



01-005-03-0001

# North Metropolitan Zone

## Minutes

27 April 2017

# North Metropolitan Zone

Hosted by the City of Joondalup

90 Boas Avenue, Joondalup. Phone 9400 4000

Thursday 27 April commenced at 6:00 pm

## Minutes

### MEMBERS

#### 4 Voting Delegates from each Member Council

City of Joondalup	Cr Philippa Taylor Cr Russ Fishwick (SC) Cr Christine Hamilton-Prime Cr Russell Poliwka Mr Jamie Parry, Director Governance and Strategy – non-voting delegate
City of Stirling	Cr David Boothman JP (DSC) <b>Chair</b> Cr Karen Caddy (Deputy) Cr Stephanie Proud JP (Deputy)
City of Wanneroo	Mayor Tracey Roberts (SC) Cr Frank Cvitan JP (DSC) Cr Brett Treby (Deputy) Mr Daniel Simms, Chief Executive Officer – non-voting delegate Mr Mustafa Yildiz, Manager Governance and Legal – non-voting delegate
WALGA Representatives	Mr Mal Shervill, Policy Officer Road Safety Mr Dale Chapman, Procurement and Category Manager
DLGC Representatives	Ms Sheryl Siekierka and Mr Luke Stevens
Guest Speaker	Apology

### APOLOGIES

City of Stirling	Mayor Giovanni Italiano <b>Deputy Chair</b> Cr David Lagan Cr Samantha Jenkinson Mr Stuart Jardine, Chief Executive Officer – non-voting delegate Ms Bernadine Tucker, Manager Governance & Council Support – non-voting delegate
City of Joondalup	Cr John Logan (DSC) Mr Garry Hunt, Chief Executive Officer – non-voting delegate
City of Wanneroo	Cr Dominic Zappa
WADE	Ms Lil Paskos

## Table of Contents

<b>1.</b>	<b>ELECTIONS</b> .....	<b>4</b>
1.1	Elections of Chair to the North Metropolitan Zone.....	4
1.2	Elections of State Council Representatives - North Metropolitan Zone.....	4
<b>2.</b>	<b>DEPUTATIONS</b> .....	<b>5</b>
2.1	WADE Presentation - Apology .....	5
<b>3.</b>	<b>CONFIRMATION OF MINUTES</b> .....	<b>5</b>
<b>4.</b>	<b>DECLARATION OF INTEREST</b> .....	<b>5</b>
<b>5.</b>	<b>BUSINESS ARISING</b> .....	<b>5</b>
<b>6.</b>	<b>REPORTS FROM MEMBER COUNCILS</b> .....	<b>5</b>
<b>7.</b>	<b>STATE COUNCIL AGENDA - MATTERS FOR DECISION</b> .....	<b>6</b>
	Item 7.1.4 .....	6
<b>8.</b>	<b>EXECUTIVE REPORTS</b> .....	<b>6</b>
8.1	President's Report to the Zone.....	6
8.2	State Councillor's report to the Zone.....	6
8.3	Department of Local Government Representative Update Report.....	6
<b>9.</b>	<b>BUSINESS</b> .....	<b>7</b>
9.1	WALGA State Council Regional Meetings.....	7
<b>10.</b>	<b>OTHER BUSINESS</b> .....	<b>8</b>
<b>11.</b>	<b>DATE, TIME AND PLACE OF NEXT MEETING</b> .....	<b>8</b>
<b>12.</b>	<b>CLOSURE</b> .....	<b>8</b>

## **ANNOUNCEMENTS**

Confirmation of Attendance an attendance sheet was circulated prior to the commencement of the meeting to register your name for the Minutes.

## **ATTACHMENTS WITHIN THE AGENDA**

1. Minutes of previous meeting
2. Zone Status Report
3. Standing Orders
4. President's Report

---

## **1. ELECTIONS**

---

### **1.1 Elections of Chair to the North Metropolitan Zone**

---

The election for the Chairperson was conducted and the term set to expire in November 2017, in line with the terms of State Council representatives and in sync with Local Government Elections.

Nominations were called from the floor for the position of Chairperson for the period 27 April 2017 to 30 November 2017.

**Cr David Boothman was elected as Chairperson of the North Metropolitan Zone from April 2017 to November 2017.**

Nominations were called from the floor for the position of Deputy Chairperson.

**Cr Giovanni Italiano JP was elected as Deputy Chairperson of the North Metropolitan Zone from 27 April 2017 to 30 November 2017.**

---

### **1.2 Elections of State Council Representatives - North Metropolitan Zone**

---

The term for the vacancy of State Councillor will be from the Ordinary Meeting of State Council in May 2017 and concluding at the Ordinary Meeting of State Council in December 2017.

Nominations received from the City of Stirling:

- Cr Giovanni Italiano JP

**Cr Giovanni Italiano JP was elected as State Council Representative of the North Metropolitan Zone to the State Council for the term of May 2017 to December 2017.**

---

## **2. DEPUTATIONS**

---

### **2.1 WADE Presentation - Apology**

---

Ms Lil Paskos was scheduled to present to the Zone on 27 April. Unfortunately she is unable to attend and sends her apologies with a request to present to the Zone at the next meeting, to be held 29 June 2017 at the City of Stirling.

#### **RESOLUTION**

**Moved Cr Russ Fishwick  
Seconded Mayor Tracey Roberts**

**That the North Metropolitan Zone invite Ms Lil Paskos, to present to the meeting to be held 29 June at the City of Stirling.**

**CARRIED**

---

## **3. CONFIRMATION OF MINUTES**

---

#### **RESOLUTION**

**Moved Cr Stephanie Proud  
Seconded Cr Frank Cvitan**

**That the Minutes of the meeting of the North Metropolitan Zone held on 23 February 2017 be confirmed as a true and accurate record of the proceedings.**

**CARRIED**

---

## **4. DECLARATION OF INTEREST**

---

Pursuant to our Code of Conduct, Councillors must declare to the Chairman any potential conflict of interest they have in a matter before the Zone as soon as they become aware of it. Councillors and deputies may be directly or indirectly associated with some recommendations of the Zone and State Council. If you are affected by these recommendations, please excuse yourself from the meeting and do not participate in deliberations.

---

## **5. BUSINESS ARISING**

---

A Status Report outlining the actions taken on the Zone's resolutions is enclosed as an attachment to the Agenda.

**Noted**

---

## **6. REPORTS FROM MEMBER COUNCILS**

---

Nil

---

**7. STATE COUNCIL AGENDA - MATTERS FOR DECISION**

---

---

**Item 7.1.4 Report on Key Activities, Planning and Community Development**

---

The following resolution was proposed regarding the Changing Places Grants Program at item 7.1.4 of the State Council Agenda.

**RESOLUTION**

**Moved Cr Russ Fishwick  
Seconded Cr Christine Hamilton-Price**

**That WALGA find a solution for all participating Local Governments in the Changing Places Grants Program whereby the successful grant applicant is not required to fund its own costs to become accredited as a Changing Places facility.**

**CARRIED**

**RESOLUTION**

**Moved Cr Brett Treby  
Seconded Cr Stephanie Proud**

**That the North Metropolitan Zone supports all remaining items within the May 2017 State Council Agenda 'en-bloc'.**

**CARRIED**

---

**8. EXECUTIVE REPORTS**

---

---

**8.1 President's Report to the Zone**

---

The State Council representative, Mayor Roberts, presented the President's Report. Report was distributed with the Agenda.

**Noted**

---

**8.2 State Councillor's report to the Zone**

---

WALGA State Councillor, Mayor Roberts, presented on the previous State Council meeting.

**Noted**

---

**8.3 Department of Local Government Representative Update Report.**

---

Department of Local Government and Communities representatives, Sheryl Siekierka and Luke Stevens updated the Zone on DLGC issues.

**Noted**

---

## **9. BUSINESS**

---

### **9.1 WALGA State Council Regional Meetings**

---

The WALGA State Council has held a regional State Council meeting since 2002. Up until 2015, it was 1 meeting per annum. Over the last 2 years this has been increased to 2. The regional meeting consists of a 2 day visit that includes a Zone forum, hosted by the zone on regional issues, together with a dinner and on the second day the State Council meeting is held. During the course of the visit a tour of parts of the region are conducted.

The Zone Forum provides an excellent opportunity for Elected Members and officers to engage with WALGA and for WALGA's State Councillors to hear directly from Members about the issues that affect them. The invitation to attend is therefore extended to all Elected Members, CEOs, Deputy CEOs, and Directors.

The regional meetings have been successful over the years. Recently country State Councillors raised the issue of the possibility of holding 1 of the 2 regional meetings in the metropolitan area, to allow country State Councillors to see more of the metropolitan Local Governments issues. State Council has asked officers to carry out preliminary enquiries on this proposal. It is envisaged that the country regional meeting would continue to be held in May each year and the metropolitan meeting would be held in September.

WALGA is currently seeking the view of metropolitan zones as to whether they see merit in this proposal and as to whether their Zone is interested in hosting a regional meeting? If the Zone is interested, please nominate your year of choice.

A normal calendar of events for a regional meeting would be as follows;

- Thursday morning – WALGA representatives travel to the regional meeting
- Thursday 12pm to 12:45pm – Zone/State Council lunch
- Thursday 12:45pm to 4pm – Zone forum tour of highlighted area
- Thursday 4pm to 5:30pm – tour/visit of designated attraction/area
- Thursday evening – Zone/State Council Dinner
- Friday 9am to 10am – WALGA Strategic Forum
- Friday 10:15 to 12:15pm – State Council meeting
- 12:15pm to 1pm - Lunch
- Friday afternoon – WALGA representatives travel back from the regional meeting

In respect to cost implications the following is the normal cost allocation;

- Thursday lunch – Zone/WALGA split the cost
- Thursday Dinner – Split between WALGA and the Zone based on numbers
- Friday Morning tea and lunch – WALGA

Zone consideration of the item is requested.

### **ALTERNATIVE RESOLUTION**

**Moved Mayor Tracey Roberts  
Seconded Cr Russ Fishwick**

**That the North Metropolitan Zone advises that it sees merit in the metropolitan regional meeting proposal and would be interested in hosting a metropolitan regional meeting.**

**ALTERNATIVE RESOLUTION WAS PUT AND CARRIED**

---

**10. OTHER BUSINESS**

---

Nil

---

**11. DATE, TIME AND PLACE OF NEXT MEETING**

---

The next ordinary meeting of the North Metropolitan Zone will be held at 6:00pm on Thursday 29 June at the City of Stirling, commencing at 6pm.

---

**12. CLOSURE**

---

There being no further business the Chair declared the meeting closed at 6.36pm.



# State Council Full Minutes

5 May 2017

## **NOTICE OF MEETING**

Meeting No. 2 of 2017 of the Western Australian Local Government Association State Council held at the Meekatharra Shire Hall, Main Street, Meekatharra on Friday, 5 May 2017 commenced at 11.12am.

### **1. ATTENDANCE, APOLOGIES & ANNOUNCEMENTS**

#### **1.1 Attendance**

Chair	President of WALGA Deputy President of WALGA North Metropolitan Zone	President Cr Lynne Craigie Mayor Tracey Roberts JP
Members	Avon-Midland Country Zone East Metropolitan Zone  Goldfields Esperance Country Zone Great Eastern Country Zone Great Southern Country Zone Murchison Country Zone North Metropolitan Zone Northern Country Zone Peel Country Zone South East Metropolitan Zone  South Metropolitan Zone	Cr Darren Slyns Cr Sue Bilich Cr Darryl Trease JP President Cr Malcolm Cullen President Cr Stephen Strange President Cr Ken Clements Cr Les Price Cr Russ Fishwick JP President Cr Karen Chappel Cr Wally Barrett Mayor Henry Zelones OAM JP Cr Fiona Reid Mayor Carol Adams Cr Michael McPhail (Deputy) Mayor Logan Howlett President Cr Wayne Sanford
Secretariat	South West Country Zone Chief Executive Officer Deputy Chief Executive Officer EM Environment & Waste EM Governance & Organisational Services EM Finance & Marketing EM Planning & Community Development EM Infrastructure EM Business Solutions Manager Strategy & Association Governance EO Governance	Ms Ricky Burges Mr Wayne Scheggia Mr Mark Batty Mr Tony Brown Mr Zac Donovan Ms Jo Burges Mr Ian Duncan Mr John Filippone Mr Tim Lane Ms Ana Fernandez

#### **1.2 Apologies**

Members	Kimberley Country Zone  Central Metropolitan Zone  Central Country Zone Gascoyne Country Zone  North Metropolitan Zone  Pilbara Country Zone South Metropolitan Zone	President Cr Elsia Archer Cr Chris Mitchell (Deputy) Cr Janet Davidson OAM JP Mayor Heather Henderson Cr Pauline O'Connor JP (Deputy) Cr Andres Timmermanis (Deputy) President Cr Philip Blight President Cr Cheryl Cowell Cr Lachlan McTaggart (Deputy) Mayor Giovanni Italiano JP Cr David Boothman (Deputy) Mayor Peter Long Cr Doug Thompson
Ex-Officio	Local Government Professionals (WA)	Mr Jonathan Throssell Mr Ian Cowie (Deputy)

#### **OBSERVERS**

- Members of the Murchison Country Zone

## **ANNOUNCEMENTS**

The President, Cr Lynne Craigie, thanked the Murchison Country Zone on behalf of WALGA, for hosting State Council.

## **2. MINUTES OF THE PREVIOUS MEETINGS**

### **2.1 Minutes of March 2017 State Council Meeting**

**Moved: Mayor Logan Howlett**  
**Seconded: Cr Wally Barrett**

**That the Minutes of the Western Australian Local Government Association (WALGA) State Council Meeting held on 1 March 2017 be confirmed as a true and correct record of proceedings.**

**RESOLUTION 28.2/2017**

**CARRIED**

#### **2.1.1 Business Arising from the Minutes of March 2017**

Nil

## **3. DECLARATION OF INTEREST**

Pursuant to our Code of Conduct, Mayor Logan Howlett and Cr Darren Slynns declared an interest in Item 5.6 Selection Committee Minutes.

## **PAPERS**

State Councillors were distributed the following papers under separate cover:

- President's Report
- Item 5.4 - State Council Regional Meetings (01-004-02-0001 TB)
- Item 5.5 - Executive Committee Minutes (01-006-03-0006 TB)
- Item 5.6 - Selection Committee Minutes (01-006-03-0011 MD)
- Item 5.7 – Honours Panel Minutes (01-006-04-0001 AF)
- CEO's report to State Council

## **4. EMERGING ISSUE**

---

### **4.1 CCC Commissioner Comments on the Local Government Sector**

#### **Background**

In releasing the CCC report into the Shire of Exmouth, The CCC Commissioner made comments that were specific to the report into the Shire of Exmouth and previously the Shire of Dowerin, however the comments implied that the issues were systemic throughout Local Government in WA.

WALGA would contend that the issues that the CCC Commissioner refers to following the inquiry into to Dowerin and Exmouth are not systemic throughout Local Government in WA. In saying this, WALGA does not condone any misconduct or criminal activity taking place within the sector.

**Moved: President Cr Stephen Strange**  
**Seconded: President Cr Malcolm Cullen**

**That WALGA:**

- 1. Write to the CCC Commissioner as a matter of urgency seeking an apology on behalf of the Local Government sector in relation to unsubstantiated comments and generalisations made about the sector; and,**
- 2. Invite the CCC Commissioner to the June special meeting of State Council in relation to point 1 above.**

**RESOLUTION 29.2/2017**

**CARRIED UNANIMOUSLY**

## **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 May 2017 be received.

**7.4 CEO's Report**

**Recommendation**

That the CEO's Report for May 2017 be received.

**7.5 Local Government Professionals (WA) Report**

Local Government Professionals (WA) Deputy President, Mr Ian Cowie, will present on the activities of Local Government Professionals (WA).

**8. ADDITIONAL ZONE RESOLUTIONS**

To be advised following Zone meetings.

**9. MEETING ASSESSMENT**

Cr Wally Barrett was invited to undertake a meeting assessment at the conclusion of the meeting.

**10. DATE OF NEXT MEETING**

1. That the next Special meeting of the Western Australia Local Government Association State Council be held in the Boardroom at WALGA, ONE70 Railway Parade, West Leederville, on Wednesday, 7 June 2017 commencing 4pm for adoption of the 2017/18 budget.
2. That the next Ordinary meeting of the Western Australia Local Government Association State Council be held in the Boardroom at WALGA, ONE70 Railway Parade, West Leederville, on Wednesday, 5 July 2017 commencing 4pm.

**11. CLOSURE**

There being no further business the Chair declared the meeting closed at 12.54pm.

# Agenda Items

<b>5. MATTERS FOR DECISION.....</b>	<b>5</b>
5.1 Review of the Emergency Services Levy (05-24-02-0001 MP) .....	5
5.2 Interim submission to the Department of Planning on the Government Sewerage Policy (05-026-03-0041 CG) .....	32
5.3 Productivity Commission Study into Transitioning Regional Economies (05-001-03-0006 DM).....	46
<b>6. MATTERS FOR NOTING / INFORMATION .....</b>	<b>81</b>
6.1 National Disability Insurance Scheme roll out (05-021-01-0002/1 NH).....	81
6.2 Discussion Paper - Third Party Appeal Rights in Planning (06-03-01-0001 GC) .....	84
6.3 Control of Off-Road vehicles (05-053-03-008 NH) .....	86
6.4 2016-17 Energy Efficient Street Lighting (05-028-04-0001 DM) .....	88
6.5 Local Government Strategic Purpose Permit (05 095 03-0001 RZ).....	103
6.6 Online Voting in Local Government Elections (05-034-01-0013 TL).....	112
6.7 Report Municipal Waste Advisory Council (MWAC) (01-006-03-0008 RNB) .....	116
<b>7. ORGANISATIONAL REPORTS.....</b>	<b>133</b>
<b>7.1 Key Activity Reports .....</b>	<b>133</b>
7.1.1 Report on Key Activities, Environment and Waste Unit (01-006-03-0017 MJB) .....	133
7.1.2 Report on Key Activities, Governance and Organisational Services (01-006-03-0007 TB) .....	136
7.1.3 Report on Key Activities, Infrastructure (05-001-02-0003 ID) .....	140
7.1.4 Report on Key Activities, Planning and Community Development (01-006-03-0014 JB) .....	143
<b>7.2 Policy Forum Reports .....</b>	<b>147</b>
7.2 Policy Forum Reports (01-006-03-0007 TB) .....	147

## 5. MATTERS FOR DECISION

### 5.1 Review of the Emergency Services Levy (05-24-02-0001 MP)

*By Melissa Pexton, Manager Emergency Management*

**Moved: Mayor Henry Zelones**  
**Seconded: Mayor Logan Howlett**

**That the interim submission to the Economic Regulatory Authority (ERA) on the Review of the Emergency Services Levy (ESL) be amended to explicitly request the introduction of an alternative option to collect the Emergency Services Levy (ESL) and oppose its collection through Local Government rates as from the 2018/19 financial year.**

**RESOLUTION 30.2/2017**

**CARRIED UNANIMOUSLY**

#### **In Brief**

- The ERA has been tasked with undertaking the review with a final report to be tabled to the Treasurer by no later than 29 September 2017.
- The Association prepared a submission on behalf of members addressing the questions for interested parties as outlined in the ERA's issues paper.
- The submission completes phase one of the Review of the ESL with WALGA's submission provided to the ERA on Monday 13 March 2017.

#### **Attachment**

WALGA interim submission – Review of the Emergency Services Levy

#### **Relevance to Strategic Plan**

#### **Key Strategies**

##### Engagement with Members

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

##### Sustainable Local Government

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

#### **Policy Implications**

Policy implications may include recommendations that have the potential to effect changes to the:

- Administration of the ESL;
- Funding allocated to the Local Government Grants Scheme;
- Administration of Bushfire Brigades.

WALGA's existing policy position is to advocate for a full review of the Emergency Services Levy, its administration, fee structure and distribution mechanism to facilitate funding back to Local Government to support their Emergency Management responsibilities as legislated in the Emergency Management Act 2005 (resolutions 59.3/2014 and 219.3/2013).

*Further, State Council, in March 2017, resolved:*

- 1. State Council notes the work undertaken by WALGA and members to advocate for a review of the Emergency Services Levy (ESL) and undertake economic modelling in support of the ESL review;*
- 2. State Council endorses and promotes that critical to the success of the submission is wide spread participation of all Councils;*
- 3. WALGA undertakes formal consultation with the sector, building on previous work and State Council resolutions, to prepare a submission to the Economic Regulatory Authority to address the terms of reference of the Review of the Emergency Services Levy on behalf of all Councils.”; and,*
- 4. That WALGA develops a discussion paper on ESL Management after it has received submissions from member Local Governments. That WALGA convenes an interactive forum of member Council's to consider the ERA's interim report (phase 2) prior to preparing a submission to the ERA to address the terms of reference of the review of the ESL on behalf of Council's.*

## **Budgetary Implications**

Nil.

## **Background**

The State Government announced in September that it would be adopting all 17 recommendations of the Special Inquiry into the January 2016 Waroona Fire. Importantly for the sector, this includes recommendation 17, which states, the Department of the Premier and Cabinet to conduct an independent review of the current arrangement for the management and distribution of the Emergency Services Levy. The review is to have specific purpose of:

- Seeking input from key entities including the Department of Treasury, Finance, Fire and Emergency Services, Lands, Parks and Wildlife, WALGA and the Office of Bushfire Risk Management.
- Ensuring the arrangement has the flexibility and agility to deal with emerging bushfire risk priorities.
- Establishing a budget process that enables a shift in investment towards prevention, mitigation and building community resilience and capability.

The ERA have been tasked by the Treasurer to undertake the review. The terms of reference were released on 11 January 2017 and a subsequent issues paper titled, "Review of the Emergency Services Levy" was released on 30 January 2017 to assist parties make submissions to the review.

In response to the issues paper, the Association developed an engagement and communication strategy to illicit support from the sector to seek input into the development of an interim submission to the ERA. The Association took a campaign approach to the development of the submission (given the five week consultation period set by the ERA) which aimed to:

- engage with members and gain key contacts within each Local Government
- maintain ongoing communication with State Councillors, elected members and CEOs, and
- develop a submission to reflect the depth and breadth of views from our members.

The sector was responsive and demonstrated high levels of engagement with 115 members completing a survey and over 100 key contacts provided to the Association. Further to this, WALGA's Emergency Management staff attended a workshop with Central Country Zone ESL working group and held meetings with the Farmers' Federation and the ERA to further explore the terms of reference, issues and challenges raised in the ERA issues paper.

Given the overwhelming participation rate and the complex nature of this policy area, the Association requested an extension of the ERA from Friday 10 March until Monday 13 March. The interim submission was emailed to the ERA on this day.

Further to the WALGA submission the following member Councils also developed their own submission for the ERA and kindly shared these with the Association:

- City of Canning
- City of Geraldton
- City of Swan
- Kimberley Regional Group
- Shire of Augusta/Margaret River
- Shire of Mundaring
- Shire of Murray

The ERA have published all submissions received on their website.

<https://www.erawa.com.au/inquiries/industry-and-resources-inquiries/emergency-services-levy-review/public-submissions>

## Comment

The Association's submission is framed in response to the ERA's issues paper and addresses the questions posed for interested parties. Key themes and views provided by members are outlined below.

### • Principles

In reviewing the existing arrangements of the levy against the taxation principles of equity, efficiency and simplicity as outlined in the Discussion Paper, the Association believes it largely meets these principles.

The underpinning principles of emergency management also need to be considered in any decision making criteria.

### • Current ESL Arrangements

The Local Government sector are unanimously in support of greater transparency around the administration and distribution of the ESL. Many Local Governments believe that all information should be made public.

Local Governments have raised concerns that the current level of funding generated by the ESL is not sufficient to cover all emergency services activities now or into the future. This is placing pressure on the sector to contribute additional funding to ensure there is a suitable level of service for the community.

### • Effectiveness of the ESL

The majority of respondents (70%) believe that the current ESL arrangements are not effective. This proportion was even higher for regional respondents (73%).

There were a wide range of concerns about the current ESL arrangements, with more than half of all respondents indicating 'all of the above'. This includes issues with:

- level of funding for emergency management activities
- level of funding for Local Government emergency management activities

- distribution of ESL funds
- eligibility of some spending for ESL grants, and
- transparency.

- **Administration of the ESL**

From an economy wide perspective, it is recognised that there are administrative efficiencies from including the ESL on rates bills.

While this approach may minimise overall costs, it does impose a burden on Local Government. Although the sector receives funding from DFES in order to compensate for these additional administration costs, feedback from the sector is that this funding is generally not sufficient to offset the costs incurred by Local Government.

The submission encourages the ERA to consider alternative options for the collection of the ESL.

- **Calculation of the ESL**

Suggestions have been made by the sector on how the method of setting the ESL could be improved. By way of example, the Central Country Zone offered that the ERA could explore alternative options such as reviewing the methodology for category 5 properties and consider the use of unimproved land value.

- **Allocation of the ESL**

Local Government contributes a significant amount of its own revenues towards emergency management activities. In 2015-16, this contribution was estimated to be in the order of \$6.6 million. Going forward, feedback from the sector indicates that Council revenues are expected to be the largest source of funding for Local Government emergency management activities. Overall, ESL funding (through the Local Government Grants Scheme) only represents approximately one third of all spending by Local Government on emergency services activities.

- **Rural Fire Service**

The clear majority of respondents (78%) were in favour of the introduction of a rural fire service. If this were to be introduced, the majority of Local Governments (86%) believed that this should be funded by the ESL. This was on the basis that bush fire services are currently funded by the ESL. Most respondents provided a caveat that full support would be dependent upon the structure, resourcing and responsibilities of such a service.

It was considered that this would require an increase in ESL funding by 64% of respondents.

If the rural fire service was not funded by the ESL, the preferred method was State Government consolidated revenue (32%).

- **Further funding expectations**

In relation to future funding expectations, the majority identified a shift in focus to mitigation and preparedness. The rising cost of providing services, population growth and urbanisation are seen as key challenges, and within a funding context provide additional complexity as the current arrangements do not fund these activities.

## **Phase two – Review of the ESL**

All submission provided to the ERA will contribute to the development of a draft report. The ERA anticipates that it will publish the draft report in mid-2017. The ERA must make the report available for consultation with the key entities involved in emergency management. The ERA will invite submissions from the public via a six week consultation period.

The Association has undertaken to conduct face to face workshops (as resolved at the March meeting of State Council). These workshops will provide members with the opportunity to discuss the recommendations made by the ERA and progress a more unified sector position to inform the

final submission. WALGA are in consultation with relevant stakeholders including the ERA to develop a schedule of workshops which will be provided at the State Council Meeting.

The ERA is required to provide its final report to the Treasurer, including recommendations, no later than 29 September 2017. The Treasurer will have 28 days to table the report in Parliament, after which a copy will be available from the ERA website.

---

<sup>i</sup> AEC Group, 2016, Local Government Emergency Management Funding Review.

<sup>ii</sup> AEC Group, 2016, Local Government Emergency Management Funding Review.



# Interim Submission to the Economic Regulation Authority

---

## Review of the Emergency Services Levy Issues Paper

March 2017

Western Australian Local Government Association  
ONE70, LV1, 170 Railway Parade, West Leederville, WA 6007  
P.O. Box 1544, West Perth, WA 6872  
T: (08) 9213 2018  
E: [jburges@walga.asn.au](mailto:jburges@walga.asn.au)

## Contents

<b>1.</b>	<b>Introduction</b> .....	<b>12</b>
<b>2.</b>	<b>Executive Summary</b> .....	<b>13</b>
<b>3.</b>	<b>WALGA Approach</b> .....	<b>14</b>
<b>4.</b>	<b>Principles</b> .....	<b>15</b>
	4.1 Emergency Management Principles.....	15
	4.2 Taxation Principles.....	17
<b>5.</b>	<b>Current ESL Arrangements</b> .....	<b>7</b>
	5.1 ESL Funds Raised.....	20
	5.2 Effectiveness of the ESL.....	20
	5.3 Administration of the ESL.....	21
	5.4 Calculation of the ESL.....	22
<b>6.0</b>	<b>Allocation of the ESL</b> .....	<b>22</b>
	6.1 Operating Grants.....	23
	6.2 Capital Grants.....	23
	6.3 Combined Grant.....	24
	6.4 Level of funding for all emergency management activities.....	25
	6.5 Proportion of funds provided to Local Government.....	28
	6.6 Eligibility for grants.....	29
<b>7.0</b>	<b>Governance Arrangements</b> .....	<b>29</b>
	7.1 Transparency of funding allocation.....	29
<b>8.0</b>	<b>Rural Fire Service</b> .....	<b>30</b>
<b>9.0</b>	<b>Future Emergency Management Funding</b> .....	<b>31</b>
<b>10.</b>	<b>Further Consultation</b> .....	<b>31</b>

## 1. Introduction

The Western Australian Local Government Association (WALGA or 'the Association') is the peak body for 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 the Cocos (Keeling) Islands.

