dependent on many variables including the strength of the road and the cost of road construction and maintenance. Since these variables fluctuate across the State, a catalogue of charts has been developed to represent the spectrum of scenarios that are likely to be encountered. The charts are presented in the form of a “User Guide” that provides an easy to use tool for Local Governments to estimate the costs of road wear for a particular freight task.

Comment

This User Guide provides Local Governments with a tool to quantify the cost of additional wear and damage to affected roads for a defined freight task. It can be used as the basis for negotiation of cost recovery from industry, to ensure that the local community does not bear the costs imposed by private businesses, and to adjust long term financial plans.

The guide provides a simple step by step methodology including several worked examples.

Further work is planned to estimate the cost of additional damage to unsealed roads resulting from additional freight tasks.

6.12 State Budget Outcomes (05-088-03-0001 PS)

Paul Schollum, Policy Manager Economics

Moved: Cr Doug Thompson
Seconded: Cr Eileen O'Connell

That State Council note the key outcomes for Local Governments from the 2015-16 State Budget.

RESOLUTION 84.4/2015

CARRIED

In Brief

- The State Government has indicated that its growing debt and a decrease in WA's economic growth rate are substantial fiscal challenges.
- Two key Budget measures will particularly impact Local Governments:
 - the introduction of a cap on pensioner rates rebates; and
 - an increase in the loan guarantee fee on Local Government loans with the WA Treasury Corporation

Attachment

Nil

Relevance to Strategic / Business Plan

- Providing strong representation for Local Government
- Providing effective leadership for Local Government
- Building a positive profile for Local Government
- Enhancing the capacity of Local Government to deliver services

Background

Treasurer Mike Nahan said the 2015-16 State Budget was prepared 'in the most challenging economic and fiscal environment the State has faced in at least the last three decades.' The State's economy is expected to only grow by 2% in 2015-16. WA's economic growth was previously 5.5% in 2013-14 and 3.25% in 2014-15.

Some of the subsequent challenges for the State Government include decreases in royalty revenue and GST grants. Additionally, other major sources of revenue, such as payroll tax and stamp duty, have stalled due to the slowdown in the State's economy. Meanwhile, State Government debt continues to grow and is expected to reach \$31 billion in 2015-16.

The main State Budget outcomes from a Local Government perspective include:

- reform of the 50% Local Government rates rebate for pensioners - from July 2016 the State Government will cap the rebate at \$550;
- the 'loan guarantee fee' on Local Government loans with the WA Treasury Corporation will increase from 10 basis points to 70 basis points;
- a 7.5% streetlight tariff increase (last year's Budget had forecast a 36.8% tariff increase for 2015-16); and
- a 10.59% increase in the Emergency Services Levy.

Comment

The pensioner rates rebate changes and the increasing loan guarantee fee have a number of implications for Local Governments:

Pensioner rates rebate reform

The Budget included 'a number of reforms to better target concessions to those most in need and ensure the sustainability of these concessions over the longer term.' These measures affected the seniors Cost of Living Rebate and the Cost of Living Assistance payment (now known as the Energy Assistance payment) as well as rebates on Local Government Rates and Water Service Charges.

Subject to legislative change (*Rates and Charges (Rebates and Deferments) Act 1992*), from July 2016 the State Government will apply a \$550 cap to the 50 percent Local Government rates rebate. This reform is forecast to save the State Government \$8m in 2016-17 and \$9m in 2017-18 and 2018-19. When this reform takes effect there may be pressure on Local Governments to fill the shortfall between the new rebate and the traditional 50 percent rebate. This has been the case in other jurisdictions where concession funding has been withdrawn by other levels of Government.

The Association is currently conducting a survey of Local Governments to determine the anticipated sector wide effects if this reform was implemented.

Increase in the Loan Guarantee Fee

The Western Australian Treasury Corporation (WATC) charges its borrowers a Loan Guarantee Fee (LGF or 'GFEE') in exchange for an 'explicit Government guarantee on liabilities incurred in raising loan funds for agencies, local governments and universities.'⁵²

The 2015-16 State Budget has increased the LGF from 0.1% to 0.7% on borrowings by Local Governments, universities and Keystart. The increase is effective from 1 July 2015 and means that Local Governments now pay the same LGF as State Government Trading Enterprises (GTEs) such as Western Power and the Water Corporation.

GTEs have been paying a 0.7% LGF since 2012-13. In the 2012-13 State Budget, the LGF for GTEs was increased from 0.2% to 0.7% and the LGF for Local Governments and other borrowers was unchanged. The stated purpose of the LGF was to 'expose GTEs to some of the risk-related cost of debt they would face if they were required to borrow at the market interest rate and ensure competitive neutrality between GTEs and the private sector.'⁵³

Competitive neutrality is an important consideration for GTEs, since they provide services that could potentially be provided by the private sector. If GTEs do not face realistic borrowing costs they may use this advantage to 'crowd out' private sector competitors. Lower borrowing costs might also encourage GTEs to overinvest in infrastructure.

However, in contrast to GTEs, Local Governments generally provide services that would not be provided by the private sector; competitive neutrality in borrowing costs is therefore unnecessary. This means Local Governments should be charged a smaller LGF than GTEs and indeed this was the case up until the 2015-16 State Budget.

The increased LGF has significant financial implications for the sector. Local Governments have about \$670 million in outstanding loans with the WATC. Therefore, the increased LGF will cost the sector approximately an additional \$4 million in 2015-16.

⁵² WA Treasury (2015), *2015-16 Budget Paper No. 3* (p.5)

⁵³ WA Treasury (2012), *2012-13 Budget Paper No. 3* (p.314)

Since the State Budget's release, the Association has published two media releases (May 22 and 29) on the issue and has written to the Treasurer to seek an explanation of why the fee has increased. Additionally, the Association is currently investigating interest rates offered to Local Governments in other jurisdictions as well as the merits of alternative borrowing arrangements for WA Councils.

7. ORGANISATIONAL REPORTS

7.1 Key Activity Reports

7.1.1 Report on Key Activities, Environment and Waste Unit (01-006-03-0017 MJB)

By Mark Batty, Executive Manager Environment & Waste

Moved: Cr Janet Davidson

Seconded: Mayor Logan Howlett

That the Key Activities Report from the Environment and Waste Unit to the July 2015 State Council meeting be noted.

RESOLUTION 85.4/2015

CARRIED

The following provides an outline of the key activities of Environment and Waste since the last State Council meeting.

Local Biodiversity Program

The Association's Local Biodiversity Project (LBP) won the Hard Won Victory Award at Australia's top planning award, the Planning Institute of Australia's National Awards for Planning Excellence, in May. This prestigious award recognised the Association's accomplishments through the LBP, such as developing technical resources, facilitating partnership approaches to financial resources, and helping Local Governments to strategically protect local natural areas through their planning schemes.

This work resulted in the mainstreaming of vital processes to protect our internationally recognised biodiversity hotspot. The quantified benefits of Local Government's targeted protection of 30,000 hectares of land are clear evidence of the value of this work.

Sector Engagement and Support

The Association held its most recent round of sector environmental engagement meetings. This round included:

- Sustainability Officers Network Group, which examined energy efficiency opportunities for local government. Guest speakers were from the WA Police and an Eastern States based organisation that models solar panel placement to optimise local government investment in solar energy.
- Natural Areas Managers Forum, which examined practical, on-ground natural area management techniques.
- CitySwitch, which showcased Local Government leadership in renewable energy to private and public signatories within the City of Perth jurisdiction.

Natural Resource Management Community Engagement Manual

In May, the Association released the NRM Community Engagement and Events Manual to the Local Government sector. This manual was produced in response to sector demand, and aims to assist Local Governments in planning their community environmental education and engagement programs.

The manual is available on the Association's website at

<http://www.walga.asn.au/MemberResources/EnvironmentWasteManagement.aspx>

Street Trees Guidance Manual

In response to Local Government concerns, the Association released a guidance report in relation to Local Government management of street trees. The report aims to share information across the Local Government sector. The Association collected feedback about issues the sector faces with regard to street trees. The sector was also asked to provide solutions they had designed to help overcome these issues. The information collected was then bolstered with additional data from other parts of Australia as well as international examples.

The manual is available on the Association's website at

<http://www.walga.asn.au/MemberResources/EnvironmentWasteManagement.aspx>

Environmental Planning Tool Version 2.0

The Association launched a new version of the Environmental Planning Tool (EPT) on Thursday, 28 May. The EPT is a geographic information system that helps inform Local Government planning decisions by providing access to a vast amount of environmental and social data that can be quickly and easily analysed. The tool was updated to make it easier to use, and to avoid possible technical issues that were foreseen to arise in the future.

About 35 people attended the launch event with attendees from Local Government, State Government agencies and the private sector. The President of the Planning Institute of Australia, Charles Johnson, gave a presentation on how the planning direction of the Perth and Peel region and how the EPT can be used to assist in making planning decisions. This was followed by a demonstration of the Environmental Planning Tool.

7.1.2 Report on Key Activities, Governance and Organisational Services (01-006-03-0007 TB)
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By Tony Brown, Executive Manager Governance & Organisational Services

Moved: Cr Janet Davidson

Seconded: Mayor Logan Howlett

That the Key Activities Report from the Governance and Organisational Services Unit to the July 2015 State Council meeting be noted.

RESOLUTION 86.4/2015

CARRIED

The following provides an outline of the key activities of Governance and Strategy since the last State Council meeting.

GOVERNANCE

Local Government Legislation and Regulations Update

Local Government Act Amendment Bill 2014

The Local Government Act Amendment Bill 2014 is currently before the Parliament and at the time of writing this report is listed as priority No 10 in the Order of business for the Legislative Assembly.