The Association provides an essential voice for over 1,200 elected members and approximately 14,500 Local Government employees who work on behalf of 2.6 million residents of Western Australia. The Association also provides professional advice and offers services that provide financial benefits to Local Governments and the communities they serve.

The Association is grateful to the Economic Regulation Authority (ERA) for the opportunity to provide a submission in response to the *Review of the Emergency Services Levy Issues Paper*.

Local Government has prescribed legislative responsibilities within the Emergency Management Act (2005), Bushfires Act (1954) and the FES Act (1998) encompassing prevention, preparedness, response and recovery activities. The sector also collects the Emergency Services Levy (ESL) on behalf of the state which creates another layer of complexity to the discussion on funding for emergencies and the review of the ESL.

Whilst the ESL is a critical source of funding that allows the sector to undertake emergency service activities on behalf of local communities, the sector has a number of concerns about the way this funding is collected, managed and distributed.

This submission provides feedback on the Local Government sectors' views on the current ESL arrangements and areas where it could be improved. Due to the diverse nature of views across the sector, the submission at this stage does not intend to provide a united sector position on the ESL. Rather, it aims to ensure that the ERA is aware of the diverse range of issues and challenges facing the sector in relation to funding emergency management activities.

Due to the five week time frame from the release of the issues paper to the deadline for submission, WALGA has not been able to consult with all parts of the sector. Most survey responses have not been endorsed by individual Councils. Furthermore, due to meeting schedules, this interim submission has not yet been endorsed by the Association's State Council. The ERA will be informed of any changes to the Association's submission following consideration by the State Council and the Association looks forward to working with the ERA through the next phases of the review to assist consultation with the Local Government sector.

## 2. Executive Summary

The Local Government sector is a critical partner in the collection of the ESL and administration of the capital and operating grants provided via the Local Government Grants Scheme (LGGS). This review provides an opportunity for the state and Local Government sectors to critically assess the effectiveness of the ESL and the outcomes that are borne for the WA community.

The Association's submission is in response to the ERAs issues paper and addresses the questions posed for interested parties. In reviewing the existing arrangements of the levy against the taxation principles of equity, efficiency and simplicity as outlined in the Discussion Paper, the Association believes it largely meets these principles.

The underpinning principles of emergency management (outlined within the submission) also need to be considered in any decision making criteria. These principles place the community at the centre of our efforts and promotes shared responsibility between all levels of government, private enterprise, not for profit and the community at large. This was formalised in 2009, when the Council of Australian Governments agreed to adopt a whole of nation resilience based approach to disaster management. A national partnership agreement on natural disaster resilience was signed and provides funding to the states and territories to increase community resilience to natural disasters. The Association and its members believe that by adopting these principles as a key decision criteria and assessing the expenditure of emergency management funding against these would be useful to ensure that the limited funding that is available is being directed to the appropriate priorities.

The Local Government sector are unanimously in support of greater transparency around the administration and distribution of the ESL. Many Local Governments believe that all information should be made public.

Suggestions have been made by the sector on how the method of setting the ESL could be improved. By way of example, the Central Country Zone offered that the ERA could explore alternative options such as reviewing the methodology for category 5 properties and consider the use of unimproved land value. WALGA have presented these considerations in the submission and look forward to exploring these further in subsequent discussions and workshops.

There are varied opinions on how the funding should be allocated across prevention, preparedness, response and recovery. Some respondents believe that the ESL should remain purely for response whilst others see a need to expand the funding to include expenditure on prevention, preparedness and mitigation activities.

In relation to future funding expectations, the majority identified a shift in focus to mitigation and preparedness. The rising cost of providing services, population growth and urbanisation are seen as key challenges, and within a funding context provide additional complexity as the current arrangements do not fund these activities.

The clear majority of members are in favour of the introduction of a rural fire service, and believe that it should be funded through ESL. This was primarily on the basis that the bushfire brigade's capital and operating expenditures is somewhat currently funded by the ESL. It was considered that this would realistically require an increase to the ESL.

As the ERA have discussed in its issues paper it is difficult to cost a model for a rural fire service without an agreed position by government. The Local Government sector communicated during the consultation process that the rural fire service needs to firstly consider the overall fire and emergency service required by the WA community and then develop the most appropriate model. The sector does not want to further complicate an already complex policy environment with additional stakeholders and the duplication of resources and responsibilities creating inefficiencies and no better outcomes for the community.

### **3. WALGA Approach**

This submission provides feedback on the Local Government sectors' views on the current ESL arrangements and considerations for future change.

Emergency management is a complex area of policy, and one which has a significant impact on Local Government and the community. There are many challenges facing the sector in providing these critical services, which are influenced by factors such geographic location, risk, aging volunteer work force, population decline in regional towns, sustainable funding and resourcing of emergency management capability at the local level.

While the ESL is an important source of funding for Local Government to support their responsibilities for the provision of fire services, the sector has expressed concerns around the current distribution and administration of the funds. However, the diverse nature of emergency management activities at the Local Government level means that there is not always a common set of issues or concerns related to the ESL.

In this context, WALGA's submission does not intend to provide a united sector position on the ESL at this stage. Rather, it aims to ensure that the ERA is aware of the breadth of issues and concerns that have been raised by the sector, to ensure that it is fully informed in progressing to the next stage of the review. To this end, the submission will present feedback from individual councils and/or the sector where relevant in its response to the review questions.

The submission is informed by previous submissions on the ESL and a body of work commissioned by WALGA in 2016. WALGA commissioned AEC Group to conduct the study into the cost to Local Governments to undertake their current and proposed emergency management responsibilities. An important aspect of the research was to survey Local Governments to collect financial data relating to emergency management expenditure. Unfortunately, the response rate for the survey was low which means the results may not be reliable and cannot be used to provide an accurate account of Local Governments' emergency management spending. At the time of writing the report has not been finalized but we expect to liaise with the AEC Group and complete by 31 March 2017.

Most recently, WALGA developed a survey to gain responses from Local Governments to the issues paper released by the ERA on 30 January 2017. WALGA invited all councils to participate and provide a response within two weeks. At the time of writing, over 100 responses have been received. While the survey results are a useful guide to the key issues faced by WALGA members, there are some limitations with the data and therefore results should not be considered a comprehensive sector perspective.

## 4. Principles

### 4.1 Emergency Management Principles

In determining how ESL funding should be allocated in order to best manage the risks from bushfires and other hazards, WALGA considers that it is important that the principles of emergency management are taken into consideration.

It is universally accepted that Local Government plays an important role in emergency management given its close working relationship with the communities it serves. The relationship between a council and its community is significant and fundamental. Councils view their links with community groups as a valuable tool to deliver measures to improve community resilience and build social capital. This relationship together with this inherent technical expertise in Local Government underpins their involvement within the WA state emergency management framework.

Recent reviews by the commonwealth into emergency management funding highlights the need to invest in prevention, preparedness and mitigation to lessen the social, economic and physical impacts of emergencies. It will be useful to adopt these principles as key decision criteria and assess the expenditure of emergency management funding against them to ensure that the limited funding that is available is being directed to the appropriate priorities within the WA community.

#### **Shared Responsibility for Resilience**

Increasing resilience to emergencies is the collective responsibility of all sectors of society, including all levels of government, business, the non-government sector and individuals. Given the increasing severity and occurrence of natural hazards, all of these sectors need to be empowered and work together with a united focus and a shared sense of responsibility to keep hazards from becoming emergencies.

Resilience minimises the vulnerability, dependence and susceptibility of a community by creating or strengthening social and physical capacity in the human and built-environment to cope with, adapt and respond to, and recover from emergencies.

To improve resilience we need to learn from emergencies in order to lead change and coordinate effort; understand the risks and communicate them to all levels of the community; work with the people and organisations that can affect the necessary changes; and empower individuals and communities to exercise choice and take responsibility. Our planning approaches need to include risk reduction strategies and our capacity to deal with disasters needs to be enhanced by greater flexibility and adaptability of our emergency services agencies and communities.

- **Risk Management Approach**

Emergency Risk Management (ERM) is a systematic process that contributes to the wellbeing of communities and the environment. The process considers the likely effects of hazardous events and the controls by which they can be minimised'.

The process begins with an understanding of the hazards, evaluates the likelihood and consequence of possible events and produces a range of treatment options to minimise or eliminate the resulting risk.

Risk treatments include prevention and mitigation measures that reduce the frequency of events or consequence of the impacts, and preparation, response and recovery measures if an emergency event occurs. Ongoing risk identification and analysis is essential for the anticipation and management of the consequences of emergencies. This is underpinned by the six State Core Objectives, endorsed by the State Emergency Management Committee, which apply to Western Australia, to assist in measuring the risk posed to Western Australian communities as part of ERM planning. These highlight important objectives for the State which may be impacted by an emergency event, as they contain identifiable vulnerable elements (i.e. key vulnerabilities).

### **All Hazards Approach**

The 'all hazards' approach assumes the functions and activities applicable to one hazard are often applicable to a range of hazards. The all hazards approach increases efficiency by recognising and integrating common emergency management elements across all hazard types. It does not, however, prevent the development of specific plans and arrangements for hazards that require a specialised approach.

In our diverse state, Local Governments are challenged by a variety of natural hazards depending on their geographical location. All communities in WA should have access to the necessary funding and support to assist them before, during and after an emergency.

### **All Agencies Coordinated and Integrated Approach**

The 'all agencies coordinated and integrated approach recognises that no one agency can address all of the impacts of a particular hazard. It is necessary for a lead agency to coordinate the activities of the large number of organisations and agencies that are involved. These can be drawn from across all levels of government, non-government, volunteer organisations and the private sector.

Emergency management requires collaboration, coordination and integration to facilitate complementary and coherent action by all partners to ensure the most effective use of resources and activities. Coherent actions rely on well-defined and appropriate roles, responsibilities, authorities and knowledge of the capacities of emergency management partners. This includes adherence to an incident management framework encompassing command, control and coordination.

### **Graduated Approach**

The 'graduated' approach is based on the following principles:

- decisions should be made at the lowest appropriate level (subsidiarity); however, existing command, control and coordination arrangement apply; and
- where emergency management activities extend beyond the capability of the local community, support may be obtained from the district, state, interstate, national or international levels, as appropriate.

It is evident that with Local Governments which have managed to source funding to undertake the extensive obligations in prevention, preparedness and response, there is a direct correlation to the lessening impact of the emergency on the community they serve. This principle is critical and should underpin the funding decisions provided by the state.

### **Community Engagement**

Effective and timely communication with the community is a critical and continuous process before, during and after an emergency.

## Continuous Improvement

Continuous improvement, including incremental and transformational change, is undertaken systematically as an integral part of emergency management measures and practices to improve outcomes. Improvement in arrangements is achieved through the regular monitoring and review of plans, arrangements, policy and procedures at all levels, as well as the capture and implementation of lessons identified by research, exercises and incident reviews.

WALGA has been advocating for a review of the ESL for over ten years, as has been documented in many post incident reviews and special inquiries. The review of funding arrangements needs to be ongoing as the EM landscape continues to shift dramatically given the increase in more catastrophic incidents along with the rapidly changing community context in which these incidents occur.

## 4.2 Taxation Principles

WALGA supports the principled and practical approach to considering the appropriateness of the current approach for setting the ESL.

In relation to the existing arrangements, the Association considers that the levy largely meets the taxation principles of equity, efficiency and simplicity as outlined by the ERA in the Discussion Paper.

- Equity – This refers to both horizontal (those in a similar position pay a similar amount) and vertical (those who can afford to pay more) equity. It is considered that the ESL meets this principle, given that the amount a property is charged is dependent on the type and level of fire and emergency services available to the property. It also reflects Gross Rental Value, which is an indication of capacity to pay. This means that those with higher capacity to pay or better access to services contribute more.
- Efficiency – An efficient tax is one in that does not distort behaviour. The ESL meets this criteria, given that it is a tax on property, which is an immobile tax base. The ESL is also broad based, in that it applies to all properties with very limited exemptions. However, the ESL does not provide incentives for property owners to minimise their exposure to emergencies. These types of activities are currently performed by Local Government, but are not funded by the ESL.
- Simplicity – This largely relates to the cost of administration. While it does add an additional burden onto Local Governments, from an economy wide perspective, applying the ESL to rates notices does reduce collection costs as it removes duplication and uses information on property values that is already available.

Although the ESL does generally meet the taxation principles outlined by the ERA, this does not necessarily mean that current arrangements are working effectively from the perspective of Local Government. This is discussed further at 5.2 Effectiveness of the ESL.

From a community perspective, WALGA members have raised concerns about the fairness of the system in the current economic climate, to the extent that it does not take into account individual circumstances and capacity to pay – particularly in an environment of rising unemployment.

Further, the Local Government sector has raised a number of concerns with the level and distribution of funding under existing ESL arrangements, which are outlined at 6.0 Allocation of the ESL.

## 5. Current ESL Arrangements

On 1 July 2003 a property-based ESL was introduced by amendments to the *Fire and Emergency Services Act 1998* (FES Act), based on the level of service available and calculated on the GRV of most urban properties, with a fixed rate charge per property in rural and remote areas.

All property owners are required to pay either a GRV base or fixed charge ESL which funds Western Australia's (WA) fire and emergency services, including:

The career Fire and Rescue Service (CFRS).

The Volunteer Fire and Rescue Service (VFRS).

Local Governments' Bush Fire Brigades (BFB).

Volunteer Fire and Emergency Service (VFES) Units.

Volunteer Marine Rescue Service (VMRS).

State Emergency Service (SES) Units.

DFES' corporate support costs associated with the above services.

In 2015-16, DFES (2016) reported total ESL contributions of \$323.3 million up 11.6% from 2014-15, total revenue of \$344.5 million, up 11.2% and total cost of services of \$376.8 million, up 4.7%. The ESL represented 93.8% of total revenue and 85.8% of total cost of services in 2015-16. Over the last three years the ESL as a share of total revenue has been fairly stable. Whilst the ESL and total revenue have both grown by similar percentages, the ESL as a share of total cost of services has been increasing since costs have grown at less than half the rate of total revenue (or ESL).

Table 1: DFES revenue and costs in relation to ESL, \$000s

Year ending 30 June	2014	2015	2016
Emergency services levy (ESL)	\$273,087	\$289,676	\$323,268
% growth	-	6.1%	11.6%
Total Revenue	\$288,684	\$309,920	\$344,514
% growth	-	7.4%	11.2%
ESL as % Total Revenue	94.6%	93.5%	93.8%
Total cost of services	\$347,281	\$359,809	\$376,775
% growth	-	3.6%	4.7%
ESL as % Total cost of services	78.6%	80.5%	85.8%

Source: DFES, 2016, 2015)

Some of the funds raised through the ESL are available to Local Governments through the Local Government Grants Scheme (LGGS) which will be discussed further within the submission.

The operating arrangements and business rules that apply to the ESL are documented each year in the *ESL Manual of Operating Procedures* produced by DFES. The key operating arrangements associated with the ESL from DFES (2017) can be summarised as follows:

- Local Governments raise and collect the ESL on their rates notices. The ESL is required to be shown as a separate line item on the rates notice reading “Emergency Services Levy”. The FES Act and Regulations specifies other ESL related information that is to be shown on, or issued with, the rates notice. DFES has financed upgrades to Local Government rates/ESL systems to incorporate ESL administration functionality.
- With few variations, the way that the ESL is determined and collected follows the same procedures that currently apply to general rates.
- The ESL is a service availability based levy payment arrangement.
- Properties that are currently exempt from general rates under the *Local Government Act* are required to pay the ESL. These properties and their assessed GRVs are provided by Landgate:
  - to each Local Government, where the Local Government is required to bill the ESL.
  - to DFES, where it has been determined that DFES will “bulk bill” organisations directly, including:
    - Public Financial, Non-Financial Corporations and Agencies outside the State’s Public Sector (refer to Schedule 1).
    - Local Governments.
- The State Government makes an annual lump sum contribution to DFES in recognition of emergency service protection afforded to its own property based on the Government Property Register. Hence, individual State Government (Crown) owned properties are not directly charged the ESL.
- Local Governments are required to pay ESL for the properties that they own. However, the levy is only calculated on improved properties that DFES directly invoices Local Governments for the ESL payable on these properties.
- The Commonwealth Government makes a contribution to DFES for protection provided for property owned by Commonwealth Agencies. Consequently, Commonwealth property is not to be directly charged ESL.
- With the exception of those Local Governments that elect to pay DFES 100% of the ESL, billed amounts collected from the ESL by Local Governments are required to be remitted to DFES on a monthly basis.
- An annual administrative fee is paid to Local Governments for the services they provide in administering the ESL. DFES (when FESA) also paid a “once off” Commencement Fee to Local Governments in 2003/04, totalling \$250,000.

Local Governments have raised concerns that the current level of funding generated by the ESL is not sufficient to cover all emergency services activities now or into the future. This is placing pressure on the sector to contribute additional funding to ensure there is a suitable level of service for the community.

Revenue raised by the ESL is used to fund the state’s fire and emergency services, which includes career fire stations, volunteer fire brigades, State Emergency Service (SES) units, the Volunteer Marine Rescue Service and the multi-purpose Volunteer Emergency Service units. It is hypothecated tax, in that the revenue raised is earmarked for a specific purpose.

While economists are cautious around the use of earmarked taxes due to the rigidities they impose on the Government’s budget, there can be a case for hypothecation in some circumstances. One of the benefits of hypothecation is that it leads to a closer alignment between those who benefit from a service, and those which fund it, as well as providing a signal to the taxpayer about the true cost of funding the particular service. A further benefit (at least, in theory), is that hypothecation imposes a hard budget constraint on the Government. These factors can lead to a level of taxation and spending that is more closely aligned with the public’s preferences and that is less subject to the political whims of Governments.

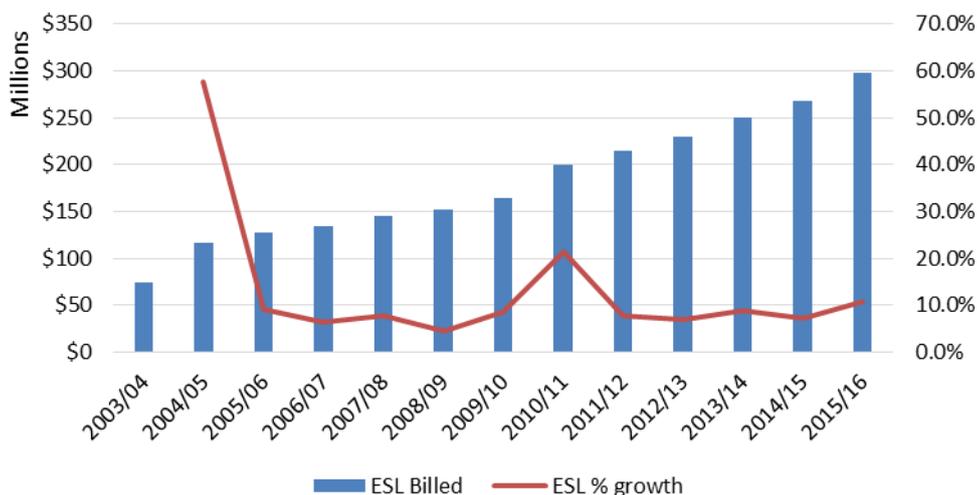
However, if the hypothecated tax only partly funds the services with the remainder being covered by general government revenue, these benefits are diluted. By mixing revenue sources, taxpayers do not receive a clear signal about the true cost of providing emergency services.

WALGA considers that this is a key issue with the ESL. While the revenue raised by the ESL is intended to fund all emergency services in the state, in practise, this does not occur.

## 5.1 ESL Funds Raised

In 2003-04 the ESL collected by Local Governments raised \$73.7 million. This has grown four-fold to \$297.8 million in 2015-16, or at an annual average growth rate of 12.3%.

Figure 1: ESL Billed



Source: DFES (2016)

## 5.2 Effectiveness of the ESL

The Local Government sector has raised a number of concerns with the existing ESL arrangements, which are outlined below.

The majority of respondents (70%) believe that the current ESL arrangements are not effective. This proportion was even higher for regional respondents (73%).

There were a wide range of concerns about the current ESL arrangements, with more than half of all respondents indicating 'all of the above'. This includes issues with,

- level of funding for emergency management activities;
- level of funding for Local Government emergency management activities;
- distribution of ESL funds;
- eligibility of some spending for ESL grants; and
- transparency.

Some specific concerns raised:

- Transparency
  - Currently a one size fits all approach – doesn't reflect the different needs of each area
  - Need for greater flexibility with under spending
  - Limitations on what can be claimed under ESL
  - Underspending on mitigation and preparedness activities
  - Too much funding allocated to DFES – in particular for administrative activities
  - Duplication and inefficiencies in relation to the collection and management of funds
  - Need for Local Governments to play a greater role in distribution
  - Detailed and onerous compliance
- Respondents considered that the ERA should examine:
    - The use of Gross Rental Value
    - Insurance costs
    - Population growth
    - Climate change
    - Governance arrangements and transparency
    - The cost of fully funding services now and into the future, and whether current funds are appropriately apportioned
    - Whether a rural fire service is implemented
    - Administration costs

### **5.3 Administration of the ESL**

From an economy wide perspective, it is recognised that there are administrative efficiencies from including the ESL on rates bills.

While this approach may minimise overall costs, it does impose a burden on Local Government. Although the sector receives funding from DFES in order to compensate for these additional administration costs, feedback from the sector is that this funding is generally not sufficient to offset the costs incurred by Local Government.

WALGA research shows that Local Government spending on ESL administration stood at around \$3.9 million in 2015-16, up from \$3.2 million in 2012-13. This compares to the administration fee which is paid by DFES, which totals \$2.25 million, and has remained unchanged since the ESL was first introduced. This suggests that there is a funding gap in the order of \$1.7 million which is borne by the Local Government sector.

Feedback from Local Governments suggests that this shortfall is felt disproportionately across the sector.

- The majority of respondents (59%) reported that the costs of collecting the ESL had increased since it had been introduced. 40% believed collection costs had remained the same. These costs were generally consistent across the regional and metropolitan areas.
- Most respondents identified the rising cost of staff time and overheads, printing, and postage as the major drivers of the increased collection costs.
- Only 43% of respondents believe that the administration costs paid by DFES were sufficient to cover the collection costs. Many respondents noted the difficulties in identifying or separating out collection costs.
- The majority of respondents used option B for payment (84%). The proportion of respondents in regional areas using this method was even higher (86%). Many respondents considered this to be the best option as it reduced administration costs and time, was simple, and assisted with cash flow management.
- Respondents provided a number of other comments in relation to the administration of the ESL.
  - Concerns that ratepayers believe councils have control over ESL funds
  - DFES was considered by some respondents to be a good support and easy to work with.

## 5.4 Calculation of the ESL

- When asked how the method for setting the ESL could be improved, respondents raised a number of issues. Examples of the key issues raised are as follows.
  - Ensure levy reflects differences in ability to pay
  - Review methodology for category 5 properties and consider the use of unimproved land value
  - Introduction of a rental levy
  - Higher ESL charges for rural areas
  - Zero based budgeting approach
  - Improved transparency and communication around use of funds
  - Consideration from a risk perspective
  - Direct funding of SES by DFES
  - More advertising and communication to educate ratepayers on the ESL and its use.
  - Vehicle changeovers based on fit for purpose rather than age or kilometres travelled (relates to the LGGGS eligible items)

## 6.0 Allocation of the ESL

### Local Government Grants Scheme

DFES allocates funding for Bush Fire Brigades (BFB) and State Emergency Service (SES) units via the LGGGS process where Local Governments apply for an operating grant and a capital grant for each service. Guidelines for LGGGS applicants are documented each year in the *ESL Manual for Capital and Operating Grants* (Grants Manual) (DFES, 2016).

## 6.1 Operating Grants

Operating Grants relate to the annual operating expenses incurred by BFBs and SES Units in direct support of their activities and readiness for operational duties, including the cost of emergency responses.

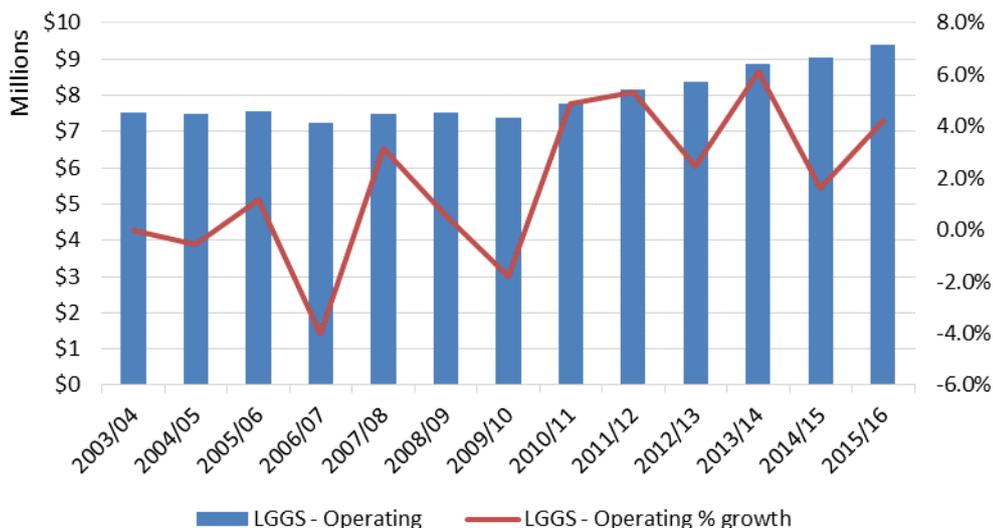
Operating Grant offers are based on the average of the previous two (2) years completed acquittals (past expenditure trends) and the current year's actual allocation, indexed with the prevailing cost escalation factor.

Operating Grant expenditure should be authorised and eligible for LGGs Grant funding. Eligible items are contained in Appendix III of the Grants Manual and include the following eight categories:

- 1 Purchase of plant and equipment (less than \$1,200 per item).
- 2 Maintenance of plant and equipment defined above.
- 3 Maintenance of vehicles, trailers and boats.
- 4 Maintenance of lands and buildings.
- 5 Clothing and accessories.
- 6 Utilities, rates and taxes.
- 7 Insurances.
- 8 Other goods and services.

LGGs operating grants commenced at \$7.5 million in 2003-04 and have increased to \$9.4 million in 2015-16. This represents an average annual increase of 1.9%.

Figure 2: LGGs Operating Grant



Source: DFES (2016)

## 6.2 Capital Grants

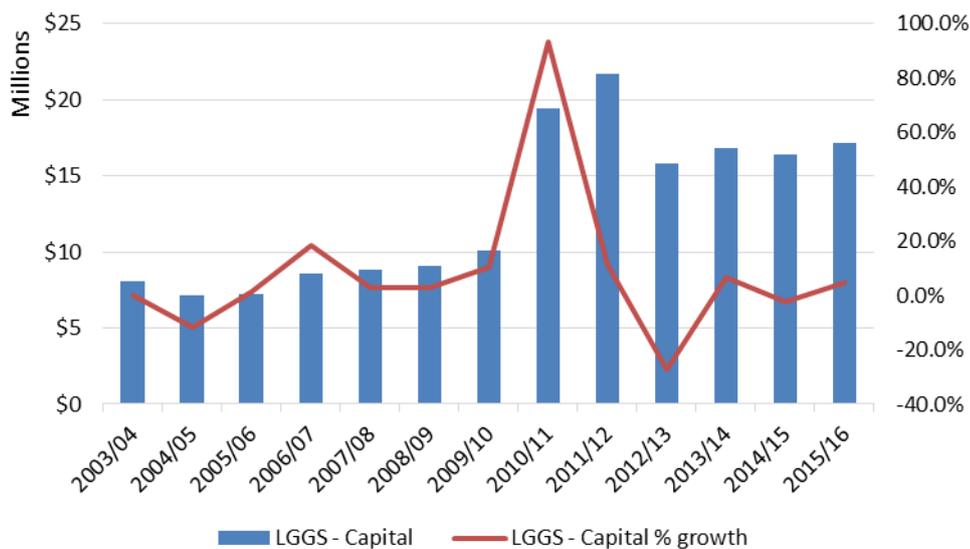
LGGs Capital Grants relate to significant capital works initiatives costing more than \$5,000 per item, including the acquisition/construction of facilities, car parks, fences and landscaping),

appliances, vehicles and major items of equipment. The following items are not eligible for LGGS Capital grants:

- Land.
- Associated site works for new buildings.
- Utility connections to the site boundary.
- Hydrants in non-gazetted fire districts.
- Earthmoving plant and equipment.
- SES Road Crash Rescue Hydraulic equipment (this equipment is supplied by DFES).
- Privately owned assets and equipment.
- Other assets as determined ineligible by the Grants Committees.

LGGS capital grants commenced at \$8.1 million in 2003-04 and have increased to \$17.2 million in 2015-16. This represents an average annual increase of 6.5%.

Figure 3: LGGS Capital Grant

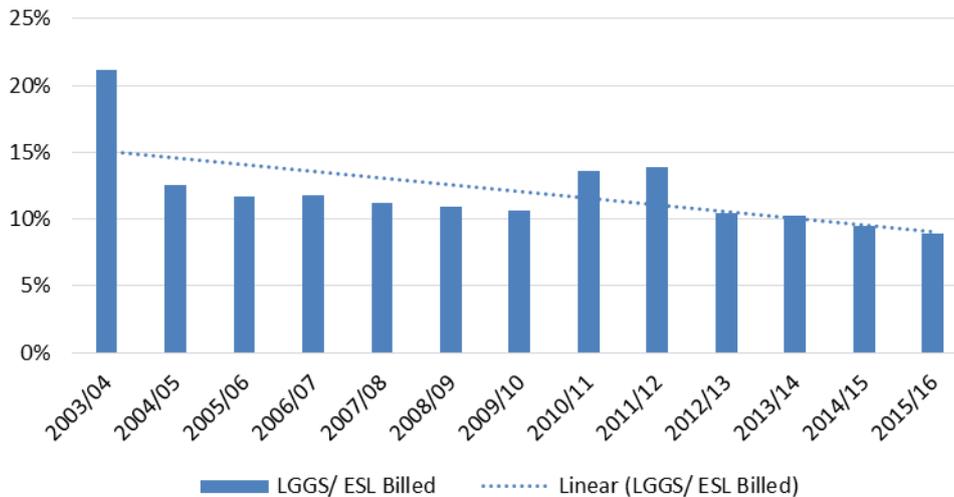


Source: DFES (2016)

### 6.3 Combined Grant

Overall, LGGS grants totalled \$15.6 million in 2003-04 and have increased to \$26.6 million in 2015-16. This represents an average annual increase of 4.5%. However, as a percentage of the ESL raised these grants only represented 8.9% in 2015-16 a share that has been in trend decline since 2003-04.

Figure 4: LGGs Grant



Source: DFES (2016)

## 6.4 Level of funding for all emergency management activities

Research undertaken by WALGA suggests that Local Government contributes a significant amount of its own revenues towards emergency management activities. In 2015-16, this contribution was estimated to be in the order of \$6.6 million. Going forward, feedback from the sector indicates that council revenues are expected to be the largest source of funding for Local Government emergency management activities. Overall, ESL funding (through the Local Government Grants Scheme) only represents approximately one third of all spending by Local Government on emergency services activities.

It is important to note that Local Government's ability to raise revenue to fund important community services and infrastructure – including emergency management – has been limited by its financial position. Declining grant funding from the Commonwealth and State Government has placed pressure on the sector's financial position and this is exacerbated by the legislative constraints on the sector's ability to raise own-sourced revenue.

While WALGA believes that these constraints should be removed (as discussed below), to the extent that they exist, it is critical that the sector receives sufficient funding through the ESL to ensure that it is delivering on its emergency management obligations on behalf of the community.

### *Restrictions on fees and charges*

State Government restrictions on Local Government fees and charges are arbitrary (the same fees in other States are often deregulated) and inefficient. Local Governments can impose fees and charges on users of specific, often incidental, services. However, a number of fees and charges are prescribed and restricted by legislation, and are specifically limited to recouping the cost of service provision. Fees determined by State Government legislation are of particular concern to Local Governments and represent significant revenue leakage because of:

- lack of indexation;

- lack of regular review (fees may remain at the same nominal levels for decades); and
- lack of transparent methodology in setting the fees (fees do not appear to be set with regard to appropriate costs recovery levels).

Examples of fees and charges of this nature include dog registrations fees, town planning fees and building permits. Since Local Governments do not have direct control over the determination of fees set by legislation, this revenue leakage is recovered from rate revenue.

This leads to unfair community outcomes in that all ratepayers subsidise services that are only used by a few.

The Association considers that it is appropriate that Local Governments have the freedom to set the level of their fees and charges. In the few cases where legislative restrictions are deemed necessary, they should be justified by a clear and logical rationale. Furthermore, those fees and charges that are prescribed by legislation should be reviewed and indexed on an annual basis to ensure they are set at appropriate cost recovery levels.

### *Rates exemptions*

Local Government rates are considered to be an efficient way to raise revenue, as they are broad based – to the extent that rates apply to most types of property, including the principal place of residence.

There are some exemptions from the rates base, which are justified by a sound rationale and are generally well supported by the community. For example, charitable organisations are exempt from rates on the basis that they deliver important social services that would otherwise need to be provided by Governments.

However, there are other State Government mandated exemptions that do not have the same sound rationale. These exemptions should be removed as a way to improve the efficiency and lift constraints on Local Governments' ability to raise revenue.

- Independent Living Units - 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. While there is a sound rationale for these exemptions to exist, they have extended beyond the original intention and now 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 2016-17.[i] 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 near 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.

Local Governments and State Government utility providers have assumed responsibility for services and infrastructure for most mining company towns. However, 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.

#### *Grant programs*

Other funding offered by the State government tends to be grants based. Local Government has been disenfranchised by the grants administered by the State, (such as NDRP, AWARE) in recent times as the criteria have changed to focus on projects of state significance. Local governments traditionally focus their efforts on local level, community based projects aimed at building community resilience. Grants provide Local Governments with little or no on-going funding, leaving councils with legacy projects, particularly in the areas of emergency risk identification, one off mitigation and community engagement projects. Projects funded through grants are typically short term, can lead to unrealistic expectations within the Local Government organisation and a lack sustainable outcomes for communities.

#### *State based services and activities*

Outside of the Local Government sector, there is also a range of emergency management activities undertaken by State Government agencies other than the Department of Fire and Emergency Services (DFES), which are not funded by the ESL. Some examples of emergency services activities that are conducted by other agencies and funded through consolidated revenue include Register.Find.Unite, and the State's public warning system.

While there are clearly significant emergency services activities that are currently being undertaken but are not funded by the ESL, this does not necessarily mean that the ESL needs to increase (although it may). A key issue is that ESL funds are now being used for activities for which it was not originally intended, including the administration and corporate costs associated with the DFES. The initial intention of the ESL was not to fund these costs.

In practise, funding DFES corporate costs from consolidated revenue would free up additional ESL funds to be invested in frontline emergency management services. Further work is needed to quantify whether this would generate sufficient revenue to ensure that the ESL can fund all emergency services activities in the state. It is recognised that funds would need to be reprioritised within the State budget in order to achieve this option.

Alternatively, the rate of the ESL may need to increase in order to ensure that sufficient revenue is raised to fund all emergency services activities in the state.

## 6.5 Proportion of funds provided to Local Government.

As discussed above, the Local Government sector funds a significant proportion of its emergency services activities from own-sourced revenue.

On average, respondents considered the priority area for ESL funds to be used is in relation to response activities (39%). This was followed by prevention (27%) and preparedness (22%). Respondents considered that the lowest proportion of funding (14%) should be allocated to recovery activities. It is important to note the responses are based on the individual needs of Local Government and a recognition of their need to increase capacity and capability in response.

However, there was a wide range of responses to the survey on this matter. In relation to prevention, the proportion of funding that should be allocated to this area ranged from 80% down to 5%. Similarly, some respondents believed that no ESL funds should be directed to recovery activities. One respondent believed that all ESL funds should be used for response activities only

Responses also varied by geographic location. On average, regional Local Governments tended to prefer that a greater proportion of funds are directed to response activities (42%) when compared to their metropolitan counterparts (35%). Similarly, metropolitan Local Governments had a greater focus on recovery (20% compared to 10% for regional Local Governments).

When compared to how ESL funds are currently used, there is a considerable difference. Despite respondents believing that nearly 27% of funds should be allocated to prevention activities, the results indicate that only 12% of ESL funds are currently spent on these activities.

By contrast, 57% of ESL funds are currently used for response activities, compared to respondents' preference for 40% to be spent in this area. Similarly, 32% of ESL funds are spent on preparedness, compared to respondents' preference for 22% to be spent in this area.

These broad trends are consistent with regional Local Governments. Metropolitan Local Governments are also overspending ESL funds on response activities compared to their preference, at the expense of all other activities.

When asked what ESL funds should be spent on, the key areas identified included:

- Insurance
- Plant and equipment
- Administration and depreciation, medical and police checks, mobile phones
- Development of plans, prescribed burning and other mitigation activities
- Staff training, and exercises
- Community safety programs

- All emergency management activities

In relation to Local Government spending of their own revenues on emergency management activities, the largest proportion is spent on prevention (33%), preparedness (31%) and response (28%). Only 11% of Local Government's own spending on emergency management activities is for recovery. Metropolitan Local Governments spent less than their regional counterparts on response activities (15% of own sourced funding, compared to 28% in regional areas).

In relation to future funding expectations, these are expected to be broadly consistent with respondents' preferences, with a greater focus on prevention and preparedness.

While many respondents felt that it would be largely the same, those which expected a change identified a number of different factors. The majority of respondents identified a shift in focus to mitigation and preparedness, the rising cost of providing services, and population growth and urbanisation.

## **6.6 Eligibility for grants**

One of the key challenges for Local Governments is that many of the emergency service activities that it undertakes are not eligible for ESL funding through the Local Government Grants Scheme. The LGGGS Grants budget and payment processes currently reflect the historical linkages between the Local Government, the brigades/units themselves and DFES. It does not reflect contemporary emergency management arrangements nor support the endorsed principles of emergency management.

By way of example, Local Governments are required to administer SES capital and operating grants even though they have no legislative responsibility for SES. Additional burden for Local Governments which effectively act as an intermediary and carry the expenses associated with SES facilities. Site costs associated with SES facilities are not eligible under the LGGGS and Local Governments are expected to fund this through their own sources even though they are a DFES responsibility.

The intended role and function of the LGGGS is to enable DFES to finance the approved capital and operating costs associated with the provision and maintenance of an effective bush firefighting and state emergency service for Local Governments.

In a contemporary emergency management context, Local Governments require sustainable funding for a range of responsibilities that are bestowed upon them. A comprehensive review would assess the expansion of the ESL to include access to funding for items not currently deemed eligible and that fall into the prevention and preparedness aspects of emergency management.

## **7.0 Governance Arrangements**

### **7.1 Transparency of funding allocation**

Respondents were overwhelmingly in support of greater transparency around the administration and distribution of the ESL. Many respondents believed that all information should be made public.

Some options to improve processes included auditing, annual reporting, or independent review.

When asked which agency should be responsible for distributing ESL funds, the response was similar to the distribution of LGGS. WALGAs historical position on this issue has been that the assessment and allocation of the ESL needs to be removed from DFES and undertaken by an independent body. In this latest consultation, the survey responses actually supported DFES in undertaking this role (34%), closely followed by Treasury (32%). There was a clear preference from metropolitan respondents (67%) for Treasury to undertake this role.

The rationale provided for DFES to maintain this function was their expertise in operational matters and advice on equipment and personal protective equipment.

Critical to the decision of who is given the responsibility of allocating and administering the ESL is the fundamental need to have a transparent process for distributing these funds.

## 8.0 Rural Fire Service

The introduction of a rural fire service would potentially see significant changes to the allocation of ESL funds.

Through the survey the clear majority of respondents (78%) were in favour of the introduction of a rural fire service. If this were to be introduced, the majority of Local Governments (86%) believed that this should be funded by the ESL. This was on the basis that bush fire services are currently funded by the ESL.

It was considered that this would require an increase in ESL funding by 64% of respondents.

If the rural fire service was not funded by the ESL, the preferred method was state government consolidated revenue (32%).

It is important to note that many Local Governments shared their concern of making any of these decisions without a clear structure and framework for the Rural Fire Service. There is concern that the state government has not determined a structure for a Rural Fire Service and this is critical for our regional communities to have confidence in an improved level of service.

Furthermore, Local Governments do not want to see inefficiencies created through duplication of administration and services that may result from a new Rural Fire Service. It is clear that further consultation and consideration needs to be given to the final recommendations on the Rural Fire Service to ensure that it provides an improved level of service to rural communities, is economically viable, appropriately resourced, and does not add another layer of complexity to the already complicated emergency management arrangements for bushfire. Consultation with growth council CEOs suggested that the approach required in developing a rural fire service was to consider in the first instance, what level of service is required for the WA community with regards to fire and emergency services. They recognise there are a number of constraints that need to be factored into the development of an overarching service delivery model, however WALGA has advocated for some time that the complexity of the current emergency management arrangements need to be streamlined.

If it is determined that the Rural Fire Service will assume responsibility for Bushfire Brigades (requesting local governments to transfer this responsibility to state government), the Local Government Grants Scheme (LGGS) would need to be reviewed. The Kimberley zone are an

example of this having signed an MOU with DFES to take responsibility for its brigades over four shires. Remembering that Local Governments have an extensive range of legislated responsibilities, the LGGS could be expanded to then focus on prevention and mitigation – which are not currently eligible activities under the LGGS.

There may also be a requirement to look at the level of funds collected by the ESL to ensure that it is adequate to cover the new rural fire service and revised LGGS. If there is a need for an increase, communication with the community will be critical to ensure there is minimal impact on the Local Governments as many ratepayers perceive that the ESL is a local tax not set and allocated by the state government.

## **9.0 Future Emergency Management Funding**

Given the changing policy landscape and demands of the community, WALGA considers that there may be merit in undertaking a broader review of emergency services funding to ensure that revenue is collected in the most efficient way possible and is adequate to meet future service delivery needs.

A major review of emergency management funding has not occurred since the ESL was introduced in 2003. Such a review will be particularly important if a rural fire service is introduced, given that this represents a fundamental change to the way that emergency services are delivered in WA.

WALGA believes that any review of emergency services funding should be considered in the context of a broader tax reform agenda, which examines not only current arrangements but also alternative approaches that could be used. This may include consideration of whether Local Government remains best placed to collect the ESL; whether a hypothecated tax remains the most appropriate way to fund these services, as well as alternative options for funding emergency services through the existing tax system (for example, by broadening the land tax base). It is recognised that this is a significant reform that would be difficult to achieve given the State's current financial position, and would therefore need to be introduced over the medium term.

## **10. Further Consultation**

The Association can provide further information and evidence in support of its submission to the ERA. This first phase has seen over 100 Local Governments participate which provides an indication of the importance of this matter to the sector.

Members have specified they would like the opportunity to participate in the second phase of the review. To this end, WALGA will be facilitating face to face workshops to allow the sector further opportunities to engage and inform the review of the ESL.

## 5.2 Interim submission to the Department of Planning on the Government Sewerage Policy (05-026-03-0041 CG)

By Christopher Green, Senior Planner

**Moved: President Cr Karen Chappel**

**Seconded: Cr Darryl Trease**

**That the interim submission to the Department of Planning regarding the draft Government Sewerage Policy be endorsed.**

**RESOLUTION 31.2/2017**

**CARRIED UNANIMOUSLY**

### **In Brief**

- Late last year the Western Australian Government released the *draft Government Sewerage Policy 2016* and accompanying *Explanatory Notes* for public comment, which closed on 10 February. The draft Policy has been jointly prepared by the Departments of Health, Planning and Water.
- The draft Policy requires all new subdivision and relevant forms of development to be connected to reticulated sewerage where available. In areas where reticulated sewerage is not available, the draft Policy permits on-site sewerage disposal, providing that proposals are able to satisfy a number of prescribed controls.
- Whilst welcoming the State Government's attempt to refresh the Policy, the Association's interim submission raises a number of concerns about the draft Policy. Primarily these concerns are focused on the resource implications for Local Government in monitoring and enforcing compliance with the requirements of the draft Policy.
- During the course of the public consultation, an interim submission was provided by the Association.

### **Attachment**

The nature of the draft Policy means that the interim submission is largely technical. A copy of the submission can be found at <http://walgapip.ning.com/> and it also attached.

### **Relevance to Strategic / Business Plan**

#### **Key Strategies**

##### Sustainable Local Government

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

##### Enhanced Reputation and Relationships

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

## Policy Implications

Nil

## Budgetary Implications

Nil

## Background

Late last year the Western Australian Government released the *draft Government Sewerage Policy 2016* and accompanying *Explanatory Notes* for public comment, which closed on 10 February. The draft Policy has been jointly prepared by the Departments of Health, Planning and Water.

The Policy applies to all planning proposals and requires all subdivision and relevant development proposals to be connected to reticulated sewerage. Exemptions will only be considered where lots are able to meet the prescribed minimum lot size, which varies depending upon whether or not a proposal is located within a drinking water catchment area. Lots also need to be capable of providing the treatment and disposal of all sewage within the property boundary.

In summary, the requirements of the Policy mean that Local Governments are responsible for approving on-site sewage disposal systems, for single dwellings or other building not producing more than 540 litres of sewage per day. Beyond this threshold, the Department of Health is responsible for determining on-site sewerage system applications. The Department also has the responsibility for authorising the use in Western Australia of on-site sewage disposal systems. During the course of the public consultation, a Local Government workshop was hosted by the Department of Planning to discuss the draft Policy.

## Comment

Whilst welcoming the State Government's attempt to refresh and improve the Government Sewerage Policy, the Association's interim submission raises a number of concerns regarding the draft Policy. The Association's primary concern is the requirement for Local Governments to monitor, audit and enforce compliance with the Policy will have significant resource implications for Local Government. However, despite these requirements, the draft Policy is silent on whether or not Local Governments can levy a fee or charge for undertaking assessments and inspections of sewerage systems. The submission also queries if the Department of Health is appropriately resourced to fulfil its requirements as outlined by the draft Policy.

The interim submission notes that the draft Policy is considerably more detailed and complex than the existing Government Sewerage Policy and queries whether or not training will be provided to assist Local Government officers. The interim submission queries why the draft Policy's calculation for determining the land application area (sewage treatment area) differs to that prescribed in the *Health (Treatment of Sewage and Disposal of Effluent and Liquid Waste) Regulations*. Further, technical advice from Local Government environmental health officers has highlighted that the calculation used by the draft Policy will result in very large treatment areas. As Local Governments currently have minimal issues with the conventional onsite effluent disposal systems, the interim submission queries if the proposed requirements as set out by the draft Policy are correct.

In all, the interim submission makes a total of 51 recommendations relating to both the draft Policy and the accompanying Guidelines. The nature of the draft Policy means that the interim submission is largely technical.

To help inform the Association's submission, comment from the sector on the draft documents was sought with feedback provided by the Cities of Armadale and Cockburn and the Shires of Harvey, Murray and Serpentine-Jarrahdale. A draft copy of the interim submission was made available to members via the Association's 'Planning Improvement Program' web portal and also to those Local Governments who provided the Association with comment. The interim submission was endorsed



by the Association's Planning and Community Development Policy Team and Executive Committee, prior to its submission.

# INTERIM SUBMISSION TO THE DEPARTMENT OF PLANNING

## GOVERNMENT SEWERAGE POLICY

### INTRODUCTION

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

The Association provides an essential voice for 1,249 elected members and approximately 14,500 Local Government employees as well as over 2 million constituents of Local Governments in Western Australia. The Association also provides professional advice and offers services that provide financial benefits to the Local Governments and the communities they serve.

### GENERAL COMMENTS

The Association welcomes the release of the draft Government Sewerage Policy and acknowledges the contribution of, and collaboration between the various State Government agencies involved in its publication. The potential health and environmental implications associated with the treatment of sewage are of such critical importance that it is vital that the sewage management regime is effective and can be managed efficiently.

Whilst welcoming the State Government's attempt to refresh and improve the Government Sewerage Policy, the Association wishes to express its concerns in relation to a number of aspects of the draft Policy. The Association's primary concern is the requirement for Local Governments to monitor, audit and enforce compliance with the Policy will have significant resource implications for Local Government. Accordingly, if this approach is pursued, it is imperative that an appropriate funding regime is established to support Local Governments in undertaking these duties. By the same token, the Association is also concerned that the Policy is silent of whether fees and charges can be levied by Local Governments in carrying out assessment and inspections. This contrasts with other legislation that imposes duties on Local Government such as the *Waste Avoidance and Resource Recovery Act 2007 (s68)* which states "*nothing in this Part prevents or restricts a local government from imposing or recovering a fee or charge in respect of waste services under the Local Government Act 1995 section 6.16.*" Without such a reference, it is not clear if Local Government would be able to levy a fee for performing the duties set out by the Policy. Alternatively it is not clear if funding will be provided by the State Government to assist Local Governments in fulfilling the requirements of the Policy. Or, if this is not the case, then in assessing a proposal for an on-site sewage disposal and considering "*its capacity to audit, inspect and enforce compliance*", would it be reasonable for a Local Government refuse a development application?

Whilst there are considerable resource implications for Local Government, the Association also queries whether the Department of Health is appropriately resourced to assess proposals for sewerage systems arising from development which will create more than 540 litres of sewage per day. This low threshold means that any development not connected to a reticulated sewer that is likely to be occupied by four or more persons would need the system to be approved by the Department of Health. As such the Association queries how many failures there have been of the existing policy to warrant these additional controls and suggests that a cost-benefit analysis of the proposed Policy is undertaken.

The draft Policy is considerably more detailed and complex than the existing Government Sewerage Policy and as a result it is difficult to fully understand how the process will work in practice. The complexity of the Policy also increases the likelihood that its provisions may be inconsistently applied. Therefore, the Association suggests approval process charts are prepared, providing details of how various types of development will be assessed and managed, to assist with understanding and the consistent application of the Policy. Further, given the complexity of the policy, the Association queries if training will be provided to assist with the consistent application of the Policy?

It is likely that the Policy will require some amendments following its adoption. However, the length and complexity of the Policy, together with the fact that input is required from a range of State Government agencies will combine to make this a difficult and cumbersome process. Accordingly, the Association suggests that it may be prudent to streamline and limit the detail contained within the Policy, placing greater detail in the Explanatory Notes which can be more readily amended as required.

**Recommendation:**

1. That an appropriate funding regime is established to support the implementation of the Policy.
2. Evidence is provided of the failing existing Government Sewerage Policy regime and a cost benefit analysis of the new controls is provided.
3. The requirements of the draft Policy are clearly set out and process charts are produced, setting out how various types of development will be assessed, to assist development proponents and decision makers.
4. Appropriate training and/or information sessions are established prior to implementation of the policy.
5. Consideration is given to streamlining the content of the Policy in order to improve the efficiency with which future amendments to the policy can be undertaken.

## **SPECIFIC COMMENT AND RECOMMENDATIONS**

### **GOVERNMENT SEWERAGE POLICY**

#### **4. Definitions**

The term 'on-site sewerage disposal' is used throughout the document however it is not clear as to whether this is limited to 'primary treatment' systems or if it also includes 'secondary treatment' systems.

Likewise, 'effluent disposal facility' has not been defined by the draft Policy. This term is used in the definition of a 'building envelope' under Schedule 1 - Model Scheme Provisions of the *Planning and Development (Local Planning Scheme) Regulations 2015* which states that a building envelope "means the area of land within which all buildings and effluent disposal facilities on a lot must be contained."

The definition 'primary treatment' implies that a 'secondary treatment' system and leach drains are inclusive or alternatively read that both are exclusive to the definition. There is a difference between

a leach drain and a 'secondary treatment' system that is not clearly defined by this definition. Leach drains or other drainage receptacles are an integral component of 'primary treatment' whereas 'secondary treatment' systems (e.g. ATU) are additional.

The reason for, and the difference between 'rural land' and 'rural land use' is not clear and should be clarified.

**Recommendation:**

6. Definitions of 'on-site sewerage disposal' and 'effluent disposal facility' are included in the definitions section and appropriate reference to other statutory instruments.
7. The definitions of 'primary' and 'secondary treatment' systems are clarified, together with the definitions of rural land' and 'rural land use'.

**5. Policy application**

The Association notes that the Policy applies to a wide range of planning proposals. However, the Association queries whether consideration has been given to the application of the Sewerage Policy through other statutory controls, such as the Building Regulations?

It is also not clear how the Policy will be applied when planning approval is not required. For example, how will it be applied to the development of single house on a single residential lot, which does not necessarily trigger the requirement for planning approval?

**Recommendation:**

8. That justification is given for the proposed policy application through land use planning and detailed clarification of its full implementation be provided.

**6. Policy measures**

The Association queries why this section refers to both the 'decision-maker' and the 'responsible authority'? This is confusing as the terminology used refers to two independent separate statutory regimes, 'planning' and 'building'. The Policy should remain consistent in its use of language and terminology.

**Recommendation:**

9. The use of terminology remains consistent throughout the Policy.

**6.1 Requirement to connect to reticulated sewerage.**

The Association queries if the requirements of the Health Act 1911 (Section 81) which mandated that any development proposed on land that is not serviced by sewer but is located within 91 metres of a sewer be connected to a sewer, and if so why reference is not given to this requirement.

**Recommendation:**

10. The requirements of the Policy and that of the Health Act are consistent.

**6.2 Exemptions to requirement to connect to reticulated sewerage**

The inconsistent use of terminology is continued in this section which gives reference to the 'statutory authority'. In addition, sections 6.3(3) and 6.3(4) both refer to 'towns' outside the Perth Metropolitan and Peel regions, whilst in contrast schedule 4 refers to 'localities' outside the Metropolitan area and Peel region.

The minimum lot sizes for development not connected to reticulated sewerage systems is confusing. The Policy states that the exemption to connecting reticulated sewerage applies to residential lots of 2,000m<sup>2</sup> (the equivalent R-coding of R5). The Policy then goes on to incremental residential subdivision may be possible in areas zoned urban providing the minimum lot size is 1,000m (R10). Section 6.2(6) goes on to state that areas with a residential density code of R5 or R10 may be subdivided. However the Residential Design Codes (R-codes) also includes density

codes of R2 and R2.5. Given the lesser density of these areas, the Association contends that the exemptions should also be extended to these areas.

**Recommendation:**

11. The use of terminology remains consistent throughout the Policy.
12. The Policy clarifies the minimum lot size for residential development.

**6.3 Minimum requirements for reticulated sewerage.**

This section states that “sewerage infrastructure and services must be provided in accordance with...” Elsewhere, the Policy states that “proponents should...” The Association queries why if a ‘must’ is used here, is it not applied consistently across the Policy?

6.3(2) states that it should be demonstrated “that infrastructure and services can be provided”. The Association contends that it should perhaps be stated that infrastructure and services will be provided rather than simply that they can be provided.

**Recommendation:**

13. The use of terminology remains consistent throughout the Policy.

**6.4 Minimum requirements for on-site sewage disposal.**

It is stated here that “on-site sewerage disposals systems should not be located within 30m of a private bore.” Yet despite this requirement, it is not explained within the Explanatory Notes where this information can be accessed and as bores are not shown on the Map of Sewage sensitive areas, the Association queries how will proponents know the location of bores on adjacent properties? Similarly the Association queries why the Map of Sewage Sensitive Areas does not show the 100m limit from the outer edge of riparian or wetland vegetation or subsurface drainage systems. If on-site sewerage treatments are not permitted in these areas, it is important that they are mapped, particularly in instances where it may be difficult for proponents and decision makers to accurately identify the edge of riparian vegetation. It is also unclear how the wetland setback requirement relates to associated features such as irrigation channels.

The reduced setback requirements for subdivision proposals of five lots or under need to be further clarified. In particular, it is unclear how any further ‘staged’ subdivision and land intensification proposals will be managed.