The key components of the bill are;

- Ability for Local Government to establish Regional Subsidiary service delivery model
- Provide the Standards Panel with the discretionary power to dismiss frivolous and vexatious complaints and for the Panel to withdraw complaints.
- Clarity of aspects relating to elected member fees and allowances.
- Provisions relating to the termination payments of Chief Executive Officers as a result of an order under schedule 2.1
- Procedure around Local Law making to provide that a Local Law will not be invalidated if the Local Government has substantially complied with the procedure for making Local Laws.

Local Government (Functions and General) Amendment Regulations 2015

The Department of Local Government and Communities are drafting amendments to the Local Government (Functions and General) regulations relating to procurement processes.

There is a State Council agenda item on this matter.

TRAINING

Country Local Government Elected Members Training - Phase 2

During the period January - June 2015, WALGA and the Department of Local Government and Communities worked in partnership to provide high level training opportunities for country Elected Members.

Using WALGA's Diploma of Local Government (Elected Member) as its framework, a four-day program was delivered in regional locations across Western Australia.

Over 32 days of training were conducted, and were hosted by regional Local Governments at Boyup Brook, Broome, Esperance, Geraldton, Kalgoorlie, Katanning, Merredin, Murray, Narrogin and Toodyay,

A total of 311 Elected Members attended the training with testimonials received from Councillors registering a high level of satisfaction with the learning outcomes achieved.

Phase 3 of the training for Country Local Government members to be delivered during 2014-15 is currently in the planning phase.

EMPLOYEE RELATIONS

At the May 2015 State Council meeting, State Council resolved to note the four year review of the Local Government Industry Award 2010 (**LGIA**). WALGA is currently continuing to advocate before the Fair Work commission (**FWC**) on behalf of the Local Government sector in Western Australia in relation to submissions by unions to significantly change the LGIA.

WALGA has coordinated a Sector Reference Group to continue to inform matters relating to the review of the LGIA and ensure that WALGA is advocating in the best operational interests of its members.

An InfoPage has also been sent to all Local Governments seeking feedback on the two key items that unions have put forward as part of their submissions and the possibility of taking a consent position on these two key items.

These two key items are:

1. Dispute Resolution Training Leave; and
2. Overtime at double-time from midday Saturday.

WALGA will collate this feedback and then advocate on behalf of the sector in upcoming FWC proceedings.

Further reports will be provided to State Council when matters of significance in the proceedings occur.

STRATEGY & REFORM

Regional Cooperation

Regional Cooperation assistance has continued over the last 2 months to regional groups and organisations across the State. Regional visits have included;

- 4WDL VROC meeting with member councils of Wagin, West Arthur, Williams, Woodanilling, Dumbleyung and Lake Grace.
- NEWROC meeting with member councils of Koorda, Mt Marshall, Mukinbudin, Nungarin, Trayning and Wyalkatchem.
- Kimberley, Pilbara, NT Forum in Darwin, attendees included member Councils from Broome, Derby-West Kimberley, Halls Creek, Wyndham-East Kimberley, Ashburton, East Pilbara, Karratha and Port Hedland and Darwin City.
- CapeROC meeting with members Augusta-Margaret River and Busselton.
- Warren Blackwood Alliance of Councils meeting with members of Bridgetown-Greenbushes, Manjimup and Nannup.
- Hotham Williams Economic Development Alliance meeting with members of Boddington, Wandering and Williams

- WA Regional Capitals Alliance meeting with members of Albany, Broome, Bunbury, Greater Geraldton, Kalgoorlie-Boulder, Karratha and Port Hedland.

The Regional Groups are undertaking a variety of shared service activities working collaboratively to ensure sustainability of their regions and improved benefits and outcomes to their individual communities.

The Association supports the activities of regional groupings via the regional cooperation role through the provision of facilitation, research, support and additional resources to assist the groups to achieve their goals.

RECRUITMENT

The Recruitment Service provides a number of professional placements in a variety of roles within the sector coupled with a significant number of Chief Executive Officer and Senior Executive positions. The Recruitment Service has now formed part of the Governance and Organisational Services Unit and provides advice and support in conjunction with Employee Relations staff providing assistance in drafting and negotiating terms of the employment contract and Governance staff in providing advice and assistance in Governance related matters.

Since the departure of the State Government's structural reform process, the Recruitment Service has been busy assisting many Local Governments with their staffing requirements.

7.1.3 Report on Key Activities, Infrastructure (05-001-02-0003 ID)

By Ian Duncan, Executive Manager Infrastructure

Moved: Cr Janet Davidson

Seconded: Mayor Logan Howlett

That the Key Activities Report from the Infrastructure Unit to the July 2015 State Council meeting be noted.

RESOLUTION 87.4/2015

CARRIED

The following provides an outline of the key activities of Infrastructure since the last State Council meeting.

ROADS

Calculating the Cost of Road Wear on Local Roads

The impact of heavy vehicles on road life is greater for roads that were not designed and constructed for this purpose, which is the case for many Local Government roads. Local Governments have been seeking a method to calculate the marginal cost associated with an industry transport task so that they can negotiate fair recompense on behalf of the community.

WALGA has developed a methodology around the concept of a marginal cost of road wear. The marginal cost of road wear in this context, is defined as the difference in cost of maintaining a road in a serviceable condition, between an increased load of traffic and a base traffic load. The marginal cost is dependent on many variables including the strength of the road and the cost of road construction and maintenance. Since these variables fluctuate across the State, a catalogue of charts has been developed to represent the spectrum of scenarios that are likely to be encountered.

The charts are presented in the form of a "User Guide" that provides an easy to use tool for Local Governments to estimate the costs of road wear for a particular freight task. The User Guide has been completed and is to be presented to the Zones, Regional Road Groups and Main Roads in June/July. A copy of the tool and Guide will be available to all Local Governments.

Visual Condition Data Collection Manual for Roads

WALGA is reviewing the Visual Condition Data Collection Manual, used to standardise visual assessment of roads. A draft has been compiled following consultation with the ROMAN II User Group. The draft manual will be circulated to all Local Governments for comment in June followed by a workshop later in the year.

Review of the Road Classification System

A Working Group comprising members from Local Government, Main Roads and WALGA has been established to review the current road classification system used to determine responsibility for roads in WA under the requirements of the *Main Roads Act 1930*. The project team will review the current administrative classification process used to determine which sphere of government is responsible for new or existing roads based on function. The group will also consider the application process to formally transfer a road from Local Government to Main Roads WA in metropolitan and regional/remote areas. Local Governments will be consulted during the project to gain feedback on improvements to the current road classification arrangements.

Restricted Access Vehicle Network

WALGA convened a workshop with staff from Main Roads Heavy Vehicle Services and Regional Services sections along with the Department of Transport and Wheatbelt Development Commission to agree the next steps in a program of work to develop a road freight plan for the wheatbelt regions. The draft will be developed using information gathered at recent workshops held by the Wheatbelt North and Wheatbelt South Regional Road Groups.

Officers from 16 Local Governments were trained (as part of a pilot program) to undertake route assessments against the Restricted Access Vehicle Network standards. WALGA continues to work with Heavy Vehicle Services to identify ways of overcoming the backlog of route assessments for the RAV network.

Commodity Route Supplementary Fund

Local Governments have been invited to submit applications for funding in 2016/17 to maintain and upgrade roads with significant freight tasks. The closing date for submissions will be in September 2014.

FUNDING

State Road Funds to Local Government Agreement

The Association President led a final scheduled meeting during May with the Minister for Transport Hon Dean Nalder to discuss funding to the State Road Funds to Local Government Agreement post July 2016. The proposal will now be considered by Cabinet and the Economic and Expenditure Reform Committee (EERC).

Proposals considering funding categories within the Agreement are being developed for consultation with Local Governments and Regional Road Groups.

The State Road Funds to Local Government Advisory Committee met during May and endorsed the 2015/16 Local Roads Program. The Committee also received reports on project expenditure relative to budget for 2014/15 and opportunities to address this in the short and long term.

Road Assets and Expenditure Report

The 2013/14 Assets and Expenditure report has been completed will be provided to all Local Governments in June.

URBAN & REGIONAL TRANSPORT

Office of the Auditor General's Review of Cycling

The Association has developed an interim submission to the Office of Auditor General Inquiry into Safe and Sustainable Cycling for Perth. The objective of the audit is to determine whether suitable support and infrastructure are provided to enable cycling to be seen as a viable mode of transport in the Perth metropolitan area. One focus of this inquiry is to determine whether there is a comprehensive and well maintained cycling network which covers the main metropolitan transport routes. A final report is expected to be tabled in Parliament in the third quarter of 2015.

Partnership Agreement for the Management of Bus Stop Infrastructure

Following endorsement at the March WALGA State Council meeting, the Partnership Agreement for the Management of Bus Stop Infrastructure was signed by both parties and copies provided to all metropolitan Local Governments. An electronic copy can be viewed on the WALGA website here: <http://www.walga.asn.au/MemberResources/Infrastructure/UrbanandRegionalTransport/BusStopInfrastructure.aspx>

Details of bus shelters eligible to receive a contribution to maintenance costs under the new Bus Shelter Maintenance Assistance Scheme are now being sought by PTA with the aim of completing the first payment in the 2014/15 financial year.

ROAD SAFETY

Cycling on Footpaths

In March 2015 a Cycling Safety Roundtable workshop hosted by the Premier and Minister for Road Safety raised the matter of allowing cyclists of all ages to ride on footpaths as an initiative to reduce cyclist deaths and serious injuries. Currently, the *Road Traffic Code 2000* enacts “The rider of a bicycle who is 12 years of age or older shall not ride on a footpath, that is not a shared path or a separated footpath.” WALGA developed a “Cycling on Footpaths” discussion paper to assist Local Governments consider the implications of amending the *Road Traffic Code 2000* to allow cyclists of all ages to ride on footpaths. Feedback was invited from the sector to inform a policy position on this matter.

Traffic Management Company Registration Scheme

Main Roads WA has introduced a Traffic Management Company Registration Scheme. The Scheme requires traffic management companies to be registered with Main Roads WA by demonstrating competence against assessment criteria including occupational health and safety, quality assurance, industrial relations, personnel, and industry experience. Only traffic management companies registered with Main Roads WA can undertake traffic management on state controlled roads. WALGA and metropolitan Local Governments have contributed to developing this scheme, which aims to raise traffic management standards and safety at road works on the road network. A list of registered traffic management companies will be available on the Main Roads WA website. Whilst there is no requirement to use a registered traffic management company, Local Governments are invited to engage a registered company to undertake large or complex works on their roads. Local Governments undertaking traffic management on State roads are required to register under the scheme. The application process for Local Governments has been streamlined.

Road Safety Council Update

The Road Safety Council (RSC) met on 25 March at the WA Police facility in Midland for a tour of the Breath and Drug (BAD) Bus and to observe the latest speed camera technology in operation. At that meeting the RSC also reviewed the latest road crash statistics and noted recent findings showing the impact of frontal airbags (13% reduction in deaths), side airbags (fatalities reduced by 4%) and electronic stability control (6% less deaths) with these benefits likely to increase as more vehicles fitted with these features enter the fleet. A briefing was also provided on the work being undertaken to review cycling, motorcycle and regional highway safety.

Further information about the Road Safety Council can be viewed at
<http://www.ors.wa.gov.au/Road-Safety-Council>.

RoadWise Road Safety Newsletter

The *RoadWise Road Safety Newsletter* (formerly the *Road Safety Round Up*) is a monthly newsletter, produced by the WALGA RoadWise Program. The newsletter is distributed to more than 2000 recipients and provides updates about the wide range of road safety activities being undertaken by the road safety network across the State.

Members of the wider road safety network are encouraged to submit relevant road safety news items for publication throughout the year.

The April Edition of the newsletter can be found here:

<http://us3.campaign-archive1.com/?u=deaf6c84b27d6ba4ab394cdf0&id=1cc43ab637>

To be added to the database to receive the newsletter, send an email to roadwise@walga.asn.au

7.1.4	Report on Key Activities, Planning and Community Development (01-006-03-0014 AH)
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By Allison Hailes, Executive Manager Planning and Community Development

Moved: Cr Janet Davidson

Seconded: Mayor Logan Howlett

That the Key Activities Report from the Planning and Community Development Unit to July 2015 State Council meeting be noted.

RESOLUTION 88.4/2015

CARRIED

The following provides an outline of the key activities of Planning and Community Development since the last State Council meeting.

PLANNING

Planning Workshops

WALGA staff have held a number of planning workshops with members during May and June:

- A 'Direction 2031 Targets – are we there yet?' workshop was held on the 20 May to gain an understanding of how well the Directions 2031 targets are being met and to identify mechanisms to assist in meeting these targets if they do not look like being achieved under current market conditions or policy parameters. Speakers included the Director General of the Department of Planning, CEO of UDIA and 5 local government CEOs and Directors from outer growth local governments. A further workshop for central local governments to present their progress on Directions 2031 will occur in July.
- Workshops on the recently released *Perth and Peel @3.5 million* were held on the 18, 24 and 25 June, to inform the preparation of a representative submission for the four sub regional structure plans. The interim submission on these documents will be presented to the September State Council meeting for endorsement. Further information can be found [here](#).
- Following the release of the Local Government Town Planning Guide for Alcohol Outlets in March, WALGA is assisting interested regional and metropolitan local governments in considering this issue and a session was held in Kalgoorlie at the end of May with senior staff. The resource can be found at <http://walgapip.ning.com/> and further workshops will be held with interested local governments. To request a workshop please email planning@walga.asn.au.

Feedback on owner's signatures on an application for a Building Permit

The Building Commission released a discussion paper in April 2015 regarding the current Ministerial exemption from owners signing a building permit application. Feedback from the sector was collated by the Association and forwarded to the Commission to assist in their review.

The preferred option is to require the owner to sign the building permit application form, but would require a clearer definition of what constitutes the 'owner'. Support was also given for the proposed 'written authority' process. This option was chosen to ensure that an owner/all owners are aware of building works being undertaken and also to assist local government if enforcement processes are required to be initiated (due to difficulties with enforcement actions on builders). Following the consideration of all of the feedback received the Minister for Commerce will be advised of any proposed amendments and the Association will be advised further.

Reform of Strata Titles – Consultation summary

Landgate has recently released an outline of the consultation undertaken between October 2014 and January 2015 on the Strata Title reform proposals. Landgate received 154 submissions which included 35 organisations and more than 1160 official comments.

The Minister for Lands also released a Consultation Summary document that aims to outline the main collective outcomes of the feedback, for the purpose of keeping stakeholder informed on the progress of reforms. The documents can be accessed here - [Consultation Summary](#) document and [FAQ document](#).

COMMUNITY DEVELOPMENT

Tourism Demand Driver Infrastructure Program

The Commonwealth Government has announced 43.1 million over 4 years to support tourism organisations. *The Tourism Demand Driver Infrastructure (TDDI) Program* Half the funding will be split equally between all jurisdictions; the remaining amount will be allocated according to each State's share of total visitor nights over the past three years.

Western Australia will receive \$5.063 million in funding over four years, which will be managed by Tourism WA that will use two streams to allocate the TDDI funds.

The first is Regional Transformational Projects - five projects, one from each tourism region, that have funding from other sources and will help the State achieve its 2020 goal have been preselected for the program. Each project is an existing concept that has been scoped and costed by a project partner, which may be State Government, Local Government or an industry association.

The following projects have been selected: Dampier Terrace/Frederick Street Lookout, Broome, Mersey Point Jetty redevelopment, Rockingham, Cruise tender landing platform, Busselton, and projects from Australia's Golden Outback and Australia's Coral Coast are being finalised and will be announced soon.

The second stream is the Competitive Grants process with up to \$500,000 awarded on a matched funding basis to the successful applicants. The grants are available to Local Government and not-for-profit tourism industry associations for projects that are linked to a state, regional or destination tourism plan and have attracted funding from other sources.

WALGA has advised members through Local Government News on 5 June 2015. Visit www.tourism.wa.gov.au for more information.

Tourism Position Paper

Tourism has been identified as one of the key economic growth areas - set to double in the next 20 years. Following the sector's interest in tourism, together with research and consultation with Local Government and tourism stakeholders, WALGA has prepared a tourism position paper including recommendations on future WALGA and Local Government roles. The paper will be available to Local Governments in mid-June through an LG News web link, with a 6 week consultation period in which Local Governments can provide feedback before its inclusion in the State Council Agenda in September 2015.

Visitor Centre Funding

A funding program available through Royalties for Regions is offering \$4.2 million over three years to regional visitor centres to help make them more sustainable. \$1.1 million will be available in 2015-16. Accredited visitor centres or Local Governments can apply for grants between \$10,000 and \$100,000. Grants between \$10,000 and \$40,000 are available to non-accredited visitor centres (but they need to show they are actively working towards achieving accreditation as part of their application). As the program is funded through Royalties for Regions, the WA Visitor Centre in Perth and other metropolitan visitor centres are ineligible. A matching cash and/or in-kind contribution are required from applicants – every \$1 of grant funding requested must be matched by \$1 of applicant funds or in-kind contributions.

Further information on the program and how to gain accreditation is available at www.tourism.wa.gov.au.

Public Library Review Project

Last year WALGA State Council requested WALGA to develop a strategic vision and framework for public libraries in WA. As part of this review process, WALGA commissioned the AEC Group to undertake a comprehensive review of library services and operations, both as they currently stand and how they may evolve over the next 10 years. As part of this process the AEC Group lead an extensive consultation process in April 2015 with Local Government and key stakeholders.

To discuss the consultation findings and future directions, WALGA is hosting a forum on Tuesday, 30 June 2015 at the Hyatt Regency Perth. This session will be presented by Dr Veronica Lunn and Robb Noble of the AEC Group. To register please visit the WALGA website www.walga.asn.au

State CCTV Strategy Consultation

WALGA is seeking member feedback on the draft Western Australian State CCTV strategy by 26 June 2015 to inform a sector response. The draft strategy recognizes the need for a more coordinated effort in regard to the purchase, implementation and management of CCTV in Western Australia. WALGA is working with WA Police to host an information session for Local Government on the proposed strategy in July 2015.

Rural Health Agency Reference Group – Finding my Place Report

Rural Health West has released the Finding My Place Report (Volume One) which outlines the factors that rural Western Australian medical practitioners believe will, and are, influencing their attraction and retention to rural Western Australia.

WALGA is a member of the Rural Health Agency Reference Group and has been involved on the working group of the Finding My Place project. The Report was informed by data provided by rural medical workforce. Of the feedback, the following areas have been identified as having the most potential to positively influence the attraction and retention of doctors in rural Western Australia:

- a. Strategies to ensure positive engagement between private general practice and the rural public hospital system;
- b. Systems to provide stronger day-to-day professional support for solo general practitioners;
- c. Initiatives to establish a universal shared patient information record which enables the integration and coordination of patient care between agencies and clinicians working in different parts of the health system; and
- d. Initiatives to reduce the burden of administrative processes in both the private practice and hospital settings required by the Australian and Western Australian Governments.

WALGA will continue to work with the reference group in preparation of Finding My Place (Volume Two) anticipated for publication in the second half of 2015. This closely linked document will outline/provide the strategies aimed at enhancing the attraction and retention of rural doctors which have been developed collaboratively by rural health agencies.

To view Finding My Place (Volume One) visit www.ruralhealthwest.com.au/who-we-are/publications

Public Health Bill update and establishment of Local Laws Working Group

The Public Health Bill 2014 is progressing. In preparation for the new Act WALGA is working with the Department for Health and the Department for Local Government and Communities on the review of local laws. DoH has established local laws working group and the first meeting will be held in early June 2015.

Review of Community Resource Centres

In 2013, the Western Australian Regional Development Trust (Trust) released the Review of the Community Resource Centre Network. The report identified a number of recommendations including the need to develop a framework for better integration between CRC and Government services. The report also recognised the similarity of services that are provided by libraries and CRC's.