Whilst various controls relating to the location of sewage disposal system are given, it is not clear if for land zoned ‘special residential’, ‘rural residential’ and ‘special rural’ whether these systems should be located in relation to building envelopes. Locating secondary systems outside of building envelopes could help encourage ‘water-wise’ efficiencies.

6.4(6) states that all on-site sewage disposals systems must be approved for use by the Department of Health. However, as no details are provided, it is not clear how this approval process will work in practice and how the Department of Health approval process will link with planning approvals?

6.4(7) provides a list of examples that “may be required”. Greater clarity and stronger guidance is needed to ensure that these objectives can be achieved.

6.4(9) is ambiguous in stating that the WAPC “may require a notification on title”. Greater clarity is needed as to whether or not a notification on title is required for developments not connected to reticulated sewerage systems. It would also assist if the exact wording of the notification was provided within this Policy, to ensure consistency of approach, as provided for in SPP 2.6.

In considering “its capacity to audit, inspect and enforce compliance”, would it be reasonable for a Local Government to refuse a development application if it is unable to meet these requirements? Has legal advice been sought as to whether this is a valid consideration and reason for refusal?

**Recommendation:**

14. That information is provided to inform development proponents of the location of adjacent bores and to assist in the identification of further constraints.
15. That the reduced setback requirements relating to waterways are clarified for staged subdivision proposals.
16. Clarity is provided on the location of systems in relation to building envelopes.
17. That the Department of Health's approval process for on-site disposal systems is clearly explained.
18. Greater clarity and certainty is provided about the Policy's controls.
19. The draft Policy clarifies Local Government considerations relating to its capacity to audit, inspect and enforce compliance.

**Schedule 1**

**1.2 Connection to reticulated scheme that is yet to be established**

This section states that where new lots are created, "*information and supporting documentation should be provided*" at differing stages of the planning process. The Association contends that given the importance of sewage disposal, providing this information is not optional, rather proponents 'must' provide this information to be able to properly assess the development proposal.

This section goes on to state that "*the requirement to connect future development to a reticulated sewerage scheme operated by a licenced or exempted service provider should be included via provisions in the local planning scheme.*" The Association queries what this means and why sewage disposal is not included within either the R-codes or the deemed or model provisions of the Local Planning Scheme Regulations? This will ensure that the requirement is applied consistently through the local planning schemes.

**Recommendation:**

20. That development proponents are required to provide the information listed by the Policy.
21. The Policy clarifies its application and Local Governments requirements to include Local Planning Scheme provisions relating to wastewater.

**Schedule 2: Supporting information for planning applications where on-site sewage disposal is proposed**

This section includes the requirement for proponents to provide information such as the location of classified wetlands and marine reserves. However, it is not clear within the Policy that this information is available on the Department's mapping website 'PlanWA'. The mapping would also be enhanced by highlighting those areas that are served with a reticulated sewerage network. The Association queries whether input on the 'Map of Sewage Sensitive Areas' has been sought by Local Government? There may be other local constraints not identified by the Policy that Local Governments may be aware of that could be included within the mapping.

**Recommendation:**

22. The Policy provides greater assistance to development proponents and decision makers by clearly articulating where all relevant information can be sourced from.
23. Areas serviced by a reticulated sewer be included on the 'Map of Sewage Sensitive Areas'.
24. Local Government input is sought on the 'Map of Sewage Sensitive Areas'.

**2(c) Subdivision**

This section states that subdivision proponents "*should provide detailed design information*". It goes on to say that "*this information is to be provided when lodging the application*". Accordingly it is ambiguous whether or not providing this information is a mandatory requirement or not. Further, it is also not clear if the requirement to providing information concerning 'land form and soils' is pre and/or post subdivision?

The information requirements extend to 'paved surfaces and driveways'. However this information is unlikely to be provided as part of a subdivision application. The Association suggests that it may be more appropriate to request information concerning the location and design of cross-overs.

The section closes by stating that where “*local government has a good understanding of the soil and site conditions and the on-site treatment system proposed is known to perform well under local conditions, a site and soil assessment may not be required.*” However as the WAPC is the approval body, it is unclear how this process will work in practice? How will subdivision proponents know prior to the lodgement of a proposal, whether or not a site and soil assessment is needed? Can proposals be submitted without this information and then placed on hold if the information is required?

The site and soil evaluation section states that the evaluation should be proportionate to the level of risk associated with the proposal. However, there appears to be no guidance to determine how the level of risk is calculated and how this relates to the site and soil evaluation. The Association also queries who is responsible for checking compliance AS/NZS1547?

**Recommendation:**

25. The information requirements for subdivision proponents are clarified.

**2(d) Development**

The Association queries the status of *Department of Health’s Code of Practice* and how compliance with this code can be ensured?

As with the previous section, it is stated here that “*where the local government has a good understanding of the soil and site conditions and the on-site treatment system proposed is known to perform well under local conditions, a site and soil assessment may not be required*”. However the Association queries what is ‘a good understanding’? How is this measured and assessed? Can Local Governments self-assess themselves or are they accredited by an external agency? Have the legal implications of this exemption been examined and considered?

Consideration also needs to be given to the fact that the decision making body determining a development application may not be a Local Government. As such, how will this process work in practice?

The Association queries what happens to the ‘maintenance plan’ and procedures be put into place to ensure that any requirements are maintained, including by any subsequent property owners? Will this be made a condition of any planning permit, and what happens if there is not planning approval required?

**Recommendation:**

26. The status of the *Department of Health’s Code of Practice* is clarified and how compliance with this code can be ensured?
27. The requirements for site and soil evaluation are clarified.
28. Details concerning what happens to the management plan are provided.

## **GOVERNMENT SEWERAGE POLICY: EXPLANATORY NOTES**

### **2.2 Risk Management**

This section states that some types of on-site sewerage systems, may not be appropriate for some local conditions. Whilst acknowledging this, the Association queries whether this information will be captured and made available to Local Government and development proponents?

With regards to risk management, water supply is an important aspect of assessing any on site sewerage application. Such applications should be assessed against the appropriacy of the water source.

**Recommendation:**

29. Information concerning the suitability of on-site sewerage systems is collated and made available by the State Government.
30. Consideration be given the appropriacy and reliability of any water source when assessing proposals for on-site sewage disposal.

**2.3.1 Sewage Sensitive Areas**

Given the 1.2m to 1.5m vertical separation distance required by the Policy between a disposal system and groundwater, it would be useful if the groundwater information available on the Department of Water's, Perth Groundwater Map was also available on PlanWA's Map of Sewage Sensitive Areas.

**Recommendation:**

31. Groundwater mapping be made available on the Map of Sewage Sensitive areas.

**2.3.3 Development of Policy Provisions**

This section discusses the 1.2m-1.5m vertical separation between groundwater and sewerage treatment systems. However, the Association queries why a range of distances is given? If this range is for different systems in different soils types, then this should be clearly explained and the relevant separation distances for the different systems and soil types identified. It should also be added this separation distance needs to be "above the highest seasonal post development water table" as is stated elsewhere in the document.

**Recommendation:**

32. The Policy's minimum sewerage system to groundwater separation distances are made explicit.
33. That groundwater separation requirements are "above the highest seasonal post development water table".

**Table 2: Sample Calculation for determining the land application area for a single house with primary treatment system in soil categories 1 and 2**

The sample calculation for determining the land application area is different to one included in the *Health (Treatment of Sewage and Disposal of Effluent and Liquid Waste) Regulations*. Given this inconsistency, it is queried if the Regulations will be amended? If not, which calculation method should be used? Which statutory instrument has primacy?

It is stated that the example given in Table 2 is for six persons, occupying a five-bedroom house. However, the code of practice (based on AS1547) identifies a five-bedroom house as having a population equivalent to 8 persons. As such, these additional persons would further increase the land application area provided in the table which already covers a very large area. Given the size of the land application area given, the Association queries whether this is correct and consistent with current practice? This calculation does not appear to be based on the State's largely sandy soil profile and instead appears to be calculated on the area of drain infiltration being the base of each leach drain and not including a drains sides, as is permitted by the Regulations. Were the sides to be included in the calculations, the number and/or length of drains could be dramatically reduced along with the land application area.

Local Governments have minimal issues with the conventional onsite effluent disposal systems (primary treatment systems) in area of good ground water separation and porous soils. There needs to be better evidence based research into the effectiveness of conventional primary treatment systems in Western Australian soil geology prior to the Government Sewerage Policy being introduced.

**Recommendation:**

34. The Policy is consistent with all other relevant statutory instruments.

35. The Policy clarifies the land application area calculations and the accuracy of these calculations.

#### **2.4.4 Incremental subdivision in established urban areas and country towns**

This section discusses the viability of expanding the capacity of reticulated schemes in regional areas and where it is not viable to expand infrastructure, then lots of 1,000m<sup>2</sup> should be considered for future growth. However it is not clear who determines whether or not it is viable to expand any existing infrastructure. Furthermore, any urban development expansion based upon large lots with low density development will increase the cost of providing any future infrastructure.

The Association is concerned that the Policy does not appear to have given regard to other forms of development which will be occupied by persons other than residential lots. As such it is also not clear how industrial, commercial and community/recreational development will be affected by the Policy. The large 'land application area' requirements together with the strict restrictions for building within these areas is likely to be a significant obstacle to new development in areas where reticulated sewerage systems are unavailable.

#### **Recommendation:**

36. That the Policy provides guidance to clarify when it is appropriate and not appropriate to expand reticulated sewerage infrastructure.
37. Consideration is given to the impact of the policy upon non-residential forms of development.

#### **2.5 Site and Soil Assessment**

This section gives reference to AS1547 requiring "*site and soil assessments to be undertaken by appropriately qualified and experienced site evaluators / soil assessors*". However, it is not clear if this is also a requirement of the Policy? If so, it is not clear how this will work in practice. What qualifications will such assessors need to hold and how will Local Governments ensure compliance against this?

#### **Recommendation:**

38. The Policy clarifies the procedures relating to the undertaking and assessing of site and soil assessments.

#### **2.7 Depth to groundwater**

This section discusses the 0.6m-1.5m and 1.2m-1.5m vertical separation between groundwater and sewerage treatment systems for the various soil types. As previously discussed, the Association queries why a range of distances is given? If this is a minimum standard, then the minimum separation distance should be given. Alternatively it would be useful to include a table showing applicable groundwater separation distances based on system and soil type.

The Association queries how the nutrient removal figures given will be assessed given that manufacturers typically refer to percentage reduction. Further, the Association queries why attention is given to nutrient removal only and not nutrient retention. In some instances, developments have approved on the basis of an 'alternative on-site effluent disposal system designed for long term usage with phosphorous retaining ability'. Future developments will not be able to use this type of amended soil system including some Aerobic Treatment Units.

#### **Recommendation:**

39. That the Policy clarifies the minimum separation groundwater distances and nutrient removal/retention requirements.

#### **2.8.1 Primary Treatment**

This section discusses the replacement of soils saturated with nutrients through 'mechanisms'. However, it fails to provide any further details and identify any such mechanisms. Accordingly the Association seeks clarification as to how this will be achieved?

**Recommendation:**

40. That the Policy clarifies soil replacement considerations and mechanisms.

**2.8.2 Secondary Treatment**

This section discusses the control of “*activities within the land application area*” stating that within these areas, paving should not prevent access, nor should these areas be subject to vehicle or foot traffic areas including clothes line areas. Yet despite these restrictions, no details are given as to how these controls will be achieved. In light of the planning exemptions afforded to single housings via the deemed provisions of the *Local Planning Scheme Regulations 2015* and the R-codes, it is important that the Policy clearly explains how such controls can be achieved.

This section also identifies a long list of Local Government responsibilities relating to the management of effluent disposal systems. Given the costs associated with the inspection of new installations, maintaining services records, undertaking routine monitoring inspections, following up on non-compliance and providing assistance to landowners, the Association queries if fees for these services can be levied by Local Governments?

This section goes on to state that with regards to regulatory and institutional arrangements concerning secondary treatments, “*Local Governments should formally acknowledge these requirements...*” It is not clear what this means or how this will be used in practical terms?

**Recommendation:**

41. The Policy clarifies how development controls will be applied to ‘land application areas’.
42. The Policy clarifies whether fees can be levied by Local Governments in undertaking its responsibilities set out by the Policy and/or whether funding will be made available to Local Governments to undertake these duties.
43. The Policy clarifies the requirement for Local Government to formally acknowledge regulatory and institutional requirements.

**2.10.1 Built Strata’s**

The Policy states that in built strata’s, as the built form is unlikely to change, the hydraulic load is also unlikely to change. However, although the built form may not change, the hydraulic load could change significantly with any changes of use. This is particularly apparent in the case of mixed use developments.

**Recommendation:**

44. The Policy recognises that the hydraulic loading can be altered, with changes of use as well as with built-form changes.

**2.12 Notification on Titles**

The Policy states that notification should be placed on titles of lots that are less than 2,000m<sup>2</sup> noting that this may restrict the erection of sheds or the installation of outdoor areas or pools. However, the Policy states that within the ‘*land application area*’ paving is not permitted nor are clothes line areas. Accordingly it is important that the development of any ‘notification on title’ created to support the Policy accurately reflects the requirements of the Policy.

**Recommendation:**

45. Care is taken to ensure that any ‘notification on title’ condition set out in the model subdivision conditions to support the Policy, accurately reflects the requirement of the Policy. It would also assist if the exact wording of the notification was provided, to ensure consistency of approach.

**2.14 Clarity of approvals**

The final paragraph of this section, which states that planning does not ensure that a reticulated sewerage system is installed, is confusing. If, by way of a condition of subdivision, connection to a

reticulated sewer is required, then there is a legal duty to take reasonable care to ensure the condition has been met.

**Recommendation:**

46. The Policy clarifies its application through the approvals process.

**3.2.1 Local Governments**

This section states that Local Governments responsibilities include providing advice to the WAPC on development proposals. However, Local Government's responsibilities extend to determining development proposals. The Policy continues by stating that Local Governments are responsible for "approving on-site sewage disposal systems (for single dwellings...not producing more than 540 litres of sewerage per day)". This conflicts with other areas of the Policy where it is stated that this responsibility resides with the Department of Health. However, if the intention is to adopt a split approval system, a number of important questions are raised. Firstly, under what head(s) of power are Local Governments permitted to approve these systems and secondly is the Department of Health sufficiently resourced to manage the approval of sewerage systems exceeding 540 litres? Given that the example given in table 2 shows a single house with a hydraulic loading of 900L/day, there are legitimate questions about whether the Department of Health is appropriately resourced to manage the requirements set out by the Policy. Further, guidance will need to be given to help identify what types of development proposal are likely to produce 540 litres of sewage. As has been previously noted, the guidance that is currently available in the 'Code of Practice' is not consistent with Table 2 of the Policy.

The Association is also concerned that recognition is not given to the fact that single houses are exempt from requiring planning approval providing that they are able to satisfy the provisions of the R-codes. As the R-codes do-not require a reticulated sewerage system connection and by way of the large lots that the Policy encourages (R10 and below), it is likely that most forms of residential development will be able to satisfy the exemption requirements.

The explanatory notes go on to state that Local Governments are responsible for determining appropriate setbacks. However, set back controls are set out by the R-codes unless specifically designated in the local planning scheme.

**Recommendation:**

- 47. The Policy clarifies and accurately describes Local Governments responsibilities and gives reference to all relevant legislation.
- 48. Guidance is provided to assist the identification of development proposals likely to exceed 540 litres of sewage per day.

**3.3 Western Australian Planning Commission**

The Policy should also state that the WAPC's responsibilities extend to approving Local Planning Schemes and Scheme amendments.

**Recommendation:**

49. The Policy accurately describes the WAPC's responsibilities.

**3.4 Department of Planning**

The responsibility for "ensuring sub-regional structure plans and local planning strategies identify sewage sensitive areas and establish controls that can be implemented through the local planning scheme" ultimately resides with the WAPC and Minister of Planning, not the Department.

**Recommendation:**

50. The Policy accurately describes the Department of Planning's responsibilities.

**3.11 Department Assessment Panels**

Development Assessment Panels assess certain development applications in the place of Local Governments, therefore their responsibilities under the policy should mirror that of Local Government, not the WA Planning Commission.

***Recommendation:***

51. The Policy accurately describes the responsibilities of Development Assessment Panels.

### **5.3 Productivity Commission Study into Transitioning Regional Economies (05-001-03-0006 DM)**

*By Dana Mason, Policy Manager, Economics*

**Moved: Cr Fiona Reid  
Seconded: Mayor Carol Adams**

**That the interim submission to the Productivity Commission study into Transitioning Regional Economies be endorsed.**

**RESOLUTION 32.2/2017**

**CARRIED**

#### **In Brief**

- The Federal Treasurer has directed the Productivity Commission to conduct a 12-month study into the geographic impacts of the transition of the Australian economy following the resources investment boom.
- The purpose of the study is to examine the regional geography of Australia's economic transition since the mining investment boom, and to identify those regions and localities that face significant challenges in successfully transitioning to a more sustainable economic base as the investment phase is completed.
- The Association has provided an interim submission to the study which was endorsed by the Executive Committee at its meeting on 15 February. Formal endorsement is now being sought from State Council.
- The submission argues that:
  - The downturn has not just been limited to the resources sector, but has been felt broadly across all sectors of the economy, and all regions of the state.
  - To facilitate the diversification of the economy and the emergence of new drivers of growth, all levels of Government need to work together to create an environment that encourages investment and leads to productivity and economic growth. Local Government is a major player in the state economy and is well placed to work with other levels of government to implement key reforms that will ensure WA can diversify its drivers of economic growth.
  - There are a number of important areas of reform that must be addressed to ensure WA's successful transition away from resources investment led growth, including include budget repair; removing restrictions on Local Governments' ability to raise revenue; and additional funding to address infrastructure gaps.

#### **Attachment**

WALGA's submission to the Productivity Commission study into transitioning regional economies.

## Relevance to Strategic / Business Plan

### Key Strategies

#### Engagement with Members

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

#### Sustainable Local Government

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

#### Enhanced Reputation and Relationships

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

## Policy Implications

Nil

## Budgetary Implications

Nil

## Background

- The Federal Treasurer has directed the Productivity Commission to conduct a 12-month study into the geographic impacts of the transition of the Australian economy following the resources investment boom.
- The purpose of the study is to identify those regions and localities that face significant challenges in successfully transitioning to a more sustainable economic base as the investment phase is completed.
- The scope of the study is as follows:
  - Identifying regions which are likely to make a less successful transition from the resources boom than other parts of the country at a time when our economy is reconciling the impacts of globalisation, technological and environmental change.
  - Identifying the primary factors contributing to this performance.
  - Establishing an economic metric for regions across Australia and ranking those regions to identify those most at risk of failing to adjust.
  - Devising an analytical framework for assessing the scope for economic and social development in regions which share similar economic characteristics.
  - Considering the relevance of geographic labour mobility including Fly-In/Fly-Out, Drive-In/Drive-Out and temporary migrant labour.
  - Examining the prospects for change to the structure of each region's economy and factors that may inhibit this.

- The Association has developed a submission, which was endorsed by the Executive Committee at its meeting on 15 February. WALGA representatives also met with the Productivity Commission on 13 February.
- WALGA's submission covers a range of issues, and emphasises the important role that Local Government can play to ensure the WA economy can successfully transition away from resources led growth.
- It also sets out a range of reforms that will be necessary to ensure that Local Governments can be effective in this role. These include:
  - repairing the State and Commonwealth Budgets;
  - removing constraints on Local Governments' ability to raise own-source revenue;
  - reviewing new timeframes for Local Planning Scheme and Scheme amendment processes;
  - additional funding to address the Local Government infrastructure backlog;
  - reform to the tax system to remove inefficient taxes;
  - reskilling and retraining the workforce, including through investment in public libraries and Local Government economic and business development activities;
  - restoring the value of the Zone Offset to encourage a regional workforce; and
  - encouraging workforce participation among groups that are under-represented in the workforce.

## Comment

As one of the key beneficiaries from the mining investment boom, the downturn has been acutely felt in local communities in Western Australia. It therefore important that the State's needs are considered by the Productivity Commission in this study.

WALGA's submission highlights the current and expected conditions in the WA economy; and identifies strategies that will ensure the successful diversification of the economy.

The Association considers that WA is likely to make a successful transition from the resources boom given that it is well placed to leverage opportunities beyond resources extraction created by the developing Asian region. However, there are some challenges that need to be addressed to ensure that this transition does occur successfully.

Ensuring the economy can successfully transition away from resources investment led growth will be a complex and multi-faceted task, and will require all levels of Government to work collaboratively. Given its presence in all communities across the state, responsibility for key regulatory activities and management of important public infrastructure, Local Government can play an important role assisting with the successful transition and diversification of the WA economy.



# Submission to the Productivity Commission

---

## Inquiry into Transitioning Regional Economies

February 2017

Western Australian Local Government Association  
ONE70, LV1, 170 Railway Parade, West Leederville, WA 6007  
P.O. Box 1544, West Perth, WA 6872  
T: (08) 9213 2096  
E:dmason@walga.asn.au

## 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 over 1,200 elected members and approximately 14,500 Local Government employees as well as over 2.6 million residents of Western Australia. The Association also provides professional advice and offers services that provide financial benefits to Local Governments and the communities they serve.

The Association is grateful to the Productivity Commission for the opportunity to provide a submission in response to the *Inquiry into Transitioning Regional Economies*.

As one of the key beneficiaries from the mining investment boom, the downturn has been acutely felt in local communities in Western Australia. The impact has not been confined to the regions, but has been felt more broadly across the state.

While the tough economic conditions are expected to persist for a number of years, WA is likely to make a successful transition from the resources boom given that it is well placed to leverage opportunities beyond resources extraction created by the developing Asian region.

However, there are some challenges that need to be addressed to ensure that this transition does occur successfully. It is important that all levels of Government work together to ensure the policy environment supports the development of new drivers of growth and the diversification of our economy.

With a presence in all communities across the state, responsibility for key regulatory activities such as planning and development and a significant proportion of public assets under management, Local Government is a major player in the local and State economy. Local Government can therefore play an important role assisting with the successful transition and diversification of the WA economy.

This submission provides feedback on the impact of the mining investment downturn on the Western Australian economy and local communities. It also identifies key considerations from the perspective of local government that will be important to assist in the economy’s shift to broader based growth.

Due to meeting schedules, this interim submission has not yet been endorsed by the Association’s State Council. The Productivity Commission will be informed of any changes to the Association’s submission following consideration by the Council.

## 2. Executive Summary

As one of the key beneficiaries from the mining investment boom, the economic downturn has been acutely felt in local communities in Western Australia.

Western Australia has been suffering from weaker conditions as investment activity unwinds, with labour market conditions poor, and the domestic economy firmly entrenched in recession.

The downturn has not just been limited to the resources sector, but has been felt broadly across the economy. The weaker demand conditions, low levels of confidence, and relatively high Australian dollar have all meant that non-resources sectors of the economy have not yet filled the gap in activity as investment unwinds.

Geographically, the downturn has not been confined to areas where there are mining operations, such as the Pilbara, Mid West, Goldfields Esperance and Kimberley. While these areas have certainly been affected by the slowdown in activity, other areas of the state with related industries or a significant fly in fly out workforce have also suffered the effects of the downturn.

Looking forward, conditions are expected to remain challenging in the short term, as major mining projects reach completion and the non-resources sectors of the economy remain subdued. However, the longer term prospects for WA are sound, with the state well placed to take advantage of opportunities created by the continued strong growth in developing Asian economies, in sectors such as agriculture, and consumer services such as education and tourism, which will help to diversify the economy.

While WA is well placed to make a successful transition away from mining led growth, this is by no means assured. There are a number of challenges that will need to be overcome to ensure that other sectors of the economy can make a greater contribution to economic activity.

To facilitate the diversification of the economy and the emergence of new drivers of growth, all levels of Government need to work together to create an environment that encourages investment and leads to productivity and economic growth. It is important that the policy focus is not around 'picking winners', but instead about creating an environment that will improve the efficiency and competitiveness of the economy in general.

While many of the reforms that will facilitate this lie at the Commonwealth or State level, Local Government can play an important role to ensure the WA economy can successfully transition away from resources led growth. Local Government is a major player in the state economy and is well placed to work with other levels of government to implement key reforms that will ensure WA can diversify its drivers of economic growth.

There are a number of important areas of reform that must be addressed to ensure WA's successful transition away from resources investment led growth.

- **Budget repair** must be a priority for both the Commonwealth and State Governments, to reduce pressure to raise taxes on the community which would damage our international

competitiveness. In undertaking the task of fiscal report, it is important that affected stakeholders are consulted to ensure that taxpayer dollars are directed to priority areas. It is also important that spending cuts don't result in cost-shifting to other sectors, including the Local Government sector, which would serve to reduce the resources available to the sector to devote to key community service and infrastructure that can assist with the economic transition.

- **Removing constraints on local governments' ability to raise own-sourced revenue or manage assets** in the best interests of their communities will ensure the sector can effectively deliver on its role in facilitating the economy's transition. This should focus on deregulating fees and charges, and legislative change that would allow for the use of more flexible and innovative methods to deliver services, including Council Controlled Organisations.
- The **new timeframes introduced by the State Government for Local Planning Scheme and Scheme amendment processes should be monitored** to ensure that they are delivering on more streamlined processes to facilitate new developments. This is particularly important to ensure that the planning system does not act as a barrier to the development of new industries when the proposed activities do not fall within the permitted land uses identified under existing Local Planning schemes.
- Addressing infrastructure constraints – particularly in regional areas of the state – will be an important way to facilitate the diversification of the WA economy. The development an **infrastructure plan for the state** is an important step to improve infrastructure planning and prioritisation and address infrastructure constraints, while **additional funding support will also be needed to address the local infrastructure backlog** given the constraints on the ability of Local Governments to raise own sourced revenue. Investment in infrastructure should focus on projects that will improve productivity and create jobs over the longer term.
- Reforming the tax system is an important way to boost productivity, and improve our international competitiveness. While it will be difficult to achieve major changes such as addressing the high degree of vertical fiscal imbalance due to the weak Commonwealth and State budget positions, **reforms can be made within the existing tax system** that will improve efficiency and encourage investment and economic growth in the short term. These should focus on **removing exemptions on local government rates** that cannot be justified; **abolishing transfer duty** on property; and **increasing the payroll tax exemption threshold**.
- Education and training must be directed towards the skills requirements of our future industries to ensure that the workforce is capable of supporting future growth. There must be a **focus on re-skilling and retraining the existing workforce** to areas of future growth such as healthcare and education and training. **Local Government can assist in this task through the public library system and economic development and business incubator activities**. The current use of 457 visas should also be reviewed to ensure that the current occupation list is appropriate for the economy in a post-mining boom environment.
- Strategies are needed to ensure that growth opportunities for WA such as agriculture and tourism that are in located in regional areas of the state can access the workforce they need. While fly in fly out workers have been an important way to meet the state's labour needs, WALGA supports measures to encourage the establishment of a larger residential workforce in

regional areas given the significant pressures large service populations place on regional local governments. **Restoring the value of the Zone Tax Offset** is one way to achieve this.

- WA's future growth will also require a focus on increasing the size of the workforce going forward, through **strategies to increase workforce participation among diversity groups** that are typically under-represented in the workforce such as women, people with a disability and Aboriginal Australians.

### 3. Defining the mining boom in WA

Western Australia has experienced a period of extraordinary economic growth in recent years in line with the mining investment boom.

While it is difficult to precisely define the mining boom, it is considered that it commenced in the early 2000s (around 2002), when the prices of key commodities started to rise on the back of strong global demand – particularly from China. This followed a decade where commodity prices had remained subdued, which had led to under investment in resources capacity.

The sharp increases in commodity prices spurred significant capacity expansions by the resources sector, which underpinned a surge in business investment. In the 10 years to 2012, business investment increased more than four-fold, or by more than \$60 billion. As result, the state's economy grew by almost 70 per cent, or \$87 billion during this decade.

While the resources boom created significant wealth for the state, it also brought with it a range of challenges in the form of capacity constraints. In particular, labour shortages were a key issue affecting the local economy and saw significant increases in wages and the cost of doing business in the state.

While resources cycles are not a new phenomenon for WA, the recent mining boom was significant to the extent that commodity prices remained high for an extended period of time. This created a sense among the community that boom conditions were the 'new normal' for WA.