In Western Australia there are 233 Public Libraries. These often work closely 109 Community Resource Centres situated across regional Western Australia. Approximately 30% percent of CRC are collocated with a public library.

As part of our review of Public Libraries, Executive Staff from WALGA and the Department of Regional Development met. DRD advised they will be undertaking a review of the CRC network over the coming months. The Association will advise members of the review and how it input via Local Government News.

New Emergency Management Service

The Local Government Sector will be invited to subscribe to the new WALGA Emergency Management Service for the 2015-16 financial year.

There is ever increasing pressure on Local Governments to comply with emergency management legislation and policy. The increasing number of large scale emergencies directly affecting Local Governments and their communities further highlights the fact that a greater effort needs to be made in relation to emergency management planning and risk management.

In 2014, WALGA undertook a survey of selected Local Governments across the State focusing on their capacity to address these needs and their desire to enter into a service model with WALGA. The survey results indicated that many of our members are in need of assistance.

This new service will offer a low cost solution for our members ensuring their local emergency management plans are compiled using the agreed SEMC format, reviews are conducted annually and that risk registers are properly maintained using the newly developed Emergency Risk Assessment Database. Correspondence on the new service will be sent to all members in June 2015.

State Emergency Management Committee

WALGA continues to contribute to the State Emergency Management Committee which is tasked with overseeing emergency management arrangements for Western Australia. Below are three key projects underway:

Bushfire Review

The review on the bushfires—O'Sullivan and Lower Hotham—will commence shortly. Funded by the Disaster Resilience Program (NDRP) the review will examine these large fires in the Shires of Manjimup (O'Sullivan) and Boddington (Lower Hotham) using a methodology to identify opportunities for continuous improvement.

Bushfire stocktake

The management of bushfire risk is a key priority and issue for Western Australia. The Minister for Emergency Services has requested that a bushfire stock-take of whole of government activities and current investments be undertaken. The SEMC Secretariat is developing a survey tool to assist with the audit. Local Government will be invited to participate. This will allow for a more comprehensive, integrated approach to management of risks, including funding options. The SEMC Secretariat will deliver a report to the Minister by August 2015.

2015 Emergency Preparedness Report

The annual Emergency Preparedness Report is being developed with capability questions circulated to stakeholders in mid-April 2015. The questions have been tailored to agency groupings such as hazard management agencies, emergency management agencies, service providers or local governments. All agency responses are due on 5 June and local governments by 1 July.

The key strategic themes of Risk, Capability and Impact will head the main chapters. There will also be a section covering the longer term strategy for transition to comprehensive Risk, Capability and Impact profiling aligning to the new SEMC 2015- 2018 Strategic Plan. This year's reporting cycle began earlier than in previous years

Emergency Management Act Review

The Emergency Management Legislation Advisory Group reviewed Draft 9 of the Emergency Management Act Amendment Bill 2014 and the Secretariat is providing further drafting instructions to the Parliamentary Counsel's Office.

The Emergency Services Act Legislation

The Interagency Working Group – Review of the Emergency Services Act met recently to discuss the consultation process for the new legislation.

The Review of the Emergency Services Acts is currently in the fourth stage of the review process. The Review Team has completed drafting the Decision Paper: Review of the Emergency Services Acts (Decision Paper) which was submitted to the Regulatory Gatekeeping Unit (RGU) for assessment in January 2015.

The Decision Paper explores in detail the options put forward in the Concept Paper and includes an analysis of comments provided during the public consultation period.

The RGU examines the Decision Paper by administering the Regulatory Impacts Assessment (RIA).

The RIA is aimed at ensuring rigorous analysis of regulatory proposals, effective and appropriate consultation, and transparency of process. It also identifies any unforeseen consequences such as costs, regulatory failure and market failure associated with the regulatory proposals before submission to the decision maker (for example the Minister for Emergency Services).

Once the RIA process is completed, a Certificate of Compliance will be issued by the RGU. The Decision Paper will then be sent to the Minister for Emergency Services to seek approval to draft the Bill for the new Emergency Services Act.

For further information about the Review of the Emergency Services Acts, visit www.dfes.wa.gov.au/legislationreview

7.2 Policy Forum Reports

7.2 Policy Forum Reports (01-006-03-0007 TB)
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The following provides an outline of the key activities of the Association's Policy Forums since the last State Council meeting.

Moved: Cr Geoff Amphlett

Seconded: Cr Doug Thompson

That the report on the key activities of the Association's Policy Forums to the July 2015 State Council meeting be noted.

RESOLUTION 89.4/2015

CARRIED

7.2.1 Mining Community Policy Forum (Wayne Scheggia, Deputy CEO)

The Mining Communities Policy Forum has been tasked with addressing the following key issues;

- i. Monitor and assess the continuing impacts of State Agreement Acts on Local Government revenue raising capacity and service delivery;*
- ii. Monitor and assess the impacts of State Government legislation, regulation and policies on the capacity of Local Governments to appropriately rate mining operations.*
- iii. Develop and recommend relevant advocacy strategies in relation to i & ii;*
- iv. Consider and recommend relevant strategies in respect to "Fly-in, Fly-out (FIFO) and "Drive-in Drive-out" (DIDO) workforce practices with specific reference to;*
 - a. The effect of a non-resident, FIFO/DIDO workforce on established communities, including community wellbeing, services and infrastructure;*
 - b. The impact on communities sending large numbers of FIFO/DIDO workers to mine sites.*

Comment

There has not been a meeting of the Policy Forum since the previous State Council meeting.

7.2.2 Container Deposit Legislation Policy Forum (Mark Batty, Executive Manager Waste and Environment)

A Container Deposit System (CDS) is a form of Extended Producer Responsibility which seeks to place financial/physical responsibility for a product (at end of life) on the original producer.

The Container Deposit Legislation Policy Forum has been tasked with addressing the following key issues;

- i. To examine proposed CDS schemes and decide on a scheme that has the best capacity to meet the objectives*
- ii. To develop an advocacy plan for the implementation of a best practice CDS, working with other supportive organisations.*
- iii. To examine options for funding of an advocacy plan.*

Comment

The Container Deposit Legislation Policy Forum is currently on hold, pending the outcome of national considerations of Cash for Containers options.

7.2.3 Metropolitan Mayors Policy Forum (Wayne Scheggia, Deputy CEO)

The Metropolitan Mayors Policy Forum has been tasked with addressing the following key issues;

- i. Advise the WALGA President on emerging policy issues and the development and implementation of significant metropolitan initiatives;*
- ii. Identify innovative approaches to metropolitan issues;*
- iii. Facilitate metropolitan-wide consultation, collaboration and partnerships to address metropolitan-wide policy and project initiatives; and*
- iv. Serve as a stakeholder forum to effectively support and complement the broader work of the Western Australian Local Government Association*

Comment

There has not been a meeting of the Policy Forum since the previous State Council meeting. The next meeting will be scheduled for the second half of 2015 and consideration of the following issues are proposed;

- Red Tape Reduction Report.
- Local Government rating and concern at rate capping suggestions.

7.2.4 Waste Avoidance and Resource Recovery Act (2007) Review Policy Forum (Mark Batty, Executive Manager Waste and Environment)

The WARR Act Policy Forum has been tasked with addressing the following key issues;

- i. Review the Department of Environment Regulation Discussion Paper on the WARR Act*
- ii. Facilitate sector involvement in the WARR Act Review and discussions of complementary measures to improve waste management*
- iii. Develop a Submission on the Discussion Paper for endorsement by State Council*

Comment

The State Council endorsed the Policy Forum interim submission to the WARR Act Review at its May 2015 meeting (RESOLUTION 40.2/2015). The Policy Forum is therefore in abeyance.

7.2.5 Freight Policy Forum (Ian Duncan, Executive Manager Infrastructure)

This Freight Policy Forum will focus on the agricultural (cropping and livestock grazing, excluding pastoral activities) areas of Western Australia and their links to port. The objectives are to better define and manage the freight network on Local Government roads and establish sustainable funding arrangements.

Comment

A meeting of the Policy Forum was held on 21 May. Presentations were provided by the WA Road Transport Association on automated heavy vehicles being utilised in the future and the WA Farmers Federation on the expected growth of transporting grain and other stock. An analysis of Local Government Heavy Vehicle Policies was reviewed with the intention of developing a model policy. The next meeting is expected to be held on 9 July.

7.3 President's Report

Moved: Mayor Henry Zelones

Seconded: Cr Wally Barrett

That the President's Report for July 2015 be received and State Council express their gratitude and appreciation to the President for his service.

RESOLUTION 90.4/2015

CARRIED UNANIMOUSLY

Jonathon Throssell, Deputy for LGMA presented a verbal report on LGMA activities.

7.4 CEO's Report

Moved: Cr Fiona Reid

Seconded: Cr Chris Mitchell

That the CEO's Report for July 2015 be received.

RESOLUTION 91.4/2015

CARRIED

8. ADDITIONAL ZONE RESOLUTIONS

Moved: Mayor Logan Howlett
Seconded: Cr Wayne Sanford

That the additional Zone Resolutions from the July 2015 round of Zones meetings as follows be referred to the appropriate policy area for consideration.

The North Metropolitan Zone item to be actioned with a report to the next State Council Strategic Forum.

RESOLUTION 92.4/2015

CARRIED

NORTHERN COUNTRY ZONE

Shire of Irwin – Dingoes and the Dog Act (Governance)

That the Northern Country Zone requests WALGA to lobby the State Government to have the Dog Act amended to define 'dog', particularly in respect to domestic dingoes including the ability for domestic dingoes to be classified as dangerous dogs.