Further, the resources boom helped to insulate WA – and the nation more broadly – from the impacts of the 2008 global financial crisis. Although economic growth did slow, WA avoided a recession due to the significant amount of construction activity that was already under way. WA's economy still grew by 3.4% in the 2008-09 financial year (compared to 5.2% in the previous year), while much of the developed world fell into recession.

While the resources boom has created considerable benefits for WA, it could never be sustained indefinitely, as projects inevitably reached completion and commodity prices fell new supply came on stream. However, the timing of the end of the resources boom was perhaps sooner than expected, as the increase in supply coincided with a fall in global demand. As a result, the fall in commodity prices was faster and steeper than had initially been expected. While commodity prices had been falling since 2011, the rate of decline accelerated during 2014, and saw the US dollar spot price for iron ore fall by around 50 per cent during the year, and 65 per cent since its peak in early 2011.

With the boom years now behind us, WA needs to adjust to a new economic reality. We will not be able to replicate the exceptional rates of economic growth recorded in the decade leading up to 2012. The focus should instead be on a managed adjustment in the economy to more sustainable long term growth, which is underpinned by improvements in productivity.

## 4. Impact of the mining downturn on WA's economy

### *Key Findings*

- **As a major beneficiary of the resources investment boom, Western Australia has also been suffering from weaker conditions as the activity unwinds, with labour market conditions poor, and the domestic economy firmly entrenched in recession.**
- **The downturn has not just been limited to the resources sector, but has been felt broadly across the economy. Other sectors of the economy still remain weak, and have not yet filled the gap in activity created by the mining sector.**
- **The performance of the economy in the short term has been hampered by a number of factors including low levels of confidence and the relatively high Australian dollar.**

With the mining investment boom peaking in 2012, conditions in the WA economy have deteriorated significantly in the subsequent years. The WA economy recently recorded its slowest rate of economic growth in 13 years, with Gross State Product increasing by just 1.9% in the 2015-16 financial year, which is considerably lower than the annual average growth rate of 5.5% recorded in the 10 years to 2012.

While WA has technically avoided a recession, the main driver of growth has been exports, which increased by 6.1% over the past year. This is due to the ramp up in activity that has occurred as the completion of major mining projects has meant that new capacity has come on line. Exports have grown on average by 8% per annum over the past five years.

The ramp up in exports has been reflected in the increasing volume of cargo through the State's major ports. For example, volumes through Port Hedland Port reached a record high level in November 2016, with a monthly throughput of 44.5 million tonnes – a 17% increase from the previous year.

The strong increase in exports has masked the extent to which conditions in the domestic economy have weakened. The domestic economy is firmly entrenched in recession, and has contracted for the past three years. In 2015-16 the domestic economy, as measured by state final demand, declined by 4%, following decreases of 3% and 2% respectively in the prior two years.

Not surprisingly, the contraction has been driven by business investment, which has fallen by \$26 billion since its peak in 2012. Business investment has fallen on average by 12.7% per annum over the past three years, in line with the completion of major resources projects. These include Chevron's Gorgon \$43 billion LNG project; Woodside's Pluto LNG project; Citic Pacific's \$12 billion Sino Iron Ore Project; Hancock Prospecting's \$10.5 billion Roy Hill Project and Woodside's \$5bn North Rankin LNG project, to name just a few.

The downturn has not just been confined to resources sector activity, but has been experienced across the broader WA economy. With sectors outside of mining still subdued, the WA economy has not yet successfully transitioned away from resources-led growth. This perspective was reinforced in research by the Bankwest Curtin Economics Centre, which shows that the industry profile in WA has become less diversified over the course of the mining boom and throughout the post-boom years.

In particular, activity in consumer facing sectors has been subdued in recent years. The retail sector has suffered as consumers have held back on major spending decisions. Household final consumption grew by just 1.4% in 2015-16, compared with growth rates in the order of 5% recorded during the boom years. As a result, retail turnover has grown by just 0.7% in annual terms on average over the past year, which compares to the double digit increases that were experienced throughout 2006 and 2007 when the economy was recording strong growth.

The housing sector in WA has also been weak, with dwelling investment growing by just 0.2% in 2015-16. While this sector of the economy is smaller and more volatile than others, on average annual growth was running in excess of 3% in the 10 years to 2012. Other indicators of the housing market also demonstrate this weakness, with the average days taken to sell standing at 67 in September 2016, up from the most recent low of 49 in September 2013. The stock of listings has also been growing, with 14,163 properties on the market in September 2016, compared to the most recent low of 8,261 in March 2013.

One of the primary factors that has delayed the improvement in the non-mining sectors of the economy has been the persistent low levels of confidence. This reflects the ongoing worries about the state of the domestic economy as the mining boom unwinds.

For consumers, one of the key factors weighing on confidence has been the concerns about the impact of the downturn on their own personal situation. Recent surveys of consumer confidence in Western Australia show that sentiment about the WA economy has been in negative territory for at least six years now.

In particular, consumer confidence has been dented by the deterioration in the labour market in recent years that has occurred as the mining investment boom has drawn to an end.

The labour market is perhaps the best indicator of the impact of the mining downturn on the WA economy. The state's unemployment rate now stands at 6.6% in December 2016 – well above the most recent low of 2.3% recorded in October 2008. WA now has the second highest unemployment rate in the country, just behind South Australia.

The softer labour market conditions have occurred as jobs have dried up. In December 2016, some 94,400 Western Australians were out of work, compared to the 28,700 people that were in the jobless queue when the unemployment rate was at its most recent low.

Overall, total employment has fallen by 20,170 over the past year with part time job creation insufficient to offset the 25,190 full time job losses over this period.

The deteriorating employment situation has had a significant impact on local communities, with reports that many workers are experiencing financial difficulty, and in some cases, homelessness.

The increasing financial pressure on WA families has been reflected in the number of bankruptcies, which has increased sharply in recent years. In Perth, the number of non-business related bankruptcies has increased on average by 17% per annum between December 2014 and September 2016. In regional areas of the state, this number is almost 11%.

While the official statistics have a significant and real impact on local communities, they don't capture the full extent of the impact of the downturn on the state's labour market. The headline unemployment figures do not capture the number of Western Australians that have given up job-hunting and dropped out of the workforce altogether. In this regard, the state's participation rate has fallen to 67.9% in November 2016, down from the rates in excess of 69% recorded during the mining boom years.

Similarly, the trend towards part time employment has meant that there are a significant proportion of Western Australians that have a job, but would prefer to work more hours. This is reflected in the underemployment rate, which has risen to 15.6% in November 2016, compared to the most recent low of 7.1% recorded in May 2008.

While Western Australians have understandably been worried about their ability to find work, this has been compounded by the wealth effects of the downturn with wages growth slowing and property prices falling. The wage price index for WA slowed to a record low level of 1.7% over the year to September 2016.

The impact of the downturn has also been clearly reflected in the housing market. More contemporary data is available which shows that prices are falling across the state in both metropolitan and regional areas. The median house price in Perth has fallen by 4.5% to \$530,000 in March 2016, while in regional WA prices have fallen by 3.8%.

Confidence has also been affected by the considerable uncertainty that has been generated by the global economy. Just in the past year, Brexit, the election of Donald Trump, and concerns about China's growth prospects have been major causes of uncertainty. These have damaged confidence in WA, given that as a small and open economy we are susceptible to any changes in global conditions.

The weak conditions outside of resources also reflect the low levels of confidence among businesses, which has been in negative territory for at least six years. Operating conditions have been unfavourable for a number of years now, in line with the weaker demand conditions.

For external facing sectors such as tourism, education, and manufacturing, one of the key challenges has been the Australian dollar, which has remained stubbornly high.

Although the currency has fallen from the most recent highs where it reached parity with the US dollar, it has not depreciated to the extent that was expected as the mining boom unwinds. As a result, the boost to the international competitiveness of our local industries has not been as large as had been anticipated. The currency has remained stubbornly high as a result of the positive interest rate differential with the rest of the world, and commodity prices that have remained at relatively high levels. The Australian dollar is currently trading at around US\$0.75 in January 2017, which is broadly in line with the long term average of US\$0.76. Analysts at JP Morgan suggest that the currency is overvalued, and should track back towards US\$0.68 by the end of 2017.

## 5. Impact of mining downturn in WA by region

### *Key findings*

- **There is only limited economic data available at a regional level, which restricts the ability to accurately determine the regional impacts of the downturn.**
- **The economic downturn has not just been experienced in areas where mining activity occurs, such as the Pilbara. Other areas which have been linked to the mining sector through the fly in fly out workforce, or related industries, have also been affected by the downturn. These regions include the Perth metropolitan area, Peel, and the South West.**
- **Other regions of WA which are less closely tied to the resources sector have also been affected by the downturn, but to a lesser extent. These include the Wheatbelt and Great Southern.**

As there is only limited economic data available for regional areas, it is difficult to accurately determine the geographical impact of the mining downturn. In this regard, the data collected from the 2016 Census should provide a much more accurate statistical snapshot of the impact of the downturn on individual demographic groups and communities.

Nonetheless, the available data does suggest that the impact of the mining downturn in Western Australia has not just been confined to the mining areas, but has been felt broadly across the state.

### ***Pilbara, Mid West, Goldfields Esperance, Kimberley***

Economic growth in the mining regions of the state has remained strong in recent years.

The Pilbara region recorded the strongest growth of all regions between 2010-11 and 2014-15, with GRP expanding by more than \$28,943 million over this period. As a result, the size of the economy in the Pilbara has more than doubled over this period.

Such strong growth reflects the ramp up in exports that has occurred as new capacity in the mining sector has come on stream. This has been reflected in throughput through the Port Hedland port, which has risen to 44 million tonnes in December 2016, up from 26.5 million tonnes in December 2014.

While the Pilbara has been leading the state, other resources regions have also recorded strong economic growth over this period. GRP in the Mid West grew by 63% (or \$4,104 million), while the Goldfields Esperance grew by 43% (or \$4,865 million). The Kimberley expanded by 11.3% (or \$388 million) over the same period.

Despite strong growth in output being experienced in these areas, the end of the mining investment boom is affecting the local community. This has been reflected most clearly in terms of the regions' labour markets, which have deteriorated significantly over this period. In the Pilbara, more than 23,000 jobs have been lost over this period, representing a 27% fall in the region's workforce. As a result the unemployment rate has risen from 2.5%, to 3.1%.

There have also been significant job losses in the Mid West region, with the workforce contracting by 12% (or nearly 4,120 jobs lost) over this period. As a result, the unemployment rate has risen from 5.8% to 7.9%. In the Goldfield Esperance region, a further 2,015 jobs were lost between 2010-11 and 2014-15, which saw the unemployment rate rise from 6.4% to 8%.

In the Kimberley, the unemployment rate has risen to 18.1% in 2015-16 - which is the highest of all regions in the state, and has increased from 12% in 2010-11. Some 1,290 jobs were lost in the Kimberley over this period.

The other key area where the impact of the downturn is being felt is in terms of the housing market. There have been significant falls in median house prices in the key activity centres in the mining regions of the state. In the past year alone, the median house price has dropped by 25% in Karratha, 23% in Port Hedland, 19% in Broome and 16% in Geraldton.

The downturn has also meant that business activity in some of the state's resources centres has taken a hit. While the number of businesses in the Pilbara increased between 2010-11 and 2014-15, the downturn has been reflected in a drop off in the number development assessments being processed. In the Pilbara, the number of development assessments being processed through Development Assessment Panels fell from 33 in 2012-13, to just 10 in 2015-16.

Business activity has also deteriorated in the other resources regions. The number of employing businesses in the Mid West has fallen by 225 (or 2%) between 2010-11 and 2015-16, while in the Goldfields Esperance there are 325 fewer businesses (down 7%). There are also 220 fewer businesses operating in the Kimberley (down 8%).

### ***Perth Metropolitan Area***

Although mining activity is concentrated in regional areas of the state, economic conditions in the Perth metropolitan area have deteriorated in recent years as a result of the downturn in the state's resources sector.

Between 2010-11 and 2014-15, Gross Regional Product in the Perth metropolitan area expanded by just 3.5% (or \$5,017 million). This implies that annual growth in the economy has been largely stagnant over the period, or in some years, may have contracted.

The poorer conditions do not come as a surprise given that it is the state's major hub of business and economic activity, and where the head offices of the major mining companies are located. Further, many of the sectors which supply mining and are directly affected by the weaker activity (for example, professional and technical services), are also located in the Perth metropolitan area.

In line with subdued rates of growth, the labour market in Perth has also deteriorated significantly, with the unemployment rate rising from 4.2% in 2010-11, to 4.9% in 2014-15. The bigger issue however relates to job losses. Around 170,400 jobs were lost in the Perth metropolitan area over this period, representing a 15.6% fall in the size of the workforce over this period.

The weaker labour market conditions are likely to reflect job losses in industries related to mining, as well as workers that are located in the metropolitan area but are employed in the mining sector on a fly in fly out basis.

With economic conditions deteriorating, this has placed financial pressure on local households and businesses, and seen an increase in the number of insolvencies. Between December 2014, and September 2016 (the latest available data), the number of debtors with an insolvency that is non-business related grew by 17 per cent per annum on average. There were around 570 personal insolvencies in the September quarter of 2016, compared to 336 in the December quarter of 2013. These have been concentrated in Rockingham (up 24 or 54%), Wanneroo (up 34 or 64%), Belmont (up 17 or 141%), Swan (up 18 or 50%), and Stirling (up 15 or 47%).

Business activity in the Perth metropolitan area has also been weak over this period, which has been reflected in a number of indicators of activity. The number of non-employing businesses in the Perth metropolitan area was largely stagnant over this period, falling by 442 (or 0.3%). In relation to business insolvencies in the Perth metropolitan area, these have increased by 19 per cent per annum on average over this period. Some 139 business related insolvencies were recorded in September 2016, up from the most recent low of 88 in June 2014.

### ***Peel and South West***

Between 2010-11 and 2014-15, the South West was the only region in WA where the economy contracted. Over this period, GRP fell by \$254 million, or 2.3%. The Peel region however recorded modest growth of 6.4% (or \$412 million) over the same period.

While the impact of the mining downturn has been directly felt in the South West and Peel regions given that there are significant mining operations, these regions have also been affected by the downturn given the significant fly in fly our workforce, and the strong population growth that occurred in these areas at the height of the resources boom as people looked to move to locations other than the Perth metropolitan area.

The weak economic conditions have also been reflected in the regions' labour markets. There were around 8,890 jobs lost in the South West region between 2010-11 and 2014-15, however the unemployment rate actually dropped from 4.5% to 4.1% - presumably as people gave up looking for work and dropped out of the labour force. The labour market in the Peel region has also deteriorated with more than 3,100 jobs lost over this period, which has seen the unemployment rate rise from 4.4% to 5.5%.

The housing sector has also deteriorated, with the median house price in Busselton down by 1.3% in December 2016 compared to a year earlier, while in Bunbury only modest growth of 0.5% was recorded. In the Mandurah-Murray area, the median house price fell by 4.8% over this period.

The business community in the South West and Peel regions have also been particularly affected by the mining downturn, with these areas recording the largest falls in the number of employing businesses between 2010-11 and 2014-15. The number of employing businesses in the South West fell by 577 (or 3.6%) over this period, while in Peel there was a 223 (or 2.8%) fall.

The more challenging economic environment has also been reflected in the number of businesses in the area, which has fallen in the period between 2010-11 and 2014-15. The total number of employing businesses in the Perth metropolitan area declined by 442 (or 0.3%) over this period. In the past year alone, the number of insolvencies in Bunbury has increased by 40%.

### ***Other regions***

Other regions of WA have also been affected by the downturn, but to a lesser extent. These are generally regions where the industry base is less closely tied to the resources sector

Between 2010-11 and 2014-15, the Wheatbelt economy grew by 11.7%, the Gascoyne grew by 9.1%, and the Great Southern grew by 2%.

The Wheatbelt and the Great Southern were also the only regions where the workforce expanded (albeit modestly) over this period. In the Great Southern, some 550 jobs were created between 2010-11 and 2014-15, a 2% increase. Similarly, a further 487 jobs were created in the Wheatbelt, which represents a 1% increase. As a result, the Great Southern and Wheatbelt also saw their unemployment rates fall between 2010-11 and 2014-15, to 3.8% and 3.3% respectively.

House prices in these areas have also been more favourable than in other areas of the state. For example, the median house price in Northam grew by 19.6% over the year to December 2016.

## 6. Prospects for the WA economy

### *Key Findings*

- **The downturn in the WA economy is expected to continue in the short term, as major mining projects reach completion and the non-resources sectors of the economy remain subdued.**
- **The long term prospects for WA are sound, with the state well placed to take advantage of opportunities created by the continued strong growth in developing Asian economies.**
- **Resources will remain a key part of the WA economy in the future. However there are opportunities for WA in agriculture, and consumer services such as education and tourism, which will help to diversify the economy.**

Looking forward, the downturn in the WA economy is expected to continue in the short term.

According to the latest Treasury estimates contained in the *2016-17 Mid-Year Financial Projections Statement*, conditions in WA are likely to deteriorate further in the year ahead. The figures show that the WA economy is now predicted to grow by just 1% in 2016-17, down from the 1.25% rate of growth expected at the time of the Budget.

The downgrade to Treasury's growth expectations reflects a more rapid fall in business investment than previously expected, as major LNG projects reach completion. The Wheatstone project is due to deliver its first gas in 2017, while the Prelude floating platform is also anticipated to be completed in the year ahead.

Other sectors of the domestic economy are also likely to be more subdued than previously expected. Household consumption is projected to slow to 1.25% in 2016-17 (down from 1.4% in 2015-16, and 1.75% at Budget time), while dwelling investment is set to contract by 9.25%, compared to the previous estimate for a fall of 8.75%. As a result, the domestic economy is now expected to shrink by 6%, compared to the 3.75% decline previously forecast.

The weak domestic economy means that labour market conditions will remain tough in the coming year. Treasury is predicting the unemployment rate to hover at around 6.5%. Further job losses are also expected, with total employment expected to decline by 1.5%.

These forecasts reinforce the need for WA to look to new sources of economic growth in coming years.

WA has been a key beneficiary from the rapid growth in developing nations, particularly in Asia. While this has focussed on the supply of raw materials, the emerging economies provide a range of opportunities for WA to leverage its comparative advantages and diversify the WA economy beyond resources extraction.

Mining will remain an important part of the WA economy, and there remains considerable and ongoing opportunities to supply raw materials to Asia. However, there are also opportunities for WA to build on its knowledge and expertise in resources production to become a major supplier of mining technology and services. There are already a number of global technology and research centres in Perth that can help facilitate this opportunity.

There is also the prospect for WA to supply the region's increasing demand for food. As the developing Asian region becomes wealthier, there is an increasing demand for more premium food products, in particular protein. It is estimated that food production across the globe will need to increase by 70 per cent between now and 2050 as a result, with most of this demand coming from Asia. WA is well positioned to supply agricultural products to the region given its established industry and reputation for premium and safe produce.

Beyond commodities, there are also significant opportunities for WA to supply consumer goods and services to the region. This opportunity reflects the growing 'middle class' in the region, which is demanding more 'luxury' goods such as premium food and wine products and services as their incomes increase.

For WA, this provides an opportunity in relation to education. As the middle class in Asia increases, demand for education will also rise. WA has five universities and a quality training system which should provide scope to grow this industry. There is also scope for WA to increase our tourism industry. WA has an abundance of natural assets and visitor experiences, and is well placed to grow the tourism sector due to its close proximity to Asia.

## 7. Ensuring WA's successful economic transition

### *Key Findings*

- **While there is significant potential for the WA economy, the successful transition away from resources-led growth is not assured.**
- **To facilitate the diversification of the economy and the emergence of new drivers of growth, all levels of Government need to work together to create an environment that encourages investment and leads to productivity and economic growth.**

- **It is important that the policy focus is not around ‘picking winners’, but instead about creating an environment that will improve the efficiency and competitiveness of the economy in general.**
- **While many of the reforms that will facilitate this lie at the Commonwealth or State level, Local Government can play an important role to ensure the WA economy can successfully transition away from resources led growth.**
- **Local Government is a major player in the state economy and is well placed to work with other levels of government to implement key reforms that will ensure WA can successfully transition away from resources-led growth.**

With its close proximity to the fastest growing economies, stable political environment, and established industries, WA is well placed to take advantage of the opportunities that are generated from the developing Asian region.

The ability to effectively leverage these opportunities will require that the state successfully transitions away from resources as the primary driver of economic growth. However this is not assured, with a range of barriers and issues that need to be addressed to ensure the state can tap into these new sources of growth.

All levels of Government need to work together to create an environment that encourages investment and leads to productivity gains and economic growth.

While there are a range of potential opportunities for WA as outlined above, it is important that the policy focus is not around ‘picking winners’, but instead about creating an environment that will improve the efficiency and competitiveness of the economy in general. This will encourage growth not just in regional areas of the state, but in the metropolitan area as well, where the bulk of the population resides.

With a presence in all communities across the state, a workforce of approximately 22,000 people, responsibility for key regulatory activities such as planning and development approvals, and a significant proportion of public assets under management, Local Government is a major player in the local and State economy.

Local Government is well placed to work with other levels of government to implement key reforms, particularly given that it is the closest level of Government to the community and has a unique understanding of its needs.

## **Improving Commonwealth and State Finances**

### ***Key findings***

- **Budget repair must be a priority for both the Commonwealth and State Governments, to reduce pressure for increased taxes on the community which would damage our international competitiveness. It is also important that affected stakeholders are appropriately consulted to ensure that taxpayer dollars are directed to priority areas.**

- **Spending cuts must not result in cost-shifting to other sectors, including the Local Government sector. Cost shifting to Local Government reduces the sector's resources available to devote to key community service and infrastructure that can assist with the economic transition.**

Addressing the Commonwealth and State Government's weak financial position is an important reform to ensure the economy can transition successfully from resources investment.

The weaker economic conditions have had considerable implications for the state and the nation's financial position. Both the State and Federal budgets are firmly in the red, with WA expecting a record \$3.39 billion deficit this financial year, while the Commonwealth Budget deficit is now estimated to be \$36.5 billion and climbing. Both the State and Federal Budgets are expected to remain in deficit for a number of years to come.

Debt has also continued to mount, with net debt in WA expected to hit \$33 billion in 2016-17, while Commonwealth debt is expected to reach \$317 billion.

The deteriorating budget position is in part due to write downs in revenue as a result of the poorer economic climate in line with the mining downturn. The WA budget in particular has experienced a sharp fall in royalty revenue, weaker payroll and property taxes, and a declining share of the GST. At the time of the 2016-17 State Budget, this had wiped \$2.3 billion off revenues since the peak in 2013-14.

The persistent deficits being run at both levels of Government put upward pressure on taxes on the community, and also force current and future governments to re-examine spending on services and infrastructure. This has the potential to damage the competitiveness of our economy and ability to attract investment and workers. In this regard, budget repair must be a priority for both the Commonwealth and State Governments. Further, the rising levels of debt limit the scope of the Government to undertake fiscal policy measures such as investing in infrastructure or cutting taxes as a way to stimulate economic growth.

Improving the budget position will inevitably require reductions to government spending. While deeper cuts will be necessary, this can't be a 'slash and burn' approach that removes programs without any regard to the benefits they deliver. Any spending cuts must first be targeted at removing waste and inefficiencies from the public sector, and then focussed on moving service delivery to a sustainable base. Affected stakeholders must also be appropriately consulted when determining areas of spending cuts to ensure that taxpayer dollars are directed to priority areas.

It is also critical that cuts to State Government spending do not result in cost-shifting to other sectors, including the Local Government sector. This has been experienced in recent times in WA as the state has looked to cut back spending in order to improve its financial position. One example is the decision by the Department of Local Government and Communities (DLGC) to withdraw from the provision of property management services for local childcare and community centres.

While WALGA acknowledges that property management is not a core role of Government, the decision occurred without consultation and has created a funding gap in relation to lease costs that were previously subsidised by the DLGC. The decision to cease providing this service means that Local Governments will be required to absorb rent that would have previously been provided by the DLGC, or to charge commercial rates to the community services providers using the facility.

At a time when the community is already being impacted by the downturn, this decision will result in poorer outcomes by forcing service providers to move into areas where they can secure affordable lease arrangements, rather than in communities where the services are needed most. Alternatively, it will require Local Government to fund these lease costs at the expense of other key services or infrastructure that can assist with the successful economic transition, or through additional costs to ratepayers at a time they can least afford it.

A further example of cost shifting is in relation to the State Government's decision to abolish the concession provided to Local Government for vehicle licence fees and duty. While WALGA is still seeking feedback on the cost to the sector, it is currently estimated to cost the sector in the order of \$9 million dollars per annum that could be used to invest in key services and infrastructure to assist with the economic transition.

## **Removing over-burdensome regulations**

### ***Key findings***

- **There are a range of reforms that are needed to ensure that the sector can effectively deliver on its role in facilitating the economy's transition, by removing constraints on local governments' ability to raise own-sourced revenue or manage assets in the best interests of their communities.**

Removing over-burdensome or unnecessary regulation is an important way to improve the competitiveness of our economy and encourage growth and diversification.

There have been numerous studies assessing the impact of the regulatory burden in Western Australia. Central among these was the State Government's 2010 Red Tape Reduction Group Report, which identified the urgent need for reforms that will reduce the regulatory burden on business and the community.

However, there are also significant regulatory constraints on Local Government that need to be addressed. These restrictions limit the efficiency of the sector and the ability to appropriately raise own-sourced revenue or manage assets in the best interests of their communities. These constraints also restrict the sectors' ability to invest in productivity enhancing infrastructure, and provide important services for the community - which will be critical to ensuring the successful transition in the local economy.

### ***Restrictions on fees and charges***

Local Governments in WA face a number of restrictions on their 'own-source' revenue, including restrictions on Local Government fees and charges.

State Government restrictions on Local Government fees and charges are arbitrary (the same fees in other States are often deregulated) and inefficient. Local Governments can impose fees and charges on users of specific, often incidental, services. However, a number of fees and charges are prescribed and restricted by legislation, and are specifically limited to recouping the cost of service provision. Fees determined by State Government legislation are of particular concern to Local Governments and represent significant revenue leakage because of:

- lack of indexation;
- lack of regular review (fees may remain at the same nominal levels for decades); and
- lack of transparent methodology in setting the fees (fees do not appear to be set with regard to appropriate costs recovery levels).

Examples of fees and charges of this nature include dog registrations fees, town planning fees and building permits. Since Local Governments do not have direct control over the determination of fees set by legislation, this revenue leakage is recovered from rate revenue.

This leads to unfair community outcomes in that all ratepayers subsidise services that are only used by a few.

The Association considers that it is appropriate that Local Governments have the freedom to set the level of their fees and charges. In the few cases where legislative restrictions are deemed necessary, they should be justified by a clear and logical rationale. Furthermore, those fees and charges that are prescribed by legislation should be reviewed and indexed on an annual basis to ensure they are set at appropriate cost recovery levels.

### ***Service Delivery Models***

The ability to use more flexible and innovative methods to deliver services is also critical to ensure that Local Governments have the capacity to provide services and infrastructure needed to help local communities through the economic transition.

A recent positive development in this area has been passing of legislation in WA to allow for the use of regional subsidiaries to deliver services. This model is expected to reduce red tape and improve efficiency in vital areas such as planning approval processes, road maintenance and administrative systems, which will be critical to ensure the successful transition of the local economy. However, WALGA has concerns that the regulations will not allow a subsidiary to borrow money or acquire land, which will limit the benefits that this reform could achieve.

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, and one or more Local Governments to establish a wholly Local Government owned commercial organisation. CCOs are established to carry out a range of functions where it is considered that there would be efficiency gains from the creation of professionally governed entities established for the specific purpose.

The CCO model would deliver a number of benefits for local governments in WA, including the flexible structure, access to independent expertise, and the removal of decision making from the political realm. Risk can also be reduced by the CCO model by quarantining ratepayers from legal liability and financial risk arising from commercial decisions.

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, which will be important in the context of encouraging new sources of economic growth.

## Streamlining planning processes

### *Key Findings*

- **The planning system can act as a barrier to the development of new industries, particularly when the proposed activities do not fall within the permitted land uses identified under existing Local Planning schemes.**
- **The new timeframes for Scheme and Scheme amendment processes should be monitored to ensure that they are delivering on more streamlined processes to facilitate new developments.**

The planning system has an important role to play in ensuring the successful transition away from resources led growth. In particular, the planning system needs to be flexible to enable the development of new industries and business activity.