NORTH METROPOLITAN ZONE

Department of Local Government and Communities and Joint Standing Committee on Delegated Legislation (Governance)

That the WALGA State Council be requested to engage with the Department of Local Government and Communities and Joint Standing Committee on Delegated Legislation to:

- Seek clarity on behalf of all Local Governments as to the correct procedures and protocols required when dealing with the Delegated Legislation Committee; and
- Improve the processes, guidelines and protocols of the Delegated Legislation Committee in order that Local Governments, and the Committee, ensure they act appropriately and comply with Parliamentary requirements in the best interests of good government.

CENTRAL METROPOLITAN ZONE

Licensing of Cyclists (Infrastructure)

That WALGA staff research and prepare a discussion paper about licensing of cyclists and related safety issues in Western Australia.

GREAT EASTERN COUNTRY ZONE

Ongoing Issues around Grain Freight Rail Infrastructure (Infrastructure)

That the Great Eastern Country Zone request the WALGA State Council to take a much stronger stance than demonstrated to date in its representation of Western Australian Wheatbelt local governments regarding the provision of adequate grain freight rail infrastructure and services.

SOUTH WEST COUNTRY ZONE

SAI Global – Australian Standards – Subscription Costs (Governance)

THAT the South West Zone of WALGA request that the WALGA investigate the most cost effective solution for local governments to maintain up to date Australian Standards that apply to the activities that local governments are required to administer, apply to the organization and advice given to contractors and the community.

9. WALGA PRESIDENT RESIGNATION

WALGA President Mayor Troy Pickard has resigned effective at the conclusion of the State Council Meeting.

In accordance with Clause 19 of the Associations Constitution, an election for the position of President was held.

The election process was conducted by the Returning Officer, Ms Ricky Burges, WALGA Chief Executive Officer.

Nominations closed at 4.00pm today Thursday, 18 June 2015 and the following nominations were received (in the order of receipt only):

President

- President, Cr Lynne Craigie
- President Cr Karen Chappel
- Mayor Henry Zelones (Subsequently withdrawn)

Each candidate's nomination form was distributed for consideration. The term of office for the position is until the day of the first Ordinary Meeting of State Council in 2016, which is scheduled for 2 March 2016.

The election was conducted by secret ballot after each candidate was afforded a maximum of two minutes to support their nomination, Cr Lynne Craigie was announced President of WALGA.

Moved: Cr Chris Mitchell

Seconded: Mayor Henry Zelones

That State Council conduct the election for Deputy President tonight.

LOST

Moved: Cr Wally Barrett

Seconded: Mayor Logan Howlett

That an election process for the Deputy President position be carried out as follows:

1. **Call for nominations 2 July 2015**
2. **Nominations close 15 July 2015**
3. **Special meeting to be held on 5 August at 8:00am at a location to be advised.**

RESOLUTION 93.4/2015

CARRIED

10. MEETING ASSESSMENT

Cr Steve Wolff provided feedback as to the effectiveness of the meeting.

11. DATE OF NEXT MEETING

Recommendation

That the next meeting of the Western Australia Local Government Association State Council be held in Narrogin on Friday, 4 September 2015 commencing at 9.00am.

12. CLOSURE

There being no further business the President declared the meeting closed at 6.18pm.



MINUTES

ORDINARY COUNCIL MEETING

TIME: 5.30PM

2 JULY 2015

CITY OF STIRLING

Managing waste and recovering resources responsibly
Constituent Members: Cities of Perth, Joondalup, Stirling, Vincent and Wanneroo
Towns of Cambridge and Victoria Park



Town of
Cambridge



City of
Joondalup



CITY of PERTH



City of Stirling
City of Choice



TOWN OF
VICTORIA PARK



CITY OF VINCENT



City of
Wanneroo

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Prior to taking their seats for the meeting each member elected by the Member Councils, made the required Declaration of Elected Member for the position of Councillor of the Mindarie Regional Council in accordance with the Transitional Provisions of the Local Government Act 1995 (Schedule 9.3) using s.702 of the Local Government Act 1960 (repealed).

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The CEO declared the meeting open at 5.30pm.

2 ELECTION OF CHAIR

The CEO advised Council that he had received a nomination from Cr Hollywood nominating Cr Fishwick for the Chairman's role. Cr Fishwick confirmed acceptance of the nomination. The CEO asked if there were any further nominations. No further nominations were received.

Cr Fishwick was declared elected as Chairman unopposed and resumed the role of Chairman of the meeting.

3 ELECTION OF DEPUTY CHAIR

The Chairman advised Council that one nomination had been received from Cr Fishwick nominating Cr Stewart for the Deputy Chairman's role. Cr Stewart confirmed acceptance of the nomination. The Chairman asked if there were any further nominations. No further nominations were received.

Cr Stewart was declared elected as Deputy Chairman unopposed.

4 ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

Councillor Attendance

Cr R Fishwick JP (Chairman)	City of Joondalup
Cr B Stewart (Deputy Chairman)	City of Stirling
Cr J Bissett	Town of Victoria Park
Cr D Boothman	City of Stirling
Cr J Carey	City of Vincent
Cr J Davidson OAM JP	City of Perth
Cr R Driver	City of Wanneroo
Cr K Hollywood	City of Joondalup
Cr D Newton JP	City of Wanneroo
Cr S Proud	City of Stirling
Cr E Re JP	City of Stirling
Cr S Withers	Town of Cambridge

Apologies

Nil

Leave of Absence

Nil

Absent

Nil

MRC Officers

Mr B Callander (Chief Executive Officer)
Mr G Hoppe (Director Corporate Services)
Ms L Nyssen (Executive Support)

MRC Observers

Ms P Davies (Education Officer)

Member Council Observers

Mr N Ahern (City of Perth)
Mr W Bow (Town of Victoria Park)
Mr N Claassen (City of Joondalup)
Mr C Colyer (Town of Cambridge)
Mr D Forster (City of Perth)
Mr M Littleton (City of Stirling)
Mr A Murphy (City of Joondalup)
Mr S Sciberras (City of Stirling)
Mr H Singh (City of Wanneroo)

Visitors

Nil

Members of the Public

Nil

Press

Nil

5 DECLARATION OF INTERESTS

Nil

6 PUBLIC QUESTION TIME

Nil

7 ANNOUNCEMENTS BY THE PRESIDING PERSON
--

The Chairman thanked the deputy chairperson, Cr Stewart, elected members, member council officers and the MRC officers for their support over the past year.

The Chairman asked that councillors fill out the CEO performance review form and return it to Mr Phillips.

The Chairman advised that Mr Gunther Hoppe has commenced in his role as the Acting Chief Executive Officer of the Western Metropolitan Regional Council.

8 APPLICATIONS FOR LEAVE OF ABSENCE
--

Nil

9 PETITIONS / DEPUTATIONS / PRESENTATIONS
--

Nil

10 CONFIRMATION OF MINUTES OF PREVIOUS MEETING
--

10.1 ORDINARY COUNCIL MEETING – 23 APRIL 2015

The Minutes of the Ordinary Council Meeting held on 23 April 2015 have been printed and circulated to members of the Council.

RESPONSIBLE OFFICER RECOMMENDATION

That the Minutes of the Ordinary Council Meeting of Council held on 23 April 2015 be confirmed as a true record of the proceedings.

RESOLVED

**Cr Re moved, Cr Hollywood seconded
That the recommendation be adopted.**

CARRIED UNANIMOUSLY (12/0)

11 CHIEF EXECUTIVE OFFICER REPORTS

11.1	FINANCIAL STATEMENTS FOR THE MONTHS ENDED 31 MARCH 2015 AND 30 APRIL 2015
File No:	FIN/5-05
Appendix(s):	Appendix No. 1 Appendix No. 2 Appendix No. 3
Date:	15 June 2015
Responsible Officer:	Director Corporate Services

SUMMARY

The purpose of this report is to provide financial reporting in line with statutory requirements which provides useful information to stakeholders of the Council.

BACKGROUND

Reporting requirements are defined by Financial Management Regulations 34 of the Local Government (Financial Management) Regulations 1996.

The financial statements presented for each month consist of:

- Operating Statement by Nature – Combined
- Operating Statement by Nature – RRF Only
- Operating Statement by Function
- Statement of Financial Activity
- Statement of Reserves
- Statement of Financial Position
- Statement of Investing Activities
- Information on Borrowings
- Tonnage Report

DETAIL

The Financial Statements attached are for the months ended 31 March 2015 and 30 April 2015 and are attached at **Appendix No. 1 and 2** to this Item. The Tonnage Report for the 10 months to 30 April 2015 is attached at **Appendix No. 3**.

The complete suite of Financial Statements which includes the Operating Statements, Statement of Financial Position, Statement of Financial Activity and other related information are reported on a monthly basis.

The estimates for Provisions for Amortisation of Cell Development, Capping and Post Closure expenditure are based on the estimated rates per tonne calculated with reference to estimated excavation cost of various stages of the landfill and the life of the landfill. An adjustment is made (if necessary) at the end of the year based on actual tonnages on a survey carried out to assess the “air space” remaining and other relevant information.

Summary of results for the period ended 30 April 2015

	Actual	Budget	Variance
	t	t	t
Tonnes – Members	301,745	309,715	(7,970)
Tonnes – Others	16,989	22,061	(5,072)
TOTAL TONNES	318,734	331,776	(13,042)
	\$	\$	\$
Revenue – Members	36,805,489	37,841,361	(1,035,872)
Revenue – Other	4,813,606	5,073,392	(259,786)
TOTAL REVENUE	41,619,095	42,914,753	(1,295,658)
Expenses	39,607,242	42,600,165	2,992,923
Profit on sale of assets	9,159	3,372	5,787
Loss on sale of assets	(317,009)	(31,127)	(285,882)
NET SURPLUS	1,704,003	286,833	1,417,170

Commentary

Member tonnes for the 10 months to April 2015 are 7,970 tonnes below the revised budget, primarily as a result of differences in the timing of waste deliveries.

Non-member tonnes are 5,072 tonnes below budget, primarily as a result of the sustained downturn in commercial tonnes.