However, the planning regime can act as a constraint on development, particularly in the case where new activities are not permitted land use under the existing Local Planning Scheme.

For those where a Local Government has a Local Planning Scheme with a wide variety of permitted land uses, new development into a town can be accommodated within the existing planning system.

However, in situations where the development activity does not fall within the permitted uses, this will require the Scheme to be amended. Typically, the process to review and adopt a new Local Planning Scheme to accommodate land uses not covered previously has been unwieldy and time consuming. This can act as a barrier to new development and the diversification of the economy.

The State Government recently changed the timeframes for the Scheme and Scheme Amendment processes, which may assist in enabling alternative land uses. However, it is not yet clear whether these changes have translated into shorter timeframes and streamlined processes. It is critical that these developments are monitored and the State Government makes findings public to ensure more streamlined processes to facilitate the development of new industry and the diversification of the economy. The State Government must also resource reforms to planning processes and facilitate the changes that are required by Local Government.

The Commonwealth Government can also play a role in the streamlining of planning processes through the Council of Australian Governments process by monitoring progress to streamline processes and encouraging the national exchange of information to encourage best practice planning.

## Investing in infrastructure

### *Key Findings*

- **Addressing infrastructure constraints – particularly in regional areas of the state – will be an important way to facilitate the diversification of the WA economy.**

- **The development an infrastructure plan for the state is an important step to improve infrastructure planning and prioritisation and address infrastructure constraints.**
- **Additional funding support from the Commonwealth and State Governments will be needed to address the local infrastructure backlog.**

Infrastructure is a key enabler of economic and productivity growth. Investing in appropriate infrastructure will be an important way to ensure that the WA economy can transition from the mining investment boom by unlocking new industries and creating jobs over the longer term. All levels of Government have an important role in the provision of infrastructure. For Local Government, this is largely centred on the provision of roads, public lighting and community infrastructure.

Despite record levels of investment in recent years, infrastructure constraints remain a key issue for WA. Concerns have been raised about the inadequacy of economic and social infrastructure such as transport, communications, water, health and education infrastructure. At a Local Government level, the infrastructure backlog is estimated to be in the order of \$5.4 billion in 2014-15.

Infrastructure constraints are of particular concern outside of the metropolitan area. Research by CEDA highlights the negative effect that infrastructure constraints are having on economic performance and potential in regional areas of the state. In particular, freight routes were identified as a key area of concern, which add to costs and act as a barrier inhibiting the export of goods. The ability, and sometimes the cost, of accessing high quality communications services has also been identified as a barrier to economic engagement in regional areas.

Addressing infrastructure constraints – particularly in regional areas of the state – will be an important way to facilitate the diversification of the WA economy, given that the opportunities on the horizon for WA are largely located in regional areas, and relate to exports to overseas markets.

The development an infrastructure plan for the state is an important step to improve infrastructure planning and prioritisation and address infrastructure constraints in WA. This will assist with prioritising projects and ensure that WA is better placed to attract funding from the Commonwealth Government, as well as the private sector.

Projects identified in the plan should be prioritised based on a thorough and transparent cost benefit analysis, and be used to make sure funding is directed to projects which will deliver the greatest benefits to the WA community in terms of enhanced productivity and long term job creation. The plan should not only relate to economic infrastructure, but should also take into consideration important social infrastructure needs. The plan should also consider infrastructure projects that fall within Local Government's jurisdiction, rather than just those that would typically receive State or Commonwealth Government funding.

As well as improvements to infrastructure planning in WA, WALGA considers that there is a need for increased investment to address the existing infrastructure backlog. For the Local Government sector, this will require additional funding support from other levels of Government.

The provision of suitable infrastructure to facilitate economic growth is a challenge for Local Governments. The sector is responsible for the provision of major infrastructure such as local roads, and therefore provides the bulk of funding for this infrastructure. However, Local Governments do

not have the financial capacity to appropriately maintain the existing infrastructure and invest in new infrastructure, and there are significant constraints on the sector's ability to raise revenue (see Removing Over-burdensome Regulation section).

These constraints are of particular concern for regional areas. Local Governments in regional areas are generally 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 mining as well as the other key industries that represent an opportunity for WA, including agriculture and tourism.

Regional Local Governments also face added pressures in the provision of community infrastructure, which is important for the liveability of the regions and ability to attract and retain a suitable workforce (see Workforce section). While Metropolitan Local Governments have the ability to share infrastructure such as pools, sports centres, entertainment venues and libraries, most regional capitals need to provide every type of community asset themselves.

The limited financial capacity of local governments to fund infrastructure is perhaps best demonstrated in relation to roads. The *2014-15 Report on Local Government Road Asset and Expenditure* shows that Local Governments would have to spend 28% of their estimated revenue capacity to make up the difference between their road preservation needs and road grants. This proportion was significantly larger for regional areas, rising as high as 89% in the Wheatbelt.

Given the importance of local infrastructure to diversifying the economy and the constraints on the sector's funding capacity, WALGA believes there is a case for additional support for local projects.

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. Local Governments and their Associations across Australia have long argued for an increase in general funding, and are seeking to increase the quantum of FAGs to at least 1% of Commonwealth taxation. Increasing the current base funding of approximately \$2.3 billion to \$3.8 billion would better reflect the actual cost of local government services and infrastructure provision, and assist with addressing the existing infrastructure backlog.

The provision of more untied funding will be a more cost-effective method for the Commonwealth Government to assist Local Governments in providing infrastructure and services by improving the ability to prioritise and select projects; ensure that projects are selected on community priorities rather than available grant funding; and reducing administrative costs by rationalising the number of grants schemes.

As well as an increase in funding, FAGS should be indexed annually to ensure the real value of the funding is preserved. In 1996 FAGs accounted for around 1% of Federal taxation revenue, but have now decreased to approximately 0.6%. Restoration of the FAGs pool to previous levels would greatly assist Local Governments to provide the infrastructure that is needed to ensure the successful transition of the WA economy.

In relation to state funding, an increase in funds provided under the State Road Funds to Local Government Agreement would be an important way to address the local infrastructure backlog. The 2011-12 to 2015-16 Agreement provided for an allocation of 27% of vehicle licence fees (VLF) to Local Governments to assist in the task of funding the State's 128,000km local road network. In

recent years funding has dropped to approximately 22% of VLF. This has resulted in declining funding that has not kept pace with State economic and population growth.

The next phase of the Agreement is currently being negotiated. It is critical that funding is sufficient to keep pace with maintenance and construction needs, to ensure that the current gap between available funding and road maintenance requirements doesn't increase further.

The Association believes that it is appropriate to return the level of funding provided to Local Government to 27% of revenue from motor vehicle registration. Such an approach is consistent with the initial agreement and will go a significant way to addressing the backlog in road maintenance. Compared to estimates currently contained in the budget papers, raising funding to 27% of vehicle registration revenue would provide local governments with an additional \$54 million in funding in 2018-19, and a further \$57 million in 2019-20.

## **A more efficient tax system**

### ***Key Findings***

- **Reforming the tax system is an important way to boost productivity, and improve our international competitiveness. These are key issues to ensure that WA can attract investment, and successfully transition from the mining boom.**
- **Substantial changes such as addressing the high degree of vertical fiscal imbalance will be difficult to achieve in the short term, particularly in light of the weak financial position at both a Commonwealth and State level.**
- **Reforms can be made within the existing tax system that will improve efficiency and encourage investment and economic growth in the short term.**
- **Broadening the rates base by removing some exemptions that cannot be justified is an important reform to improve the efficiency of the tax system and address constraints on Local Governments' revenue.**
- **WALGA considers that abolishing transfer duty on property and increasing the payroll tax exemption threshold are also priority areas to help the economy transition in the short term.**

Reforming the tax system is an important way to boost productivity, and improve our international competitiveness. These are key issues to ensure that WA can attract investment, and successfully transition from the mining boom.

There have been numerous reviews into Australia's tax system in recent years, including the Henry Review, and more recently the Tax Reform White Paper process. One of the key issues that has been consistently raised is the high degree of vertical fiscal imbalance in the Australian economy, which has contributed to a reliance on inefficient taxes. This is a key issue that must be addressed to improve the efficiency and competitiveness of the economy, but it is recognised that it is a significant reform that cannot be implemented in the short term, and is made even more challenging by the weak financial position at both a Commonwealth and State level.

However, there are reforms that can be made within the existing tax system that will improve efficiency and encourage investment and economic growth.

### ***Broadening the rates base***

Local Government rates are considered to be an efficient way to raise revenue, as they are broad based – to the extent that rates apply to most types of property, including the principal place of residence.

There are some exemptions from the rates base, which are justified by a sound rationale and are generally well supported by the community. For example, charitable organisations are exempt from rates on the basis that they deliver important social services that would otherwise need to be provided by Governments.

However, there are other State Government mandated exemptions that do not have the same sound rationale. These exemptions should be removed as a way to improve the efficiency and lift constraints on Local Governments' ability to raise revenue.

### ***Independent Living Units***

As discussed above, 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. While there is a sound rationale for these exemptions to exist, they have extended beyond the original intention and now 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 2016-17. 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 near 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.

Local Governments and State Government utility providers have assumed responsibility for services and infrastructure for most mining company towns. However, 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.

## ***Removing transfer duty***

WALGA considers that removing inefficient taxes or introducing indexation should be the priority to help the economy transition in the short term.

Transfer duty is considered to be a key area for reform. Duties are highly inefficient transactions-based taxes that distort economic activity. Several reviews commissioned by State and Federal Governments have suggested there would be substantial economic gains from reforming stamp duty. For example, the Henry review recommended that State Governments phase out stamp duties on land transfers and replace this revenue with broad based land taxes. The WA Economic Regulation Authority also recommended the State Government consider reducing or abolishing residential transfer duty and making greater use of efficient taxes such as land tax.

These reforms are important ways to improve the efficiency of the economy and to encourage the development of new industries.

In particular, the removal of stamp duty would provide a stimulus to the housing sector. This would be a welcome boost to economic activity in the state, and to the extent that it leads to new housing activity, would be an important way to absorb construction labour that is no longer required in the mining sector.

The abolition of stamp duty is also an important reform to help improve labour mobility. Transfer duty adds a substantial outlay to the costs of purchasing a home, and leads to the inefficient use of housing stock by creating a disincentive to moving house. Transfer duty discourages workers from moving closer to their jobs, and also discourages workers from moving from areas with high unemployment to regions where there are more abundant job opportunities.

WALGA believes that transfer duty should be phased out, but recognizes that this reform will be difficult to achieve in the short term given the constraints on the state budget position.

In the absence of the abolition of stamp duty, reform is needed to address the bracket creep that has occurred in recent years, as a result of the thresholds remaining unadjusted despite the significant increase in property values that occurred between 2001 and 2007. Although the market has been subdued in recent times, the impact of this strong period of price growth continues to be felt. Perth's median house price currently stands at \$515,000 in September 2016, which means that a median priced home now falls within the second highest bracket for transfer duty purposes.

To address this issue, transfer duty scales should be adjusted to reflect current house prices, and ensure that the top tax rate takes effect at levels equivalent to those that were in place before the housing boom. It is also important that thresholds are indexed to ensure that bracket creep does not become a problem again in the future.

### ***Raising the payroll tax threshold***

A further area where reform is needed to help the economy transition is in relation to payroll tax.

While it is recognised that payroll tax is an efficient tax, in practise, it is a barrier to employment – particularly for small businesses that are nearing the exemption threshold. This has been a key issue in Western Australia given that there has been strong economic and wages growth, but the exemption threshold has not been indexed to ensure its real value is maintained.

Restoring the value of the exemption threshold will be an important way to encourage growth in the short term – particularly among small businesses, which are a significant employer. National estimates show that around 44% of the workforce are employed in small businesses. Encouraging the growth and development of small business is a particularly important way to diversify the economy and encourage sectors outside of resources to make a greater contribution to growth.

Raising the exemption threshold to ensure that genuine small businesses with up to 20 employees on average wages are exempt from payroll tax will remove a disincentive to employment, and is an important reform to help diversify the economy. The threshold should also be indexed to a suitable measure of wages growth (such as the wage price index), to ensure that its value is maintained into the future.

## **Workforce development**

### ***Key Findings***

- **It is important that education and training is directed towards the skills requirements of our future industries to ensure that the workforce is capable of supporting future growth.**
- **To ensure a successful labour market transition, there must be a focus on re-skilling and retraining the existing workforce to areas of future growth such as healthcare and education and training.**
- **The 457 visa arrangements should also be reviewed to ensure they are appropriate for the post-mining boom environment.**
- **Many of the industries that represent growth opportunities for WA such as agriculture and tourism are in located in regional areas of the state. While fly in fly out workers have been an important way to meet the state's labour needs, WALGA supports measures to encourage the establishment of a larger residential workforce in regional areas given the significant pressures large service populations place on regional local governments.**
- **Restoring the value of the Zone Tax Offset is an important reform to improve labour mobility and to encourage workers to locate to future growth areas in the regions.**

- **WA's future growth will also require a focus on increasing the size of the workforce going forward, through strategies to increase workforce participation among diversity groups that are typically under-represented in the workforce such as women, people with a disability and Aboriginal Australians.**

The workforce will be essential to WA's successful transition away from mining led growth. Ensuring that we have a suitably skilled workforce will be essential to meet the needs of our future industries, and will be critical to WA's successful transition from the mining investment boom.

However our workforce requirements will not just be around skills, but on ensuring that there is a sufficient supply of people of working age to meet future jobs needs.

In ensuring the state has an appropriate workforce for industry needs, it is also important that the current 457 visa arrangements are reviewed to ensure they remain appropriate in a post-mining boom environment.

### ***Education and training***

Labour and skills shortages were the biggest constraint on the WA economy at the height of the resources boom, and acted as a brake on growth. While these constraints have eased in line with the downturn, this does not mean that the state's labour issues have been permanently resolved. Even in times of downturn, it is important that there is continued investment in education and training, and that this is directed towards the skills requirements of our future industries to ensure there is a suitable workforce to support future growth.

According to modelling undertaken by the Bankwest Curtin Economic Centre, there is an expectation that future industry growth in construction and mining will moderate from recent annual growth rates of around 5%, to just 2% by 2025. However, other industries are expected to pick up over this period. In particular, jobs growth is expected to be highest in agriculture, health care, education and training, and accommodation and food services.

In light of these predictions, there is expected to be some degree of misalignment between the skills required for these roles, and those of workers that have been displaced from the mining and construction sectors. To ensure a successful labour market transition, it is important that there is a focus on re-skilling and retraining of the existing workforce.

While education and training is generally provided through schools, TAFE and universities, local governments can contribute to the economic development of local communities, particularly through the public library system.

Public libraries provide access to resources, knowledge and technology, and traditionally played an important role in the development of literacy skills. However, the role of public libraries is changing, and there is scope for these important community institutions to play a greater role in the skilling and retraining of the workforce.

Increasingly, public libraries are playing a role to support people to use digital resources effectively, which is an important skill for engagement in both the work force and the community as information sources continue to move online.

Public libraries can also be an important mechanism to support the development of a range of foundation skills that are essential for the future workforce, such as problem solving, critical thinking and communication. They are also well placed to facilitate the development of future skills needs in areas such as Science, Engineering, Technology and Mathematics. Public libraries can facilitate and encourage these skills through community engagement with initiatives that increase public interest and involvement in these areas.

However, to achieve this there is a pressing need for change at both state and local levels to deliver more efficient and flexible public library services that meet diverse community needs - including education and skills development. WALGA considers there are a number of important priorities for reform of public libraries in WA.

- *Legislative Reform* – The *Library Board of Western Australia Act 1951* does not reflect the context of modern libraries, and needs to be amended to it reflects and provides for effective governance and the flexibility to support and improve the delivery of public library service delivery in WA.
- *New model for regional remote library services including relationship with Community* - The expansion of local government functions and services provided over recent decades have led to a mismatch between expenditure demands and current levels of service.
- *Single Card access system* - To deliver a modern service requires computerization and networking of all libraries to a shared Library Management System.
- *Grants systems based on standards* - The current public library funding from the State Government to the State Library of Western Australia is provided for capital works. A grants based model would be more appropriate to ensure library stocks meet community need. Local Government need the flexibility to be able to maximise the value of the State funding allocation to libraries.
- *A new model for support of WA public libraries, including funding* - Public Library service delivery has remained unchanged for over fifty years. A new model for library services is needed, recognising the changing role of Public libraries as a cultural and community hub is needed.

Beyond libraries, Local Government can also play an important role in the skilling and education of the community through its economic development and business incubator functions. A key element of these activities is training, including advice and guidance on starting a business.

### ***Labour Mobility***

Many of the growth opportunities for WA in sectors such as agriculture and tourism are in regional areas of the state. Recent experience has suggested that WA has typically struggled to attract workers to permanently locate to regional areas, which was reflected in the significant growth in the fly in fly out workforce to facilitate the growth in the mining sector.

While it is recognised that this has been an important way to meet the mining sector's labour needs, it has brought with it a range of challenges for regional communities. For local governments, one of the key challenges has been the need to cater for a large service population, compared to the ability to raise revenue from residents. This adds significantly to the cost of providing infrastructure such as roads, airports, water and community facilities. In this regard, WALGA supports measures to encourage the establishment of a larger residential workforce in regional areas.

One option to assist with this is to restore the value of the Zone Tax Offset (ZTO). The ZTO can assist regional development in remote areas of Australia as well as recognising the higher living costs incurred by taxpayers in those areas. This will be important given that many of the future opportunities for economic development in WA are in regional areas.

The nominal level of the zone A, zone B and special area ZTOs has not been increased since 1993. This has led to a number of suggestions to review these amounts. For example, the Parliamentary FIFO inquiry recommended that the Commonwealth review the ZTO to ensure 'that it provides reasonable acknowledgement of the cost of living in remote Australia'. Similarly, the WA State Government's submission to the 'Australia's Future Tax System' review (the Henry review) noted the value of the ZTO had eroded over time and should be reviewed.

The Association believes the ZTO should be increased by the same rate as the change in the Australian CPI since 1993. Furthermore, the ZTO should then be indexed to the CPI to prevent inflation from eroding the real value of the offsets in future years.

### ***Workforce Participation***

General and widespread labour shortages are no longer a pressing issue for the WA economy given that conditions have deteriorated. However, our economic success over the longer term will require a focus on increasing the size of the workforce in order to help counter the impact of the ageing of the population as a growing number of Western Australians reach retirement age.

WALGA considers that an important way to increase the size of the workforce is to focus on increasing labour force participation amongst diversity groups that are typically under-represented in the workforce such as women, people with a disability, mature aged workers and Aboriginal Australians. This is not just an important economic objective, but also critical from a community and social development perspective.

There are a range of targeted strategies that can be used to improve participation rates amongst these groups, many which rest with employers (such as flexible work arrangements), or with the State and Federal Government (for example, investment in education and training, incentives within the tax and transfer system).

The Local Government sector is committed to creating inclusive communities. Many councils in WA possess expertise in diversity groups and have policies and processes in place to promote inclusive communities and can assist with the implementation of strategies to improve workforce participation among diversity groups.

For example, all Local Governments in WA are required to have in place disability inclusion plans, which relate to the provision of services and events; buildings and facilities; information; quality of service; complaints; consultation processes and employment. These plans can assist people from

diverse backgrounds become more involved in the community. They are intended to benefit people with disability, the elderly, young parents and people from culturally and linguistically diverse backgrounds.

Local governments also provide services that can assist in removing barriers to employment among diversity groups, such as childcare and family day care; public library services.

- 
- Reserve Bank of Australia, 2015, *Statement on Monetary Policy*.
- Harvey, B., January 2017, "Hedland port has record month in November," *The West Australian*. Accessed 7 January 2017 from <https://thewest.com.au/business/mining/hedland-port-has-record-month-in-november-ng-b88348781z>
- Duncan, A., et al, 2016, *Back to the future: Western Australia's economic future after the boom*. Accessed 7 January 2017 from <http://bcec.edu.au/publications/back-to-the-future/>
- Chamber of Commerce and Industry of WA, 2016, *WA Super-CCI Survey of Consumer Confidence*. Accessed 7 January 2017 from <http://cciwa.com/economics/Analysis-and-Trends/consumer-confidence>
- Paddingburg, T., 2015, "Resource workers bear the brunt of downturn in mining," *Perth Now*. Accessed 7 January 2017 from <http://www.perthnow.com.au/news/western-australia/resources-workers-bear-the-brunt-of-downturn-in-mining-construction/news-story/bbd7f39aa1af9a262ddd765876830e8d>
- Australian Financial Security Authority, 2016, *Regional Statistics*.
- Chamber of Commerce and Industry of WA, 2016, *Survey of Business Expectations*. Accessed 7 January 2017 from <http://cciwa.com/economics/Analysis-and-Trends/business-expectations>
- JP Morgan, 2016, *Global FX Strategy 2017*.
- Pilbara Ports Authority, 2017, Port Statistics and Throughput. Accessed 6 February 2017 from <https://www.pilbaraports.com.au/Port-of-Port-Hedland/About-the-port/Port-statistics-and-throughput>
- Moulton, E., 2015, "FIFO workers being forced to work bigger swings," *News.com.au*. Accessed 6 February 2017 from <http://www.news.com.au/finance/work/fifo-workers-being-forced-to-work-bigger-swings-counsellors-claim/news-story/7f3b0c3f2f1580e33580fa5b5ef55f72>
- Australian Financial Security Authority, 2016, *Regional Statistics*.
- Australian Government, 2015, *Agricultural Competitiveness White Paper*.
- Western Australian Local Government Association, 2010, *Local Government Enterprises as a Means of Improving Local Government Efficiency*.
- Deloitte Access Economics, 2016, *Financial Sustainability of Local Government in Western Australia*.
- Council for Economic Development of Australia, 2016, *Regional Development in Western Australia*.
- Council for Economic Development of Australia, 2016, *Regional Development in Western Australia*.
- Australian Local Government Association, 2016, 2017-18 Budget Submission. Accessed 24 January 2017 from <http://alga.asn.au/?ID=14880>
- Western Australian Department of Treasury, 2016-17 *State Budget Papers*.
- Commonwealth Treasury, 2010, *Australia's Future Tax System*. Accessed 20 January 2017 from [http://taxreview.treasury.gov.au/content/Content.aspx?doc=html/pubs\\_reports.htm](http://taxreview.treasury.gov.au/content/Content.aspx?doc=html/pubs_reports.htm)
- Parliament of Australia, 2015, *Statistical snapshot: small business employment contribution and workplace arrangements*. Accessed 14 January 2016 from [http://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/rp1516/Employ](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1516/Employ)
- Cassells, R., et al, 2014, *Workforce and Skills: Western Australia labour markets in transition*. Accessed 15 January 2017 from <http://bcec.edu.au/publications/workforce-and-skills/>
- 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*.
- Government of Western Australia, 2009, *Western Australian Government Submission to the Review of Australia's Future Tax System*. Retrieved from [http://www.treasury.wa.gov.au/cms/uploadedFiles/Treasury/Publications/wa\\_government\\_submission\\_review\\_of\\_australias\\_future\\_tax\\_system\\_may2009.pdf?n=6280](http://www.treasury.wa.gov.au/cms/uploadedFiles/Treasury/Publications/wa_government_submission_review_of_australias_future_tax_system_may2009.pdf?n=6280)
- Disability Services Commission, 2017, *Disability Access and Inclusion Plans*. Accessed 10 January 2017 from <http://www.disability.wa.gov.au/business-and-government1/business-and-government/disability-access-and-inclusion-plans/>

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

### **5.4 State Council Regional Meetings (01-004-02-0001 TB)**

*By Tony Brown, Executive Manager Governance & Organisational Services*

**Moved: Cr Russ Fishwick  
Seconded: Cr Michael McPhail**

**That:**

- 1. State Council endorse holding one regional meeting in the Metropolitan area and one regional meeting in the Country per annum.**
- 2. WALGA staff liaise with the North Metropolitan Zone in respect to holding the September 2017 meeting.**
- 3. From 2018 onwards the May Regional State Council Meeting be held in the Metropolitan area and the September Regional Meeting be held in the Country.**

**RESOLUTION 33.2/2017**

**CARRIED**

#### **In Brief**

- Two Regional Meetings are proposed to be held in May and September of each year.
- This item canvasses holding one metropolitan and one country regional meeting per annum.
- Three Metropolitan Zones have supported the proposal, one Zone opposed and one Zone were unable to hold a meeting to consider the matter.

#### **Relevance to Strategic / Business Plan**

##### **Key Strategies**

##### Engagement with Members

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

##### Sustainable Local Government

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

##### Enhanced Reputation and Relationships

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

## Policy Implications

Nil

## Budgetary Implications

In respect to budget implications the Association's 17/18 draft Budget includes an allocation of \$40,000 for two regional meetings of State Council in 2017.

## Background

### WALGA State Council Regional Meetings

The WALGA State Council has held a regional State Council meeting since 2002. Up until 2015, it was one meeting per annum. Over the last 2 years this has been increased to two. The regional meeting consists of a two day visit that includes a Zone forum, hosted by the zone on regional issues, together with a dinner and on the second day the State Council meeting is held. During the course of the visit a tour of parts of the region is conducted.

The Zone Forum provides an excellent opportunity for Elected Members and officers to engage with WALGA and for WALGA's State Councillors to hear directly from Members about the issues that affect them. The invitation to attend is extended to all Elected Members, CEOs, Deputy CEOs, and Directors of Local Governments within a region.

The regional meetings have been successful over the years. Recently country State Councillors raised the question of the possibility of holding one of the two regional meetings in the metropolitan area, to allow country State Councillors to see more of the metropolitan Local Governments issues. State Council has asked officers to carry out preliminary enquiries on this proposal. It is envisaged that the country regional meeting would continue to be held in May each year and the metropolitan meeting would be held in September.

WALGA sought the view of metropolitan zones at the April round of Zone meetings to see whether they saw merit in this proposal and as to whether there Zone is interested in hosting a regional meeting.

A normal calendar of events for a regional meeting would be as follows;

- Thursday morning – WALGA representatives travel to the regional meeting
- Thursday 12.00pm to 12:45pm – Zone/State Council lunch
- Thursday 12:45pm to 4.00pm – Zone forum tour of highlighted area
- Thursday 4.00pm to 5:30pm – tour/visit of designated attraction/area
- Thursday evening – Zone/State Council Dinner
- Friday 9.00am to 10.00am – WALGA Strategic Forum
- Friday 10:15am to 12:15pm – State Council Meeting
- 12:15pm to 1.00pm - Lunch
- Friday afternoon – WALGA representatives travel back from the regional meeting

In respect to cost implications the following is the normal cost allocation;

- Thursday lunch – Zone/WALGA split the cost
- Thursday dinner – Split between WALGA and the Zone based on numbers
- Friday morning tea and lunch – WALGA

## Comment

The following is the feedback from metropolitan zones;

- North Metropolitan – Supported
- South East Metropolitan - Supported for 2018 subject to a cost benefit analysis being prepared and indicative costs being approved by the Zone.
- East Metropolitan - Supported – looking to 2018
- South Metropolitan Zone - No Quorum to consider the item
- Central Metropolitan Zone – Not supported

As there is only one Zone not supportive of the proposal, it is recommended that State Council proceed with holding a metropolitan regional meeting and staff hold discussions with the North Metropolitan Zone in respect to holding the September 2017 regional meeting in their zone.

**5.5 Executive Committee Minutes (01-006-03-0006 TB)**

**Moved: Mayor Carol Adams**  
**Seconded: President Cr Malcolm Cullen**

**That the Minutes of the Executive Committee meeting held 19 April 2017 be endorsed.**

**RESOLUTION 34.2/2017**

**CARRIED UNANIMOUSLY**

**5.6 Selection Committee Minutes (01-006-03-0011 MD)**

Mayor Howlett and Cr Slyns declared an interest and left the meeting at 12.27pm.

**Moved: Mayor Henry Zelones**  
**Seconded: Cr Fiona Reid**

**That:**

- 1. The recommendations from the Selection Committee Minutes of 28 April 2017 be endorsed by State Council.**
- 2. The resolutions from the Selection Committee Minutes of 18 April 2017 be noted by State Council.**

**RESOLUTION 35.2/2017**

**CARRIED**

Mayor Howlett and Cr Slyns returned to the meeting at 12.29pm.

**5.7 Association Honours 2017 – Minutes of the WALGA Honours Panel (01-006-04-0001 AF)**

**Moved: President Cr Ken Clements**  
**Seconded: President Cr Karen Chappel**

**That the minutes of the Honours Panel meeting held on 1 March 2017 be received.**

**RESOLUTION 36.2/2017**

**CARRIED**

## 6. MATTERS FOR NOTING / INFORMATION

### 6.1 National Disability Insurance Scheme roll out (05-021-01-0002/1 NH)

*By Nina Hewson, Community Policy Officer*

**Moved: Cr Wally Barrett**

**Seconded: Mayor Carol Adams**

**That the potential impact of the National Disability Insurance Scheme on Local Governments be noted.**

**RESOLUTION 37.2/2017**

**CARRIED**

#### **In Brief**

- The National Disability Insurance Scheme (NDIS) is the most significant social service reform since Medicare.
- In July 2017, the NDIS will be formally launched in WA with a roll-out period for Local Governments. The NDIS will be administered locally in WA under a nationally consistent model.
- WALGA is establishing an evidence base to better understand the implications of the NDIS system for Local Government, to inform policy and future advocacy.

#### **Attachment**

WA National Disability Insurance Scheme - rollout schedule by Local Government area - <http://www.disability.wa.gov.au/Global/Publications/WA%20NDIS/Fact%20Sheets/WA-NDIS-Regions.pdf>

#### **Relevance to Strategic Plan**

##### **Key Strategies**

##### Engagement with Members

- Improve communication and build relationships at all levels of member Local Governments;

##### Sustainable Local Government

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

##### Enhanced Reputation and Relationships

- Communicate and market the profile and reputation of Local Government and WALGA;
- State and Federal Government;
- Develop simple and consistent messages that are effectively articulated;

## Background

In 2010, the Productivity Commission released an inquiry into disability services in Australia, which received over 1,000 responses from people with disabilities and disability services. The key recommendation called for significant reform of the system.

This led to the development of the National Disability Insurance Scheme (NDIS) which was endorsed by the Council of Australian Government (COAG) in 2012. In March 2013, the NDIS legislation was passed and the *NDIS Act 2013* was created, along with the NDIS and the Agency responsible for its delivery - National Disability Insurance Agency (NDIA).

In July 2017, The National Disability Insurance Scheme (NDIS) will be formally launched in WA. It is the most significant social service reform since Medicare was introduced in 1975.

The NDIS is being progressively implemented across Australia, with pilots already underway in four sites. The scheme should be fully implemented by 2019 in all states and territories. But unlike other states which will operate under a centralised system, the WA NDIS will be locally-administered and run by the State Government through the Disability Services Commission (DSC).

Primarily, the NDIS will change the way people with a disability are supported. The delivery model will change from a 'service-focused' to a 'person-focused' model so people with disabilities will have individualised support and more independence and choice on their support requirements. It is a 'social' insurance scheme that aims to support people with disabilities over their entire life span.

On 1 February 2017, the State and Commonwealth governments signed a bilateral agreement to formalise the local administration of the NDIS under a nationally consistent model.

The bilateral agreement aims to ensure that all Western Australians with disability will have access to the NDIS and be entitled to the reasonable and necessary supports they need. Operational details of the locally-administered model will be co-developed with Western Australians to shape the NDIS to meet WA's needs.

The bilateral agreement also contains the details of the three year NDIS roll-out in WA. Starting on 1 July 2017, the Kimberley-Pilbara region and the remaining parts of the South Metro along with the Perth Hills regions will join the Scheme. These will be followed by the Goldfields-Esperance region, North Metro region and Wheat belt, South West and Central South Metro regions from 1 July 2018. From 1 July 2019, the Mid West Gascoyne, Great Southern, Central North Metro and South East Metro regions will also roll in. This will see every eligible West Australian able to participate in the NDIS. It is also worthwhile noting that NDIS trial sites have been operating in WA since 2014 and a number of Local Governments have participated.

Please refer to *the attachment– WA National Disability Insurance Scheme - rollout schedule by Local Government area*.

In March 2017, the Federal Government announced the Productivity Commission would review the cost of the National Disability Insurance Scheme. The review is expected to examine issues including: the sustainability of scheme costs; jurisdictional capacity (including the complementary disability services provided by the States and Territories); cost pressures (including wage pressures); changes in the agreed escalation parameters; whether efficiencies have been achieved within the scheme; whether there has been any impact on mainstream services; and examine the most appropriate levers to manage any potential cost overruns.

An issues paper was released in February 2017 inviting preliminary comment. WALGA wrote to the Productivity Commission outlining key considerations for Local Government in Western Australia. A

position paper will be released in May 2017 for public comment. The final report is expected to be provided to the Australian Government in September 2017. WALGA will consult members and develop a sector response to the Inquiry

## Comment

Comprehensive systemic and strategic planning is required across Government and service providers to support the transition and implementation of the NDIS in Western Australia.

There is an expectation that Local Government will understand and can respond to and support the new self-service system being introduced. In addition, under the new system there may be changes to the allocation of resources and funding gaps that will occur as a result.

Local Government has a significant role in this process. Local Government has a responsibility under the *WA Disability Services Act 2003* to make provision for services and infrastructure that support people with disabilities to participate. Local Governments are responsible for developing a Disability Access and Inclusion Plan (DAIP) which facilitates increased independence, opportunities and inclusion in the community. The Disability Services Commission (DSC) must provide a report each year to the Minister for Disability Services about the DAIP progress across Western Australia. This report is produced from data submitted to the DSC by Local Governments by 31 July each year.

Legislative changes will be required to the *WA Disability Services Act 2003* to enable the roll out of the National Disability Scheme in July 2017. WALGA is seeking an opportunity as part of this process to review the DAIP framework. WALGA will undertake consultation with members in the coming months to identify policy considerations and inform further discussion with DSC.

WALGA is seeking to establish an evidence base to better understand the implications of the NDIS system for Local Government, to inform policy and future advocacy. WALGA anticipates that Local Governments could also see an increase in demand for information and policy advice about local community services as the rollout phasing occurs. The impact of the NDIS on the strategic and operational (including resourcing requirements) functions of Local Government needs to be well understood.

In terms of service provision, for decades many WA Local Governments have provided services to support people with disabilities and the Home and Community Care (HACC) program with the new 'market place' system imposed by the NDIS presenting a number of issues. Local Governments will have to either continue business as usual, or seek alternative service options for their respective communities.

WALGA will continue to work with the DSC to ensure that Local Government is informed and supported through the phased introduction. WALGA will consult with members and will keep the sector informed on WALGA research and of the potential challenges and opportunities the NDIS presents to Local Government.

## 6.2 Discussion Paper - Third Party Appeal Rights in Planning (06-03-01-0001 GC)

By Graham Congdon, Project Officer Planning, Planning and Development

Moved: Cr Fiona Reid

Seconded: Cr Darryl Trease

That the discussion paper on Third Party Appeal Rights in Planning be noted.

**RESOLUTION 38.2/2017**

**CARRIED**

### In Brief

- In December 2016 WALGA State Council resolved to undertake research on third party appeals around Australia and further consult with members regarding the current policy position.
- The Association has prepared a discussion paper which provides background on the development of WALGA's current policy position and a review of the arguments both for and against third party appeals.
- The discussion paper is being circulated to Local Governments for feedback. Feedback received will be used to help the Association review its policy position on Third Party Appeal Rights.

### Attachment

<http://walgapip.ning.com/>

### Relevance to Strategic / Business Plan

#### Key Strategies

##### Sustainable Local Government

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

##### Enhanced Reputation and Relationships

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

### Policy Implications

WALGA's current position on Third Party Appeal rights was made in February 2008 and states that "Local Government does not support the introduction of Third Party Appeal rights" (Resolution February 2008 – 326.1/2008). It was considered that the strategic and statutory planning process in WA, and consideration of applications by Local Governments, already took into account the views of affected parties and the community generally. As there was no justification for Third Party Appeals legislation and there are significant negative implications for Local Government, industry and the community, Local Government resolved to oppose the introduction of third party appeal rights in Western Australia.

## Background

At the WALGA State Council Meeting on 7 December 2016, it was resolved (108.6/2016):

1. That WALGA request that the Minister for Planning initiate an independent review of decision making within the WA planning system, including the roles and responsibilities of State and Local Government and other decision making agencies, Development Assessment Panels and the State Administrative Tribunal appeal process, that gives consideration to;
  - a. How the aspirations or values of the community are incorporated into the decision making framework;
  - b. What improvements are required to the statutory framework, including Local Planning Schemes, that would improve the transparency, certainty and consistency of the decision making process;
  - c. Ensuring that decision making occurs at appropriate levels that promotes good and efficient decisions for the community;
  - d. The erosion of the role of Local Government in planning for their communities; and
  - e. How the community can be better engaged in the metropolitan planning process.
  
2. That WALGA undertakes research on third party appeals around Australia and further consults with members regarding the current policy position.

The Association has addressed part one of the resolution in a separate letter to the previous Minister and has sought a meeting with the new Minister for Planning to discuss this issue further. The purpose of this discussion paper is to address part two of the resolution *“That WALGA undertakes research on third party appeals around Australia and further consults with members regarding the current policy position.”*

## Comment

The decision making environment in WA has changed since the formation of the position in 2008 with changes to legislation arising from the State’s planning reform ‘Planning Makes it Happen: Phase 1 and 2’, and the introduction of Development Assessment Panels (DAPs). Given the substantial changes that have occurred within the decision-making environment in Western Australia, and the recent community concerns over the creation of the DAP system to determine development applications in place of Local Governments, it is considered appropriate to initiate a discussion on the possible role of Third Party Appeal Rights in the Western Australian planning system.

A discussion paper is being circulated to Local Governments for feedback. Feedback received will be used to consider any review of WALGA’s policy position on Third Party Appeal Rights, a report will then be presented to the July State Council meeting.

## 6.3 Control of Off-Road Vehicles (05-053-03-008 NH)

By Nina Hewson, Community Policy Officer

**Moved: Mayor Henry Zelones**  
**Seconded: President Cr Ken Clements**

**That initiatives to address Local Government issues regarding the control of off-road vehicles be noted.**

### **RESOLUTION 39.2/2017**

**CARRIED**

#### **In Brief**

- The control of vehicles in off-road areas is legislated under the *Control of Vehicles (Off-road areas) Act 1978* and is the responsibility of Department of Local Government and Communities (DLGC).
- Local Government has had issues with the control of off-road vehicles in the past and more recently the South East Metropolitan Zone has expressed concerns over licensing.
- DLGC held a Local Government workshop in April to discuss these issues and outline relevant legislation.
- WALGA will be in further discussion with DLGC, the Minister for Local Government and the Minister for Sport and Recreation.

#### **Attachment**

Nil.

#### **Relevance to Strategic Plan**

#### **Key Strategies**

##### Engagement with Members

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

##### Sustainable Local Government

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

##### Enhanced Reputation and Relationships

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

#### **Background**

The control of vehicles in off-road areas is legislated under the *Control of Vehicles (Off-road areas) Act 1978* and is the responsibility of Department of Local Government and Communities (DLGC).

The Act currently only operates in certain areas of the State; however provides the Governor with the authority to extend operation of the Act. The extension of operational areas presents potential benefits to Local Government including: user identification, a greater deterrent to anti-social and illegal riding, and the ability to establish a permitted areas and prohibited areas for riding.

Off-road vehicles have been an issue for Local Governments for some time. In addition to the above legislation, the Department of Sport and Recreation (DSR) and other state agencies developed the *State Trail Bike Strategy* in response to a significant increase in riders and expanding residential areas which was putting pressure on the availability of lawful places to ride. This led to concerns over legal action, accidents, noise and environmental damage, conflict between trail users and costs to Local Governments of legal and illegal trail biking.

DSR consulted with WALGA in 2007 to seek support of the Strategy. In response, WALGA surveyed Local Governments that in principle agreed to support the *State Trail Bike Strategy* in April 2008.

The State Trail Bike Strategy was never formally adopted, although the previous Government committed to funding specific initiatives of the Strategy.

In April 2016, the South East Metropolitan Zone requested that State Council review and update the *State Trail Bike Strategy* and that consideration be given to include the issue of unlicensed off-road vehicles be considered as an election issue for the state.

In January 2017, DLGC released a circular to advise Local Governments of the options available for controlling off-road vehicle use in the community.

Further to this and in response to the Zone's comments and requests, WALGA consulted with DLGC on the issue of the control of off-road vehicles. DLGC held a workshop for Local Governments in April 2017 to further discuss present issues and deliver relevant information on the options available to Local Government.

## Comment

The issues indicated by Local Governments are covered under legislation and the *Control of Vehicles (Off-road areas) Act 1978*. While the *State Trail Bike Strategy* may provide guidance for Local Government, its remit is not enforceable.

Local Government may require legislative solutions that can only be addressed by way of the Act through DLGC.

Alongside this, WALGA has received previous Local Government support for implementation of the *State Trail Bike Strategy*. In light of the recent state government election, WALGA will present these Local Government issues for consideration to the Minister for Local Government and the Minister for Sport and Recreation which will include addressing the status of *State Trail Bike Strategy* and the issue of licensing off-road vehicles.

The April 2017 workshop revealed opportunities that WALGA and DLGC can support the sector by way of community education and Local Government models. WALGA will inform the sector of their progress and any matters for decision.

## 6.4 2016-17 Energy Efficient Street Lighting (05-028-04-0001 DM)

By Dana Mason, Policy Manager, Economics

**Moved: Cr Fiona Reid**

**Seconded: President Cr Stephen Strange**

**That recent developments in relation to energy efficient street lighting be noted.**

**RESOLUTION 40.2/2017**

**CARRIED UNANIMOUSLY**

### **In Brief**

- In 2014, WALGA released a Discussion Paper titled *Energy Efficient Street Lighting*. The paper outlined the key challenges for Local Governments in transitioning to more energy efficient public lighting, and helped to shape an action plan for WALGA's advocacy on this issue.
- Since the discussion paper was released, there has been some progress towards removing the barriers to the introduction of energy efficient street lighting. While this has been a positive development, it does not address some of the more fundamental issues that are hampering Councils' efforts to introduce new technologies.
- The attached document provides an update on recent developments in the street lighting market, and WALGA's strategy to accelerate the uptake of energy efficient public lighting options.

### **Attachment**

WALGA Energy Efficient Street Lighting Member Update

### **Relevance to Strategic Plan**

#### **Key Strategies**

##### Engagement with Members

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

##### Sustainable Local Government

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

##### Enhanced Reputation and Relationships

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

- Develop simple and consistent messages that are effectively articulated;
- Promote WALGA's supplier agreements to assist Local Governments.

## Background

In recent years, many Councils have been exploring opportunities to move to more energy efficient public lighting options such as LED luminaires as a way to control rising electricity costs, reduce greenhouse gas emissions and improve amenity. However, progress has been slow, as there are a range of regulatory and other barriers to the adoption of this technology.

In response to member's concerns about the challenges in introducing more energy efficient options, WALGA released a Discussion Paper in November 2014 titled *Energy Efficient Street Lighting*. The paper outlined the key challenges for Local Governments in transitioning to more energy efficient public lighting, and helped to shape up an action plan for WALGA's advocacy on this issue.

Since the discussion paper was released, there has been some progress towards removing the barriers to the introduction of energy efficient street lighting. Some of the developments that have occurred in the past three years are:

- An LED luminaire suitable for residential streets was added to Western Power's standard product range in 2015, while Synergy introduced an LED tariff in July 2016;
- LED luminaires have been implemented in street lights in the City of Karratha and Town of Port Hedland as part of the Pilbara Underground Power Program;
- The State Government has committed to reforms to the regulatory environment that are expected to benefit Local Government, including shifting regulation of Western Power to the Australian Energy Regulator and the introduction of full retail contestability; and
- The Australian Standard for street lighting AS/NZ 1158.6 was updated to provide for LED technology.

While these are positive developments, they do not address some of the more fundamental concerns that are hampering Councils' efforts to introduce new technologies.

In this regard, WALGA has updated its advocacy strategy, and proposes to undertake the following activities in order to pursue the accelerated uptake of more energy efficient public lighting options.

- Bulk replacement business case model - In the short term, the primary option available to individual Councils is to fund the bulk replacement of street lighting within their Local Government area with more energy efficient luminaires. To assist with this, WALGA is exploring the option to engage a consultant to deliver a business case assessment model which will be made available to all WALGA members to assist with their project assessment and planning.
- Regulatory reform - Addressing the remaining barriers will require reforms to improve competition and strengthen the regulatory environment to ensure the efficient operation of the state's public lighting market for the benefit of the WA community. WALGA will continue to advocate for reforms to the existing regulatory arrangements, including the introduction of a Public Lighting Code, and tariff reforms including greater transparency and unbundling energy usage from the maintenance components of tariffs. WALGA will also seek to facilitate and drive engagement on Western Australian stakeholders in the national Street Lighting and Smart Controls program.

- State Underground Power Program (SUPP) – Given that Western Power has been replacing street lighting as part of this project, WALGA considers that this represents an ideal opportunity to accelerate the adoption of more energy efficient street lighting technology. Now that they are available as part of Western Power’s standard range, WALGA is advocating for LEDs to be the default lighting option that is introduced for all street lighting that is replaced under the SUPP.
- Alternative ownership models - Transferring ownership of the street lighting network may be an option to provide Local Governments with greater control of the street lighting assets within their local area, and the ability to introduce new technology based on market and commercial forces in the best interests of their communities. WALGA proposes to investigate the feasibility of this option for Western Australia.
- Funding – WALGA will investigate and advise the sector on funding opportunities that are available from the Commonwealth Government.
- Capacity – WALGA has refreshed its Preferred Supplier Arrangement (PSA) for Energy Services to make available new LED supply options, consultancy options, and electrical services for public lighting for the sector. The WALGA prequalification and contract models provide compliant supply options that have been subject to high levels of due diligence for WALGA Members to access at preferential supply rates.

## Comment

The provision of public lighting is a core role for Local Governments and delivers important community benefits in terms of safety and amenity.

The introduction of more energy efficient street lighting is an important way for Local Governments in WA to have the capacity to provide economically, socially, and environmentally sustainable services and infrastructure that meets the needs of their communities.

As the peak body for the sector, WALGA has a key role to play in advocating for reforms that will allow Local Governments to have greater control over the street lighting infrastructure so that they best meet the community’s needs.

WALGA has been progressing its strategy to facilitate the more rapid adoption of energy efficient public lighting. While there has been some success from this approach, there still remains significant barriers to the widespread uptake of more energy efficient technologies. WALGA will continue to advocate for changes that will also Local Governments to better manage public lighting in the best interests of their community.

# Energy Efficient Public Lighting

## Member update

**Contact:**

Dana Mason

Policy Manager, Economics

WALGA

ONE70, LV 1, 170 Railway Parade West Leederville

Phone: (08) 9213 2028

Fax: (08) 9213 2077

Mobile: 0417 937 784

Email: [dmason@walga.asn.au](mailto:dmason@walga.asn.au)

Website: [www.walga.asn.au](http://www.walga.asn.au)

## Contents

1.0	Executive Summary.....	94
2.0	Introduction.....	95
3.0	Recent Developments in the Policy and Regulatory Environment.....	96
3.1	Improved access to LED technology.....	97
3.2	Electricity Market Review .....	97
3.2.1	<i>Transition to the Australian Energy Regulatory (AER)</i> .....	98
3.2.2	<i>Contestability</i> .....	98
3.3	Updated Australian Standards .....	99
4.0	The Way Forward – WALGA’s action plan.....	100
4.1	Bulk Replacement of Street Lighting – Business Case Model .....	100
4.2	Regulatory Reforms – Ongoing advocacy .....	101
4.3	State Underground Power Program .....	101
4.4	Alternative ownership options .....	102

## 1.0 Executive Summary

In recent years, many Councils have been exploring opportunities to move to more energy efficient public lighting options such as LED luminaires as a way to control rising electricity costs, reduce greenhouse gas emissions and improve amenity. However, progress has been slow, as there are a range of regulatory and other barriers to the adoption of this technology.

In response to members concerns about the challenges in introducing more energy efficient options, WALGA released a Discussion Paper in November 2014 titled *Energy Efficient Street Lighting*. The paper outlined the key challenges for Local Governments in transitioning to more energy efficient public lighting, and helped to shape up an action plan for WALGA's advocacy on this issue.

Since the discussion paper was released, there has been some progress towards removing the barriers to the introduction of energy efficient street lighting. Some of the developments that have occurred in the past three years are:

- An LED luminaire suitable for residential streets was added to Western Power's standard product range in 2015, while Synergy introduced an LED tariff in July 2016;
- LED luminaires have been implemented in street lights in the City of Karratha and Town of Port Hedland as part of the Pilbara Underground Power Program;
- The State Government has committed to reforms to the regulatory environment that are expected to benefit Local Government, including shifting regulation of Western Power to the Australian Energy Regulator and the introduction of full retail contestability; and
- The Australian Standard for street lighting AS/NZ 1158.6 was updated to provide for LED technology.

While these are positive developments, they do not address some of the fundamental concerns that are hampering Local Governments' efforts to introduce new technologies.

In this regard, WALGA has updated its advocacy strategy, and proposes to undertake the following activities in order to pursue the accelerated uptake of more energy efficient public lighting options.

- *Bulk replacement business case model* - In the short term, the primary option available to individual councils is to fund the bulk replacement of street lighting within their Local Government area with more energy efficient luminaires. To assist with this, WALGA is exploring the option to engage a consultant to deliver a business case assessment model which will be made available to all WALGA members to assist with their project assessment and planning.
- *Regulatory reform* - Addressing the remaining barriers will require reforms to improve competition and strengthen the regulatory environment to ensure the efficient operation of the state's public lighting market for the benefit of the WA community. WALGA will continue to advocate for reforms to the existing regulatory arrangements, including the introduction of a

Public Lighting Code, and tariff reforms including greater transparency and unbundling energy usage from the maintenance components of tariffs.

- *State Underground Power Program (SUPP)* – Given that Western Power has been replacing street lighting as part of this project, WALGA considers that this represents an ideal opportunity to accelerate the adoption of more energy efficient street lighting technology. Now that they are available as part of Western Power’s standard range, WALGA is advocating for LEDs to be the default lighting option that is introduced for all street lighting that is replaced under the SUPP.
- *Alternative ownership models* - Transferring ownership of the street lighting network may be an option to provide local governments with greater control of the street lighting assets within their local area, and the ability to introduce new technology based on market and commercial forces in the best interests of their communities. WALGA proposes to investigate the feasibility of this option for Western Australia.
- *Funding* – WALGA will investigate and advise the sector on funding opportunities that are available from the Commonwealth Government.

## 2.0 Introduction

The provision of public lighting is a core role for Local Governments and delivers benefits to the community in terms of safety and amenity.

The introduction of more energy efficient street lighting is an important way to deliver on WALGA’s vision for Local Governments in WA to have the capacity to provide economically, socially, and environmentally sustainable services and infrastructure that meets the needs of their communities.

In recent years, many Councils have been exploring opportunities to move to more energy efficient lighting options, as a way to control rising electricity costs, reduce greenhouse gas emissions and improve amenity. In particular, they have been looking to replace current street lights with more energy efficient technology such as LED luminaires.

However, progressing these changes has been difficult, given that Western Power owns the majority of Western Australia’s street lighting infrastructure. It has no incentive to introduce more energy efficient technologies given that it may not recognise the economic or community benefits. In fact, Western Power may even be worse off financially as a result of the lower electricity consumption, maintenance costs and extended operating life associated with the more efficient technology.

As the peak body for the sector, WALGA has a key role to play in advocating for reforms that will allow Local Governments to have greater control over the street lighting infrastructure so that they best meet the community’s needs.

In response to members concerns about the challenges in introducing more energy efficient options, the Association released a Discussion Paper in November 2014 titled *Energy Efficient Street Lighting*. The paper outlined the key challenges for Local Governments in installing energy efficient public lighting, and helped to shape up a draft action plan for WALGA’s advocacy on this issue.

Since the paper was released, WALGA has been progressing this plan, and has undertaken a number of activities aimed at addressing members concerns. While there has been some success from this approach, there still remains significant barriers to the widespread uptake of more energy efficient technologies.

This paper intends to update the Local Government sector on the recent developments in relation to the policy and regulatory environment, and WALGA's advocacy strategy to encourage and enable the uptake of more energy efficient lighting options going forward.

### 3.0 Recent Developments in the Policy and Regulatory Environment

WALGA's 2014 *Energy Efficient Street Lighting* discussion paper identified a number of barriers preventing Local Governments from managing street lighting in the best interests of their local community. These included:

- *The regulatory environment* – Western Power's ownership of the majority of the street lighting network has limited opportunities for Councils to adopt new and more efficient technology and take advantage of alternative service offerings. Further, Western Power has control of the poles that street lights are attached to and do not allow third parties to access these, which prevents Local Government from using third party service providers.
- *Non-contestability* – At present, only those customers within the South West Interconnected System that are consuming more than 50 megawatt hours (MWh) of electricity a year (an average of 137 units per day) can choose their electricity retailer. Given that individual streetlights are classed as separate exit points, they consume less energy than is required to be eligible for contestable electricity supply – using a maximum of around 2 MWh per year.
- *Transparency* – Local Governments have no visibility of what contributes to the cost of providing street lights as a service in each luminaire class.
- *Australian road lighting standards* – The Australian Standard for street lighting previously did not provide for LED technology.
- *Service standards* – At present, the only service standards for street lighting that are included in the current Access Arrangement relate to repair timeframes. There are no standards that relate to other issues such as light levels and spillage.
- *Funding* – Undertaking a bulk replacement is a costly and resource intensive exercise that can run into the millions of dollars.

While these are significant challenges, there has recently been progress towards addressing some of these issues.

## 1.1 Improved access to LED technology

Up until recently, one of the key barriers to the introduction of more energy efficient technology was that Western Power did not include these options in the standard product range available to Local Governments within the SWIS.

However, after several years spent developing a business case, Western Power has now included 22W LED lamps in its street lighting range. Further, Synergy has also introduced a new LED tariff, which came into effect from 1 July 2016.

While it is positive that Local Governments can now access LED lighting, there are still some concerns about the option currently being offered by Western Power.

A key issue is in relation to meeting public lighting guidelines. There is some uncertainty as to whether the 22W LEDs that are on offer will deliver the same level of lighting that was previously achieved using a 42w CFL or 80w MV light. Some councils have raised concerns that 42W LED lights would be required to deliver the same level of lighting, and therefore using the available 22W LEDs would require more street lights in the same area. This would result in additional costs and act as a disincentive to the introduction of the new technology.

However, advice from Western Power relating to the maximum pole spacing to achieve the lighting standard for various luminaires suggests that this is not the case.

There are also concerns that the colour temperature associated with the 22W LED may have adverse health and wellbeing impacts. The American Medical Association (AMA) has released an official policy statement which sets out guidelines on minimizing the potential harmful effects on health from discomfort and glare. The AMA recommends a maximum temperature of 3000K, however the 22W LED lamp available on the Western Power product range has a colour temperature of 4000K.

In addition, LED luminaires included in Western Power's product range must also be suitable for all types of roads in Local Governments' jurisdiction. The 22W LED product available in Western Power's product range is suitable to meet Category P standards – which relate to low volume traffic roadways and other outdoor public spaces. However, there is a need for Councils to be able to access options that are suitable to meet Category V standards – which are used for high traffic volume roadways where the requirement of motorists is dominant.

To address these issues and provide greater opportunities for local governments to introduce energy efficient options that best meet their community's needs, a broader range of LED luminaires, including other wattages, must be available.

## 1.2 Electricity Market Review

The previous Liberal National Government committed to a number of changes to the regulatory environment as part of the Electricity Market Review. These reforms had the potential to address some of the concerns raised by Councils in relation to street lighting.

It is not yet known whether the new McGowan Government intends to progress these reforms.

### **3.2.1 Transition to the Australian Energy Regulatory (AER)**

A key platform of the previous Government's response to the Review was that regulation of the WA electricity network would be transferred to the Australian Energy Regulator (AER).

This reform was intended to come into effect from July 2018, and would see Western Australia adopt the market arrangements of the National Electricity Market together with the National Electricity Rules (NER) governing the energy market, regulation of electricity networks and retail arrangements.