Expenses are \$3.0 million below budget primarily as a result of delays in the commencement of a number of landfill projects (\$473k), lower than budget staff costs (\$318k) and the reduced tonnes to landfill, which in turn results in savings on the landfill levy (\$1,200k) and airspace (\$496k).

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That the Financial Statements set out in Appendix No. 1 and 2 for the months ended 31 March 2015 and 30 April 2015, respectively, be received.

RESOLVED

Cr Boothman moved, Cr Davidson seconded

That the recommendation be adopted.

CARRIED UNANIMOUSLY (12/0)

11.2	LIST OF PAYMENTS MADE FOR THE MONTHS ENDED 31 MARCH 2015 AND 30 APRIL 2015
File No:	FIN/5-05
Appendix(s):	Appendix No. 4 Appendix No. 5
Date:	15 June 2015
Responsible Officer:	Director Corporate Services

SUMMARY

The purpose of this report is to provide details of payments made during the periods identified. This is in line with the requirement under the delegated authority to the Chief Executive Officer (CEO), that a list of payments made from the Municipal Fund since the last Ordinary Council meeting be presented to Council.

COMMENT

The lists of payments for the months ended 31 March 2015 and 30 April 2015 are at **Appendix 4 and 5** to this Item and are presented to Council for noting. Payments have been made in accordance with the delegated authority to the CEO which allows payments to be made between meetings. At the Ordinary Council Meeting held on 4 September 2014, the Council delegated to the CEO the exercise of its power to make payments from the Municipal Fund. In order to satisfy the requirements of Clause 13(2) of the Local Government (Financial Management) Regulations, a list of payments made must be submitted to the next Council meeting following such payments.

It should be noted that generally all payments are GST inclusive and the Mindarie Regional Council is able to claim this tax as an input credit when GST remittances are made each month to the Australian Tax Office.

Months Ended	Account	Vouchers	Amount
31 March 2015	General Municipal	Cheques	\$41,436.17
		EFT	\$3,081,911.92
		DP	\$290,295.37
		Inter account transfers	\$800,000.00
		Total	\$4,213,643.46
30 April 2015	General Municipal	Cheques	\$51,090.06
		EFT	\$6,084,703.70
		DP	\$234,775.03
		Inter account transfers	\$3,500,000.00
		Total	\$9,870,568.79

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That the list of payments made under delegated authority to the Chief Executive Officer, for the months ended 31 March 2015 and 30 April 2015 be noted.

RESOLVED

Cr Stewart moved, Cr Re seconded

That the recommendation be adopted.

CARRIED UNANIMOUSLY (12/0)

11.3 BUDGET APPROVAL - FINANCIAL YEAR 2015/16	
File No:	FIN/145
Appendix(s):	Appendix No. 6
Date:	16 June 2015
Responsible Officer:	Gunther Hoppe

SUMMARY

The purpose of this Item is to present the Budget for 2015/16 to the Council for approval and adoption.

BACKGROUND

The 2015/16 budget process commenced in February 2015 and included one workshop held with Councillors and Officers on 23 April 2015.

The underlying operating budget has been developed from a 'zero base' in discussion with the managers across the business and has been reviewed in detail to ensure that the Mindarie Regional Council (MRC) continues to deliver its current service offering in an efficient, cost effective manner.

The budget has been premised largely on a 'business-as-usual' basis. In addition to the MRC's normal operations however, the budget also contemplates the MRC entering into a waste supply deed with the Western Metropolitan Regional Council (WMRC), whereby the MRC will supply up to 18,500 tonnes of Municipal Solid Waste (MSW) to the WMRC and in return, the WMRC will supply the MRC with an equivalent amount of processed residues. This will assist the WMRC in meeting its contractual obligations in respect of the DiCom facility. The arrangement has been structured in such a way that it has no impact on the MRC's gate fee.

Some of the significant changes between the 2014/15 and 2015/16 budgets include:

- The decrease in expected Non-member tonnes from 35,450 to 20,856 tonnes based on current year trends which have seen a continued reduction in the commercial tonnes delivered to Tamala Park;
- The introduction of a 3 bin system by the City of Stirling from 1 July 2015, coupled with a separate waste supply agreement that Stirling has entered into with DiCom, which is set to reduce the tonnes received from Stirling by 59,174 tonnes, from the 124,175 tonnes budgeted for in 2014/15 to 65,001 tonnes in 2015/16;
- The replacement of the Resource Recovery Facility (RRF) composters resulting in a 3 to 4 month shutdown in the 2015/16 financial year, which will reduce the tonnes sent to the RRF and consequently the residues received back from the RRF.
- The closure of the City of Wanneroo Materials Recovery Facility (MRF) which has resulted in a year-on-year reduction in residues of 7,700 tonnes; and
- The increase of the landfill levy from \$28 to \$55 per tonne landfilled, effective from 1 January 2015, only impacted on the MRC's gate fees for 6 months in the 2014/15 budget, whereas a full year impact will be experienced in the 2015/16 budget.

The table below outlines the changes in the Members' and Non-members' gate fees (excluding GST) for the 2015/16 financial year.

	2015/16	2014/15	
		1 st 6 months	2 nd 6 months
Members' Gate Fee	\$155.00	\$116.00	\$138.50
Non-members' Gate Fee	\$177.27	\$143.60	\$170.60

This represents an increase of \$16.50 per tonne (11.9%) year-on-year in the Members' gate fee. This increase in the Members' gate fee is driven primarily by the 68,267 tonne (20.7%) reduction in tonnes received from Members.

The Non-members' gate fee has been increased by an inflationary increment (\$6.67 per tonne or 3.9%) for the first time in four years, recognising that the strategy of holding the Non-members' gate fee constant is being ineffective at drawing commercial tonnes back to Tamala Park.

DETAIL

Budget 2015/16

The Budget for 2015/16 has been set to achieve a \$1.55 million surplus. The proposed surplus has been set intentionally to assist with the funding of future short-term capital acquisitions and long-term site post closure liabilities, as well as partially replenishing the Participants' Surplus Reserve (PSR) as follows:

- \$771k allocated to the PSR to top it back up to \$1 million
- \$255k to the Capital Expenditure Reserve
- The balance of any surplus to be allocated to the Site Rehabilitation Reserve (estimated to be \$529k)

Significant changes in year-on-year operating costs are outlined in more detail below.

Employee costs

Employee costs have decreased by \$246,204 (5%) which is primarily driven by:

- A reduction in Full Time Equivalents (FTEs) by 3.7 employees (approximately \$416,000).
- Partially offset by the current Enterprise Agreement which contemplates an annual increase of 3.25% (approximately \$170,000),

Consultants and contract labour

Consultants and contract labour has increased by \$485,000 (100%) which includes two new major projects as part of the MRC's key strategic deliverables:

- New waste treatment technology options evaluation \$250,000
- Regional waste audit \$250,000

Plant and equipment – operating and hire

Plant and equipment – operating and hire has decreased by \$177,110 (15%), primarily as a result of some of the MRC's ageing machinery having been replaced over the last 2 years which has greatly reduced maintenance and repair costs.

RRF costs

The RRF costs have decreased by \$2,505,205 which reflects the 25% reduction in tonnes budgeted to be processed by the RRF as a result of the shutdown for the replacement of the composters, offset by the contractual increases in the RRF gate fee.

WMRC processing costs

The 2015/16 budget includes a \$2,867,500 expense in respect of the 18,500 tonnes which the MRC is contracting to deliver to the WMRC for processing. These tonnes will be processed by the WMRC and they will charge the MRC a fee equivalent to the MRC Members' gate fee of \$155 per tonne.

This expense is offset by an equal revenue amount whereby the MRC will receive 18,500 tonnes of residue from the WMRC for landfilling at Tamala Park, for which the WMRC will be charged the MRC Members' gate fee of \$155 per tonne. The net financial effect of the transaction will be nil.

Borrowing costs

Borrowing costs have decreased by a net \$329,800 primarily as a result of a reduction in the amount of external debt which will be held by the MRC at 30 June 2016, as well as a reduction in the interest payable on some of the loans.

Capital expenditures and associated borrowings for the purchase of a new waste treatment site and associated processing infrastructure (\$10 million combined) have been budgeted to occur on the last day of the financial year. So although the year end debt position has increased, there are no borrowing costs in respect of these projects included in the budget or consequently the Members' gate fee.

DER Landfill Levy

The Department of Environment Regulation (DER) landfill levy expense has increased by \$687,700 which reflects the full year impact in 2015/16 of the January 2015 increase in the levy from \$28 to \$55 per tonne landfilled (approximately \$3.5 million), partially offset by a reduction in the number of tonnes being landfilled for the year (approximately \$2.8 million).

The levy is set to increase over the next 3 years as follows:

- 1 July 2016 - \$60 per tonne
- 1 July 2017 - \$65 per tonne
- 1 July 2018 - \$70 per tonne

Amortisation of cell development expenditure

The allocation of cell development expenditure costs have decreased by \$888,800 from the 2014/15 budget. This is driven by the decrease in tonnes expected to be landfilled at Tamala Park in 2015/16.

Allocation of costs to Non-members

In the past, the Non-members' gate fee has been used to cross-subsidise the Members' gate fee. In recognition of the diminishing role that Non-members are playing at Tamala Park, this approach has been altered slightly for the 2015/16 budget.

Previously, the costs associated with the Tamala Park Transfer Station and Weighbridge were fully allocated to the Non-members. In the 2015/16 budget the allocations have been changed so that 10% of the costs associated with the Transfer Station and 90% of the costs associated with the Weighbridge have been allocated to Members. This more appropriately reflects the proportional use of these facilities and has roughly a \$1 per tonne impact on the Members' gate fee.

Tonnages

Approximately 261,326 tonnes (Budget 2014/15: 329,593 tonnes) of waste are expected to be delivered to the MRC by Member Councils during the course of the year.

Of this, 75,000 tonnes (Budget 2014/15: 100,000 tonnes) is expected to be diverted to the RRF, which will in turn generate 36,525 tonnes (Budget 2014/15: 48,700 tonnes) of residue which will be sent back to Tamala Park. The RRF waste diversion target is set at 51.3%.

Non-members are expected to deliver 20,856 tonnes (Budget 2014/15: 35,450 tonnes) to Tamala Park.

RRF composter replacement

At the time of setting the 2015/16 budget, it is expected that the RRF composters will be replaced in September 2015. The works are expected to take 3 to 4 months to complete. As a result, the MRC is only budgeting to deliver 75,000 tonnes of MSW (2014/15: 100,000 tonnes) to the RRF in 2015/16 and as a result, is only budgeting to receive 36,525 tonnes of residue back from the RRF (2014/15: 48,700 tonnes).

As a result of the MRC still being required to fund 92% of the capital cost of the plant during the shutdown period, the per tonne cost for the 75,000 tonnes to be processed in 2015/16 will be slightly higher than it ordinarily otherwise would have been.

This additional cost to the MRC will be recouped at the end of the RRF contract when the tonnes that would have been processed during the shutdown are processed at the end of the contract without the MRC having to pay the capital cost again.

Carbon price

The Carbon Price Mechanism (CPM) was repealed effective from 1 July 2014 and as a result, no carbon related costs have been passed through to customers in the 2014/15 financial year, nor have any been budgeted for in the 2015/16 financial year.

In February 2015, the MRC made its final acquittal under the CPM scheme. The MRC still has \$3.3 million collected as part of the CPM scheme which is kept in a separate reserve.

The MRC has been in discussion with the Federal Government and the Australian Landfill Owners Association as to how these funds should best be applied. At present the Government's thinking is that, in the MRC's context, proceeds received from Member councils should be refunded to those councils. With respect to proceeds received from Non-members, the Government is currently considering putting in legislation which will allow entities such as the MRC to either invest the funds in carbon abatement projects or alternatively use them to purchase carbon abatement units for surrender to the Government.

The MRC continues to monitor developments and will move to acquit these carbon proceeds when the Government's position on the matter is finalised.

Capital Expenditure

The following capital expenditures have been included in the Budget for 2015/16:

New capital expenditures

		\$
• Cell development		1,346,000
• Office furniture and equipment		39,500
• Computer equipment		127,000
- Server upgrades	48,000	
- UPS replacement	65,000	
- New hardware	14,000	
• Plant and equipment		136,000
- Tarpomatic tarps	30,000	
- Hook lift bins	41,000	
- 2 way radios	5,000	
- Wood chipper	60,000	
• Infrastructure		126,000
- Gas well installations	26,000	
- Leachate systems	70,000	
- Litter fencing	30,000	
• Vehicles		1,860,000
- Landfill compactor	1,530,000	
- Fire truck	200,000	
- Fire ute	54,000	
- Enviro ute	30,000	
- Forklift	35,000	
- Waste ed vehicle additions	3,000	
- Weed sprayer	8,000	
		3,634,500

Carried forward capital expenditures

• Waste facility precinct	6,000,000
• Waste facility infrastructure	4,000,000
• Cell lining	3,800,000
• Admin office renovation	60,000
• KIA Grand carnival	47,000
• 2 way radio system	60,000
• Bin truck	275,000
• Recycling centre and education redevelopment	90,000
	14,332,000

Total Capital expenditure **17,966,500**

Reserves

The revised Cash Backed Reserves with the projected balances at 30 June 2016 are expected to be as follows:

Site rehabilitation Reserve

Estimated balance at 30 June 2016: \$9,140,456

Purpose: *To be used to fund post closure site rehabilitation costs associated with the Tamala Park landfill site.*

A transfer of \$431,700 to this reserve is anticipated during the course of the 2015/16 financial year with no anticipated drawdowns on the reserve. It is further proposed to allocate \$529,000 of the budgeted surplus for the 2015/16 financial to this reserve.

This will result in a funded reserve of approximately \$10.1 million to cover an estimated post closure liability of approximately \$15 million. As a result, the post closure liabilities will be 67% funded. This means that funding for these liabilities is lagging behind where it should be when compared with the amount of the landfill capacity that has been consumed (approximately 75%). The unfunded portion of the post closure liabilities will need to be funded over the remaining life of the landfill.

Reserve for Capital Expenditure

Estimated balance at 30 June 2016: \$187,023

Purpose: *To be used to fund the ongoing capital expenditure requirements.*

A transfer of \$2,000,000 to this reserve is anticipated during the course of the year with drawdowns to fund capital expenditures of \$2,820,500 withdrawn from the reserve.

It is further proposed to allocate \$255,000 of the budgeted surplus for the 2015/16 financial year to this reserve.

This will result in a funded reserve of approximately \$442,023 to cover future capital expenditures.

Participants' Surplus Reserve Account

Estimated balance at 30 June 2016: \$229,086

Purpose: *To be used to fund any deficit or part of a deficit as shown in the annual financial report of the MRC.*

An allocation of \$771,000 of the budgeted surplus for the 2015/16 financial year to this reserve is proposed to partially replenish the reserve to \$1 million.

Carbon Price Reserve

Estimated balance at 30 June 2016: \$3,309,266

Purpose: *To be used to fund the MRC's liability arising from the Carbon Price Mechanism.*

No drawdowns have been budgeted for 2015/16, although depending on how the Federal Government's legislation progresses, the full amount may be required to be acquitted during the 2015/16 financial year.

Surplus

The budget shows a forecast surplus of \$1.55 million. It is proposed that the surplus will be allocated as follows:

- \$771k allocated to the PSR to top it back up to \$1 million
- \$255k to the Capital Expenditure Reserve
- The balance of any surplus to be allocated to the Site Rehabilitation Reserve (estimated to be \$529k)

Funding Plan

- Operational expenditures will be funded from the proceeds of the Members' and Non-members' gate fees.
- Capital Expenditure (excluding the new waste facility precinct and infrastructure and cell development related expenses) will be funded from the Capital Expenditure Reserve.
- Other Capital expenditure relating to the new waste facility precinct and infrastructure and cell development will be funded from dedicated new loans.

SUMMARY OF APPENDICES

Attachment to this Item is as follows:

- Appendix No. 6 – Statutory Budget and Supplementary Information

CONSULTATION

One workshop for Councillors and Officers was conducted in April 2015 to discuss the 2015/16 Budget, where participants indicated that they did not feel a second budget workshop was required. Feedback from the workshop has been taken into account in compiling this final draft of the budget.

STATUTORY ENVIRONMENT

Budget approval is required by end of August 2015 in accordance with section 6.2 of the Local Government Act 1995 (as amended).

Modifications of existing reserves and creation of new reserves is done in compliance with section 6.11 of the Local Government Act 1995 (as amended).

POLICY IMPLICATIONS

The 2015/16 budget process is consistent with existing MRC policy.

FINANCIAL IMPLICATIONS

The Members' gate fee will be set at \$155 per tonne (excluding GST) for the 2015/16 financial year.

The Non-members' gate fee will be set at \$177.27 per tonne (excluding GST) for the 2015/16 financial year.

An estimated surplus of \$1.55 million is budgeted for the 2015/16 financial year.

Capital expenditure of \$17,966,500 is budgeted for the 2015/16 financial year, of which \$14,332,000 is carry forward expenditure.

STRATEGIC IMPLICATIONS

The Budget for 2015/16 has been derived from the MRC's Strategic Community Plan, the Corporate Business Plan, the Asset Management Plan, the Workforce Plan and the 20

year Financial Plan and is consistent with these documents, in compliance with section 6.2(2) of the Local Government Act 1995 (as amended).

In developing the 2015/16 budget, the funding required for the activities outlined in the Corporate Business Plan have been taken into account.

VOTING REQUIREMENT

Absolute Majority

ADDITIONAL COMMENTS

Subsequent to the budget workshop held on 23 April 2015, the following adjustments have been made to the budget:

- The revenue and expenses associated with the WMRC waste supply arrangement have been added. This is not anticipated to have any net financial effect on the MRC.
- A reduction in Stirling's waste by 6,949 tonnes has been taken into account, which has reduced the revenue from Stirling and also accounts for the decreases in both DER landfill levy and cell development amortisation expenses, as less tonnes are expected to be landfilled.
- Consultant expenditure has increased by \$60,000 to make allowance for a greens processing trial. These costs, in conjunction with the capital expenditure of \$60,000 mentioned below, have been included to allow the MRC to explore the option of chipping and diverting green waste currently received at Tamala Park from landfill.

Concurrently with this, the MRC is exploring third party green waste processing options on behalf of the Cities of Joondalup and Wanneroo. Depending on the outcome of these discussions, the MRC will put a proposal to Council to approve the initiation of the onsite chipping trial, should this be considered a feasible alternative. This effectively makes the decision to spend the money for the trial, subject to a separate decision of Council.

- Employee costs have increased by \$51,700 primarily as a result of amendments to expected FBT expenses. Office expenses and building maintenance expenses have increased by \$2,500 and \$4,000 respectively.
- Landfill expenses have increased by \$45,000 to take into account additional environmental work required.
- Depreciation has increased by \$69,500 to take into account assets not included in the first draft of the budget.
- An additional \$72,000 of capex has been added for the purchase of a photocopier (\$12,000) and a wood chipper (\$60,000). \$4,255,000 of capex from the 2014/15 budget has also been included as carry forward capital expenditures in the 2015/16 budget.

The Members' gate fee has not been adjusted for the impacts of any of these changes.

RESPONSIBLE OFFICER RECOMMENDATION

That Council:

- (i) adopt the Budget for the Mindarie Regional Council for 2015/16 financial year**
- (ii) endorse the on-going strategy of deferred payment of operational surpluses, as approved by Council at its August 2005 meeting, for the 2005/06 financial year and future years to meet its on-going capital requirements**
- (iii) approve the use of an on-going overdraft facility of \$1 million to manage cashflow 'short falls' during the 2015/16 financial year and future years**
- (iv) Approve the Capital Budget Program of \$17,906,500 for 2015/16 as follows:**

New capital expenditures

	\$
• Cell development	1,346,000
• Office furniture and equipment	39,500
• Computer equipment	127,000
• Plant and equipment	136,000
• Infrastructure	126,000
• Vehicles	<u>1,860,000</u>
	3,634,500

Carried forward capital expenditures

• Waste facility precinct	6,000,000
• Waste facility infrastructure	4,000,000
• Cell lining	3,800,000
• Admin office renovation	60,000
• KIA Grand carnival	47,000
• 2 way radio system	60,000
• Bin truck	275,000
• Recycling centre and education redevelopment	<u>90,000</u>
	14,332,000

Total Capital expenditure	17,966,500
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- (v) approve that \$431,700 will be transferred from the Operating Surplus to the Site Rehabilitation Reserve.**
- (vi) approve that \$2,000,000 will be transferred from the Operating Surplus to the Reserve for Capital Expenditure.**
- (vii) approve that \$2,820,500 be transferred from the Reserve for Capital Expenditure to Operating Surplus to fund capital expenditures.**
- (viii) approve that any funds required to acquit/refund the proceeds that the MRC received from the Carbon Price Mechanism scheme be transferred from the Carbon Price Reserve to the Operating Surplus.**
- (ix) approve that all interest earned on cash funds associated with cash-backed reserves will not be credited to the respective reserves.**

(Absolute Majority Required)

RESOLVED

**Cr Stewart moved, Cr Newton seconded
That the recommendation be adopted.**

CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (12/0)

11.4	RECIPROCAL ARRANGEMENT WITH THE EASTERN METROPOLITAN REGIONAL COUNCIL TO USE EACH OTHER'S LANDFILLS AT MEMBERS' RATES IN EMERGENCY SITUATIONS
File No:	RSK/7/13
Attachments(s):	Nil
Date:	18 June 2015
Responsible Officer:	Chief Executive Officer

SUMMARY

The report seeks council's approval to enter into a reciprocal arrangement with the Eastern Metropolitan Regional Council (EMRC) allowing access to each other's landfills when either one is required to close in an emergency situation.

BACKGROUND

In developing its planning framework, the Mindarie Regional Council (MRC) has established a Business Continuity Plan (BCP). An element of the plan deals with an emergency that requires Tamala Park to be closed to its members and the public.

To ensure that member councils can continue to manage their municipal solid waste (MSW) in an emergency that closes Tamala Park, the MRC has agreed, subject to endorsement of both councils, to a reciprocal arrangement with the EMRC to enable the use of Tamala Park and Red Hill by the members of the reciprocating council during an emergency at the receiving landfill's member rates.

In addition, the MRC is obtaining costs from private sector transfer stations where member councils could take their MSW should both landfills be closed.

DETAILS

As part of the BCP the MRC requested assistance from the EMRC to accept waste in the event of an emergency that closed Tamala Park. The EMRC considered this request at its meeting on 19 March 2015 where the following was resolved:

"THAT:

- 1. APPROVES THE PROPOSED BUSINESS CONTINUITY CONTINGENCY PLAN AGREEMENT BETWEEN THE MINDARIE REGIONAL COUNCIL AND EMRC AND TO OFFER THE MEMBER COUNCIL RATE FOR WASTE DISPOSAL AT RED HILL WASTE MANAGEMENT FACILITY TO THE MINDARIE REGIONAL COUNCIL IF THEY ARE UNABLE TO ACCEPT WASTE FROM THEIR MEMBER COUNCILS.*
- 2. AUTHORISES THE CEO TO SIGN BUSINESS CONTINUITY CONTINGENCY PLAN AGREEMENT WITH THE MINDARIE REGIONAL COUNCIL, FORMING THE ATTACHMENT TO THIS REPORT."*

The Business Continuity Contingency Plan Agreement referred to in the EMRC resolution above is in the form of a letter signed by both Chief Executive Officers (CEOs), which reads as follows:

"In the event either Regional Council is unable to accept waste from their respective member councils the waste will be diverted to the respective landfill being Tamala park and Red Hill that is able to accept waste.

The agreed rate per tonne will be the council member's rate applicable to the current schedule of fees and charges.

This agreement will continue until either Regional Council withdraws from the agreement giving 30 days' notice in writing."

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

This agreement will result in the MRC providing the rate it offers its member councils to member councils of the EMRC in emergency situations that require the closure of the Red Hill Facility and vice versa.

The respective rates for the 2014/15 financial year are shown below.

Regional Council	Member gate fee (\$ excl.GST)	Non Member gate fee (\$ excl.GST)
MRC	138.50	170.91
EMRC	141.05	141.05

STRATEGIC IMPLICATIONS

N/A

VOTING REQUIREMENT

Absolute Majority

COMMENT

This agreement is in compliance with the MRC's BCP as it ensures that its members have a place to take their waste in emergency situations that result in Tamala Park being closed. This agreement is similar to a previous arrangement with the EMRC that had expired.

That Council:

- 1. Approves the proposed Business Continuity Contingency Plan Agreement between the Mindarie Regional Council and the Eastern Metropolitan Regional Council as indicated in the details section of this report.**
- 2. Provides member rates to Eastern Metropolitan Regional Council member councils that dispose of waste at Tamala Park during an emergency that requires the closure of the Red Hill Facility.
(Absolute Majority Required)**
- 3. Authorise the CEO to sign the Business Continuity Contingency Plan Agreement with the Eastern Metropolitan Regional Council.**

RESOLVED

**Cr Re moved, Cr Boothman seconded
That the recommendation be adopted.**

CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (12/0)

12 MEMBERS INFORMATION BULLETIN – ISSUE NO. 23

RESPONSIBLE OFFICER RECOMMENDATION

That the Members Information Bulletin Issue No. 23 be received.

RESOLVED

Cr Proud moved, Cr Hollywood seconded

That the recommendation be adopted.

CARRIED UNANIMOUSLY (12/0)

13 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

14 URGENT BUSINESS

Nil

15 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

16 MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

The Chairperson requested that in accordance with clause 7.9(3) of the Mindarie Regional Council Standing Orders Local Law 2010 and s5.23 of the Local Government Act 1995, Council proceed to meet “behind closed doors” to allow the Council to consider Items 16.1 and 16.2 as they were of a confidential nature.

Cr Proud moved, Cr Hollywood seconded

CARRIED UNANIMOUSLY (12/0)

No visitors in attendance. Member Council Officers and MRC staff was invited to stay. MRC Observer Ms Peg Davies left the chambers. Doors were closed at 5.46pm.

16.1	REQUEST BY BIOVISION TO EXTEND THE END DATE OF THE “STANDSTILL PERIOD” AS DEFINED IN THE AMENDED AND RESTATED SECOND STANDSTILL DEED
File No:	WST/119
Attachment(s):	Nil
Date:	18 June 2015
Responsible Officer:	Chief Executive Officer

RESPONSIBLE OFFICER RECOMMENDATION

That the Council advise BioVision 2020 Pty Ltd that it is prepared to amend the Amended and Restated Second Standstill Deed (the Deed) dated 4 June 2014 as follows:

- a) Delete clause 1.2(a) of the Deed; and
- b) Amend the date detailed in 1.2(b) of the Deed from 31 March 2016 to 30 June 2016.

subject to the amendment being recorded in a deed drafted by the MRC's solicitors and the costs associated with the deed drafting being funded by BioVision 2020 Pty Ltd.

RESOLVED

Cr Boothman moved, Cr Newton seconded
That the recommendation be adopted.

CARRIED UNANIMOUSLY (12/0)

NOTE: The Chief Executive Officer has NOT released Report 16.1 for Public information as it contains advice from MRC's solicitors and will require a contract to be entered into.

16.2	RESOURCE RECOVERY FACILITY MAINTENANCE – SITA'S (SUEZ ENVIRONMENTAL) SUCCESSFUL REVERSE AUCTION BID IN THE GOVERNMENT'S EMISSIONS REDUCTION FUND
File No:	WST/147-04
Appendix(s):	Nil
Date:	19 June 2015
Responsible Officer:	CEO

RESPONSIBLE OFFICER RECOMMENDATION

That the Council advise BioVision that it supports, in principle, the MRC providing an ex gratia payment of \$250,000 annually for a period of seven (7) years to increase funds for maintenance at the Resource Recovery Facility subject to the MRC receiving a further report establishing that adequate probity of the process, and control mechanisms, can be put in place to properly manage the release of the funds and detailing the legal implications of this type of arrangement as it relates to the Resource Recovery Facility Agreement.

RESOLVED

Cr Stewart moved, Cr Proud seconded

That the recommendation be adopted.

CARRIED (10/2)

For: Cr Bissett, Cr Boothman, Cr Davidson, Cr Driver, Cr Fishwick, Cr Hollywood, Cr Newton, Cr Proud, Cr Stewart Cr Withers.

Against: Cr Carey, Cr Re.

NOTE: The Chief Executive Officer has NOT released Report 16.2 for Public information as Councils decision may result in a contract being entered into.

The Chairperson sought that the meeting be reopened.

Cr Proud moved, Cr Davidson seconded

CARRIED UNANIMOUSLY (12/0)

The meeting was reopened at 6.01pm.

The resolution and the votes, made behind closed doors, of the Council Item 16.1 and 16.2 as detailed above were taken as being read.

17 NEXT MEETING

Next meeting to be held on Thursday 20 August 2015 in the Council Chambers at City of Vincent commencing at 5.30pm.

18 CLOSURE

The Chairman closed the meeting at 6.03pm and thanked City of Stirling for their hospitality and use of their meeting facilities.

These Minutes were confirmed by the Council as a true and accurate record of the Ordinary Meeting of the Council held on 2 July 2015.

Signed Chairman

Dated this day of 2015