To progress the transfer of regulatory arrangements, a package of Bills were introduced to Parliament in June 2016 – the *National Electricity (Western Australia) Bill 2016* and the *Energy Legislation Amendment and Repeal Bill 2016*. It was intended that these Bills would be passed in November 2016 to allow Western Power to commence the regulatory process under the national regulatory framework from December 2016 and for the Australian Energy Regulator's determination to apply from 1 July 2018. However, the Public Utilities Office has recently advised that these timeframes will not be achieved. Western Power will now remain regulated by the ERA until at least 2019. It is unclear whether the McGowan Government will progress these reforms.

While the shift to the AER would not directly impact Local Governments' ability to access energy efficient technology, it has the potential to deliver benefits in terms of the overall cost of street lighting and improving transparency.

Under the national regulatory regime, efficiencies and greater transparency were expected to be achieved as Western Power comes under greater scrutiny through the AER's benchmarking process. The AER is required to publish an annual benchmarking report, which would include an examination of the relative efficiency of the distribution and transmission electricity network service providers in delivering street lighting services.

While it is expected that greater transparency and benchmarking of street lighting services would deliver benefits to Local Government, the overall impact of this reform remains to be seen. It is recognised that benchmarking will be just one change that occurs under a new regulatory regime. There are a number of other factors which are considered in the regulatory determination. Any changes to these other factors, for example the allowable rate of return, may not deliver the same benefits and could in fact outweigh any gains that are achieved from the benchmarking process.

### **3.2.2 Contestability**

The previous Government also announced that it would introduce contestability for retail and small business customers. Advice from the Public Utilities Office suggests that this reform means that street lighting would also become contestable.

Competition in the street lighting market will improve Local Governments' ability to manage their street lighting costs, and choose the electricity retailer that best meets their needs. Competition between retailers would deliver a number of benefits from lower retail prices, improved services, and alternative products. These types of benefits have been seen in other markets which have become contestable in recent years.

WALGA has been advocating for some time for contestability to be introduced into the street lighting market, through legislative change by amending the *Electricity Corporations Act 2005* to provide ministerial discretion in exempting classes of exit points. While the previous State Government did not enact these changes which would have delivered contestability in the short term, it did commit to full retail contestability in the future.

This transition was intended to occur as part of Phase 2 of the Electricity Market Review, with the changes to come into effect once the subsidy for the electricity market is reduced to zero - which is expected to be in 2019. The Full Retail Contestability Project within the Public Utilities Office had commenced examining the design and implementation of the new legal framework that will be required to enable full retail contestability. While the previous Government indicated that full retail contestability was expected to come into effect from mid-2019, it is unclear whether the McGowan Government will progress this agenda.

To achieve further benefits to Local Government, WALGA is seeking contestability of public lighting services, to include the introduction of choice in other elements of street lighting such as maintenance. This would provide councils with a greater capacity to manage their street lighting network for the benefit of their local community.

### 1.3 Updated Australian Standards

In 2015, the Australian Standards have been updated to include LED technologies.

This began as a process to revise *AS/NZS 1158.6:2010 Lighting for Roads and Public Spaces* to accommodate LED technology requirements. Following multiple rounds of public and stakeholder consultation, Standards Australia decided the most appropriate way forward was a modified text adoption of *IEC 60598.2-3 Luminaires - Part 2-3: Particular requirements - Luminaires for road and street lighting* by Standard Australia's Technical Committee EL-041 Lamps and Related Equipment.

This was to address safety requirements for luminaires, and a technical specification regarding performance requirements by another Technical Committee, LG-002 Lighting for Roads and Public Spaces.

As a result, in late 2015, Standards Australia published the following standards which take into account LED technology.

- *AS/SNZ TS 1158.6:2015 Lighting for roads and public spaces - Luminaires – Performance* - This forms part of the AS/NZS 1158 series, which covers lighting schemes for the generality of roads and outdoor public areas. The document defines enhanced luminaire performance and durability provisions to account for extreme Australian and New Zealand conditions.
- *AS/NZS 60598.2.3:2015 Particular requirements— Luminaires for road and street lighting* - This covers the minimum safety requirements. It is a modified adoption of the IEC standard, due to the varying operating and environmental conditions found in Australia and New Zealand.

## 1.4 Pilbara Underground Power Project

The Pilbara Underground Power Project provided an opportunity to progress the installation of more energy efficient street lighting in two Local Government areas in the region.

In June 2013 WALGA accessed funds from the Community Energy Efficiency Program to install LED street lights in the City of Karratha, and Town of Port Hedland. This project occurred in conjunction with both Local Governments and Horizon Power.

Some 674 LED streetlights were installed as part of the program, which also provided an important opportunity to identify key policy barriers to the broader uptake of energy efficient street lighting in WA.

## 4.0 The Way Forward – WALGA’s action plan

While there has been some progress towards the introduction of more energy efficient street lighting, further reforms are needed to overcome the remaining barriers. WALGA is seeking reforms that will deliver:

- transparent and efficient street lighting tariffs;
- greater competition and innovation in the street lighting sector; and
- large scale bulk replacement of energy efficient street lighting in Western Australia.

To assist with this process and accelerate the adoption of energy efficient street lighting, WALGA proposes to undertake the following activities.

### 4.1 Bulk Replacement of Street Lighting – Business Case Model

While there are broader regulatory and policy changes that will help resolve the issues faced by Local Governments in introducing more efficient technology, achieving change in this area is likely to take some time.

In the short term, the primary option available to individual councils is to fund the bulk replacement of street lighting within their Local Government area with more energy efficient luminaires, through either their own resources or by accessing grant funding from the Commonwealth Government.

Before entering into negotiations it is important that councils undertake an appropriate assessment and business case to ensure that a bulk replacement program will deliver net benefits over the full life cycle of the project.

To assist with this, WALGA is exploring the option to engage a consultant to prepare a business case framework for the bulk replacement of street lights with LED luminaires. The project will deliver a business case assessment model which will be made available to all WALGA members to assist with their project assessment and planning. Individual Local Governments will be able to enter their

own data into the model, which will provide results on the feasibility of a bulk replacement program for their particular Local Government area.

## 4.2 Regulatory Reforms – Ongoing advocacy

Addressing the remaining regulatory barriers will require reforms to improve competition and strengthen the regulatory environment to ensure the efficient operation of the state's public lighting market.

One of the key areas to be addressed is to more closely align the objectives of Western Power and Local Governments. The misalignment of objectives is one of the key reasons that the introduction of more energy efficient technologies has been slow. Western Power aims to maximise its returns from the street lighting network, and to reduce associated risks. By contrast, Local Governments have a wide range of objectives on behalf of the community, including improving public amenity and safety, reducing greenhouse gas emissions and energy consumption, and minimising costs.

WALGA will continue to advocate for reforms to the existing regulatory arrangements, including the introduction of a Public Lighting Code, and tariff reforms including greater transparency and unbundling energy usage from the maintenance components of tariffs.

WALGA is seeking to facilitate and drive engagement of West Australian stakeholders in the national Street Lighting and Smart Controls Programme (SLSC). The SLSC is an initiative designed to help accelerate the deployment of LED street lighting and smart controls. It brings together government (Federal Department of Environment and Energy), industry associations (including Australian Local Government Association, Lighting Council Australia, Energy Networks Australia and Institute of Public Works Engineering) as well as industry partners. Work completed by the SLSC Programme to date includes clear identification of the barriers to deployment of LED lighting and smart controls the development of a roadmap to overcome these issues. While mercury vapour street lights, the oldest technology in common use, accounts for 39% of the national portfolio in Western Australia it accounts for 57% of the portfolio of street lights. This is the highest proportion of this legacy technology in any Australian jurisdiction and reflects the slow initial conversion to CFL lamps and almost no widespread adoption of LED technology to date (except networks owned and operated by some Councils including Cities of Perth, Subiaco and Joondalup and Horizon Power in the Pilbara).

It is hoped that this Programme will be a catalyst for the stakeholders, including the Office of Energy, Economic Regulation Authority, Western Power, Horizon Power, Main Roads and Local Government to work together to address the barriers to deployment in Western Australia.

## 4.3 State Underground Power Program

The State Underground Power Program (SUPP) is a State government initiative that is administered by the Public Utilities Office of the Department of Finance.

It involves placing Western Power's existing overhead distribution lines in residential areas underground. Local Governments can nominate areas to be converted to underground power. Each nomination is assessed against social, economic and technical criteria by the SUPP Steering

Committee. Within this project, the State Government and Western Power will fund up to 50% of the total costs, while the remainder is paid for by Local Government.

As part of this project, Western Power has been replacing street lighting with CFLs.

WALGA considers that the SUPP is an ideal opportunity to accelerate the adoption of more energy efficient street lighting technology. Now that they are available as part of Western Power's standard lighting options, WALGA is advocating for LEDs to be the default lighting option that is introduced for all street lighting that is replaced under the SUPP.

#### **4.4 Alternative ownership options**

Transferring ownership of the street lighting network may be an option to provide local governments with greater control of the street lighting assets within their local area, and the ability to introduce new technology based on market and commercial forces in the best interests of their communities. This approach has been used or is in negotiations in other jurisdictions both overseas and in Australia, including the Northern Territory, South Australia, the Sunshine Coast Council and the Hobart and Glenorchy Councils.

WALGA proposes to investigate the feasibility of this option for Western Australia. There are a range of issues that will need to be considered, including:

- In-depth financial and technical analysis and risk assessment in advance, to ensure that ownership of the asset is in their long term best interests. For some local councils, taking ownership of the assets may not deliver a benefit if they do not have the necessary expertise to manage it appropriately.
- Alternative ownership structures such as regional councils, regional subsidiaries or council controlled organisations.
- Ownership boundaries for street lighting infrastructure, including for the luminaire, cabling and control equipment.
- Required changes to the regulatory environment.
- The willingness of the State Government and Western Power to engage in negotiations to transfer the assets and the financial feasibility of commercial terms.

#### **4.5 Funding**

The significant costs associated with retrofitting or replacing existing street lights with the new technology have been a major barrier to the widespread adoption of LED technology.

While the cost of introducing more energy efficient technology is significant, there are a number of options that Local Governments could consider to progress these projects. One funding option is to leverage grant funding that is available from the Federal Government. WALGA will investigate and advise the sector about any upcoming opportunities to access funding through Federal Government grants or other programs.

## **6.5 Local Government Strategic Purpose Permit (05 095 03-0001 RZ)**

*By Renata Zelinova, Business Development Officer, Environmental Planning Tool*

**Moved: President Cr Malcolm Cullen**

**Seconded: Cr Wally Barrett**

**That moves to introduce the new Local Government Strategic Purpose Permit for the clearing of native vegetation be noted.**

**RESOLUTION 41.2/2017**

**CARRIED**

### **In Brief**

- The 2012 Annual General Meeting passed a resolution which sought WALGA to press the Environment Minister to commit to a timeline to amend the native vegetation clearing regulations and consult with Local Government with a view of providing a general exemption to Local Government to clear in road reserves.
- In December 2013, the *Environmental Protection (Clearing of Native Vegetation) Regulations 2004* were amended, including broadened provisions for time allowance to maintain lawfully cleared areas from 10 to 20 years and increased clearance areas from one hectare to five hectares allowed to be cleared under exemptions per year, per property.
- WALGA worked with the Department of Environment Regulations (DER) to develop a process for enabling Local Governments to apply and implement Strategic Purpose Permits for native vegetation clearing. The first stage of this process has now been finalised and the Department of Environment Regulations released a model Strategic Purpose Permit for Local Governments for clearing of native vegetation for minor infrastructure projects.
- Use of the Strategic Purpose Permit will allow Local Governments to take more strategic approach to clearing of native vegetation, resulting in a reduction in the number of clearing permit applications and associated regulatory timeframes.
- The effective implementation of this Strategic Purpose Permit for Local Governments is facilitated by new functionality in WALGA's Environmental Planning Tool (EPT).
- Local Governments are invited to contact the Department of Environment Regulation if they are interested in the Local Government Strategic Purpose Permit, which can be adjusted to suit their particular requirements.

### **Attachments**

- Letter from the Department of Environment Regulation
- Model Strategic Purpose Permit for Local Government for clearing of native vegetation for minor infrastructure projects

### **Relevance to Strategic Plan**

#### **Key Strategies**

##### **Engagement with Members:**

- Deliver a broad range of benefits and services that enhance the capacity of member Local Governments.

Sustainable Local Government:

- Continue to build capacity to deliver sustainable Local Government;
- Provide support to all members, according to need;
- Foster economic and regional development in Local Government.

Enhanced Reputation and Relationships:

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

## Background

Since the 2012 Annual General Meeting resolution, WALGA has been lobbying the State to increase the efficiencies with meeting current regulatory requirements associated with Local Government operations affecting native vegetation. While the amendments to the *Environmental Protection (Clearing of Native Vegetation) Regulations 2004*, introduced in December 2013, were welcomed, they were not considered sufficient to streamlining the approvals process and improving regulatory effectiveness. WALGA continued to urge for further action while also building internal Local Government capacity to effectively participate in the regulatory process via access to its Environmental Planning Tool.

In 2015, WALGA initiated a process to work with the DER to enable the application of strategic purpose permits as used by the State's utilities and Main Roads, for Local Government.

Considering the significant resource requirements to develop and implement a broad scale Strategic Purpose Clearing Permits used by Main Roads, the initial work focused on covering a range of smaller scale but frequently delivered Local Government works.

The model Strategic Purpose Permit for Local Government was developed to cover minor infrastructure projects. The City of Wanneroo and the City of Busselton were involved in the development of the first Strategic Purpose Permits and provided valuable feedback on the effectiveness of the DER proposed process, in particular the lack of clarity about communication requirements between DER and Local Government where applicability of the Strategic Purpose Permit might be unclear.

To facilitate the implementation of Strategic Purpose Permits for Local Government, WALGA developed a new reporting functionality within its Environmental Planning Tool, the on-line mapping application available to Local Governments via subscription. The new report function will facilitate the required desktop assessment needed to determine whether the proposed Local Government works can be undertaken under the provisions of the Strategic Purpose Permit. The report makes an assessment against 10 clearing principles, including detailed lists of data that require consideration in the assessment.

Where the Environmental Planning Tool generated report shows that the proposed clearing might or will be at variance with the clearing principles, Local Governments can use a provided form email to request clarification from DER. The DER will respond with advice on whether the works can proceed under the Strategic Purpose Permit provisions or if a separate clearing permit will be required. This clarification process will take significantly less time than individual clearing application approval time frames, reducing the waiting times from 60-90 days to 20-30 days.

The new reporting function in the Environmental Planning Tool and the process for Local Government and DER interaction during implementation of a Strategic Purpose Permit was discussed and tested in November 2016 and March 2017 at sessions attended by 12 Local Governments, representing the metropolitan area and the regions. Following the positive feedback,

DER has formalised its internal processes and is now inviting Local Governments to use the model Strategic Purpose Permit which can be adjusted to meet their specific needs.

The DER has subsequently prepared a formal letter to all current Local Government subscribers to the EPT outlining the process and benefits (Attachment A).

The model clearing permit (Attachment B) authorises Local Governments to clear up to 0.5 hectares of native vegetation per project. There is no limit on the number of projects that can be implemented under this permit for the duration of the permit which is up to 5 years but the timeframes can be negotiated to fit Local Government requirements.

The type of clearing activities that can be covered include transport corridor infrastructure, sight line area and crossover areas, lateral clearance areas, public roadside facilities, road alignments, road widening, extracting basic raw materials, establishing and maintaining building protection zones, drains, public recreational facilities, landscaping, vehicle tracks, and other specified activities.

There is an annual reporting requirement, which will include a copy of a desktop assessment report used for each project implemented under the Permit, the total native vegetation area cleared and area restored within a financial year.

## Comment

This outcome represents a considerable improvement in reducing the regulatory burden associated with compliance with the *Environmental Protection (Clearing of Native Vegetation) Regulations (2004)*.

WALGAs Environmental Planning Tool is an increasingly important asset for members seeking to reduce their regulatory burden and increase their environmental and land use planning decision making.

The EPT generates desktop assessment reports for each project Local Governments are seeking to implement under the Strategic Purpose Permit. These reports are based on datasets that otherwise need to be collected through a range of State agencies, requiring significant time to collate and interpret them. The EPT will generate a report compliant with DER approvals process within a minute as a Word document, where additional information can be added.

WALGA is also preparing a simple work flow chart to facilitate the easy use of the EPT for this specific purpose.

The EPT is available to Local Government via subscription. WALGA offers regular training opportunities as well as in-house training to subscribing Local Governments.

For more information on the access to the Environmental Planning Tool contact Renata Zelinova, Business Development Officer (Environmental Planning Tool) on 9213 2521 or email to [rzelinova@walga.asn.au](mailto:rzelinova@walga.asn.au).



Government of Western Australia  
Department of Environment Regulation

Enquiries: Samara Rogers  
Phone: 9333 7541  
Email: [info@der.wa.gov.au](mailto:info@der.wa.gov.au)

Dear EPT Subscriber

#### LOCAL GOVERNMENT AUTHORITY STRATEGIC PURPOSE PERMIT

I would like to take this opportunity to provide you with information on the Local Government Strategic Purpose Permit Project.

I advise that the Department of Environment Regulation (DER), in consultation with the Western Australian Local Government Association (WALGA) has developed a proposed model Strategic Purpose Permit for Local Government Authorities (LGA) for clearing of native vegetation for minor infrastructure projects. The LGA's assessment for a Strategic Purpose Permit can be undertaken in conjunction with WALGA's Environmental Planning Tool (EPT).

The Local Government Strategic Purpose Permit will allow the LGA to take a more strategic approach to clearing and offer a range of benefits including a reduction in the number of clearing permit applications and associated regulatory timeframes.

Following consideration of feedback at LGA workshops, a Strategic Purpose Permit has been developed to enable clearing of native vegetation that may be at variance or at variance to one or more of the clearing principles, subject to certain conditions, when the environmental risk is determined to not be significant. A copy of the model permit is attached.

Please note, a strategic permit can be amended and adjusted to suit your LGA's particular requirements.

If your LGA is interested in the Local Government Strategic Purpose Permit similar to the above or designed to suit your requirements, please contact the project leader, Senior Clearing Regulation Officer Ms Samara Rogers on 9333 7541.

Yours sincerely



Anne Mathews  
SENIOR MANAGER  
CLEARING REGULATION

3 April 2017

Attachment 1: Local Government Strategic Purpose Permit model

The Atrium, 168 St Georges Terrace, Perth WA 6000  
Postal address: Locked Bag 33, Cloisters Square, Western Australia 6850  
Phone: (08) 6467 5000 Fax (08) 6467 5562  
[www.der.wa.gov.au](http://www.der.wa.gov.au)



### CLEARING PERMIT

Granted under section 51E of the Environmental Protection Act 1986

Purpose Permit number:	CPS xxxx/x
Permit Holder:	Local Government Authority
Duration of Permit:	xx xxxx 20xx – xx xxxx 20xx

The Permit Holder is authorised to clear native vegetation subject to the following conditions of this Permit.

#### PART I – CLEARING AUTHORISED

1. **Purpose for which clearing may be done**  
Clearing for the purpose of *minor infrastructure projects*.
2. **Area of Clearing**  
Clearing of up to 0.5 hectares of native vegetation per *minor infrastructure project* within the Local Government Authority *local government area boundary*.
3. **Application**  
This Permit allows the Permit Holder to authorise persons, including employees, contractors and agents of the Permit Holder, to clear native vegetation for the purposes of this Permit subject to compliance with the conditions of this Permit and approval from the Permit Holder.
4. **Type of clearing authorised**  
This Permit authorises the Permit Holder to clear native vegetation for the activities described in condition 1 of this Permit to the extent that the Permit Holder has the power to carry out works involving clearing for those activities under the *Local Government Act 1995* or any other written law.
5. **Clearing not Authorised**
  - (a) This Permit does not authorise the Permit Holder to clear native vegetation where:
    - (i) the clearing may be at variance, is at variance or is seriously at variance with one or more of the *clearing principles* as determined by the *desktop study* required in condition 8; or
    - (ii) one or more of the *minor infrastructure projects* are incorporated or related to a proposal that is referred to and assessed under Part IV of the *Environmental Protection Act 1986* by the *EPA*;
    - (iii) the clearing may have a significant impact on a *matter of national environmental significance* under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth); or
    - (iv) the clearing is located in an area that is subject to the *Environmental Protection (Environmentally Sensitive Areas) Notice 2005*.
  - (b) The Permit Holder is not required to comply with condition 5(a) of this Permit if the CEO advises so in writing.

**6. Period in which clearing is authorised**

The Permit Holder shall not clear any native vegetation after 30 June 20xx.

**PART II – MANAGEMENT CONDITIONS**

**7. Avoid, minimise etc clearing**

In determining the amount of native vegetation to be cleared for each *minor infrastructure project*, the Permit Holder must have regard to the following principles, set out in order of preference:

- (a) avoid the clearing of native vegetation;
- (b) minimise the amount of native vegetation to be cleared; and
- (c) reduce the impact of clearing on any environmental value.

**8. Assessment of Clearing Impacts**

- (a) Prior to undertaking clearing for each minor infrastructure project, the Permit Holder must conduct a *desktop study* and assess the clearing to be undertaken against each of the clearing principles, having regard to the Department's "*A Guide to the assessment of applications to clear native vegetation under Part V Division 2 of the Environmental Protection Act 1986*" provided in Annexure 1.
- (b) The *desktop study*, subject to condition 8(a) of this Permit, must include production of a *Report*.
- (c) The *Report* must set out:
  - (i) the manner in which the Permit Holder has had regard to the *desktop study* in accordance with the Department's "*A Guide to the assessment of applications to clear native vegetation under Part V Division 2 of the Environmental Protection Act 1986*" provided in Annexure 1;
  - (ii) the area (in hectares) of clearing required for the *minor infrastructure project*;
  - (iii) the boundaries of clearing required for the *minor infrastructure project* recorded as a map or list of co-ordinates of the location of clearing required;
  - (iv) how each of the clearing principles has been addressed through the *desktop study*;
  - (v) whether the outcome of the *desktop study* indicates that the clearing is may be at variance, not at variance, or not likely to be at variance with one or more of the clearing principles.

**9. Dieback and weed control**

- (a) When undertaking any clearing authorised under this Permit, the Permit Holder must take the following steps to minimise the risk of the introduction and spread of *weeds* and *dieback*:
  - (i) clean earth-moving machinery of soil and vegetation prior to entering and leaving the area to be cleared;
  - (ii) ensure that no *dieback* or *weed*-affected soil, *mulch*, *fill* or other material is brought into the area to be cleared;
  - (iii) restrict the movement of machines and other vehicles to the limits of the areas to be cleared;
  - (iv) only move soils in *dry conditions*, unless approved by the CEO; and
  - (v) where *dieback* or *weed*-affected soil, *mulch*, *fill* or other material is to be removed from the area to be cleared, ensure it is transferred to areas of comparable *soil disease status*.
- (b) At least once in each 12 month period for the term of this Permit, the Permit Holder must remove or kill any *weeds* growing within areas cleared under this Permit, where those *weeds* are likely, on the advice of an *environmental specialist*, to spread to and result in environmental harm to adjacent areas of native vegetation that are in *good or better condition*.
- (c) The Permit Holder is not required to comply with condition 9 of this Permit if the CEO advises so in writing.

#### 10. Revegetation and Rehabilitation

- (a) The Permit Holder must *revegetate* and *rehabilitate* areas cleared for *temporary works* within 12 months of the area no longer being required for the purpose for which it was cleared.
- (b) The Permit Holder is not required to *revegetate* and *rehabilitate* an area specified in condition 10(a) of this Permit if the Permit Holder intends to use that cleared area for another *minor infrastructure project* within 24 months of that area no longer being required for the purpose for which it was originally cleared under this Permit.
- (c) The Permit Holder is not required to comply with condition 10 of this Permit if the CEO advises so in writing.

#### PART III - RECORD KEEPING AND REPORTING

##### 11. Records must be kept

The Permit Holder must maintain the following records for activities done pursuant to this permit:

- (a) In relation to the clearing of native vegetation authorised under this Permit
  - (i) a copy of the report prepared for each *minor infrastructure project* in accordance with condition 8 of this Permit;
  - (ii) a *shapefile* of the boundaries of clearing required for each *minor infrastructure project* recorded in the map prepared in accordance with condition 8(c)(iii) of this Permit;
  - (iii) the size of the area cleared (in hectares) for each *minor infrastructure project*;
  - (iv) the date(s) on which the clearing was done for each *minor infrastructure project*; and
  - (v) the boundaries of the area cleared for each *minor infrastructure project* recorded as a *shapefile*.
- (b) In relation to the *revegetation* and *rehabilitation* of areas pursuant to condition 10 of this Permit:
  - (i) the size of the area *revegetated* and *rehabilitated* (in hectares) for each *minor infrastructure project*;
  - (ii) the date(s) on which the *revegetated* and *rehabilitated* was undertaken for each *minor infrastructure project*; and
  - (iii) the boundaries of the area *revegetated* and *rehabilitated* for each *minor infrastructure project* recorded as a *shapefile*.

##### 12. Reporting

- (a) On or before 31 July 2016 the Permit Holder must provide to the CEO of the *Department* a written report of records required under condition 11 of this Permit and concerning activities done by the Permit Holder under this Permit between 11 October 2015 and 30 June 2016.
- (b) On or before 31 July 2017 the Permit Holder must provide to the CEO of the *Department* a written report of records required under condition 11 of this Permit and concerning activities done by the Permit Holder under this Permit between 1 July 2016 and 30 June 2017.
- (c) On or before the 31 July 2018 the Permit Holder must provide to the CEO of the *Department* a written report of records required under condition 11 of this permit and concerning activities done by the Permit Holder under this Permit.

#### DEFINITIONS

The following meanings are given to terms used in this Permit:

*clearing principles* means the principles for clearing native vegetation set out in Schedule 5 of the Environmental Protection Act 1986;

*crossover area* has the meaning given to it in the *Environmental Protection (Clearing of Native Vegetation) Regulations 2004*;

**desktop study** means a literature review, including a map-based information search of all current and relevant literature sources and databases;

**Department** means the Western Australian Department of Environment Regulation;

**dieback** means the effect of *Phytophthora* species on native vegetation;

**dry conditions** means when soils (not dust) do not freely adhere to rubber tyres, tracks, vehicle chassis or wheel arches;

**environmental specialist** means a person who is engaged by the Permit Holder for the purpose of providing environmental advice, who holds a tertiary qualification in environmental science or equivalent, and has experience relevant to the type of environmental advice that an environmental specialist is required to provide under this Permit;

**EPA** means the Western Australian Environmental Protection Authority;

**fill** means material used to increase the ground level, or fill a hollow;

**good or better condition** means that the vegetation is in either pristine, excellent, very good or good condition according to the *Keighery scale*;

**Keighery scale** means the vegetation condition scale described in *Bushland Plant Survey: A Guide to Plant Community Survey for the Community (1994)* as developed by B.J. Keighery and published by the Wildflower Society of WA (Inc). Nedlands, Western Australia;

**lateral clearance area** has the meaning given to it in the *Environmental Protection (Clearing of Native Vegetation) Regulations 2004*;

**matter of national environmental significance** is any of the following:

- (i) a declared World Heritage property
- (ii) a national Heritage place
- (iii) a declared Ramsar site
- (iv) a listed threatened species or endangered community
- (v) a listed migratory species
- (vi) a listed migratory species
- (vii) the marine environment

These terms have the same meaning as they do in the *Environment Protection and Biodiversity Conservation Act 1999* (Cth);

**minor infrastructure projects** include *transport corridor infrastructure*; *sight line area* and *crossover area*; *lateral clearance area*; *public roadside facility*; road realignment; road widening; extracting road building materials; establishing and maintaining building protection zones; drains; public recreational facilities; landscaping; and vehicle tracks;

**mulch** means the use of organic matter, wood chips or rocks to slow the movement of water across the soil surface and to reduce evaporation;

**public roadside facility** has the meaning given to it in the *Environmental Protection (Clearing of Native Vegetation) Regulations 2004*;

**Rehabilitate** means actively managing an area containing native vegetation in order to improve the ecological function of that area

**revegetate** means the re-establishment of a cover of native vegetation in an area such that the species composition, structure and density is similar to pre-clearing vegetation types in that area, and can involve *regeneration*, *direct seeding* and/or *planting*

**shapefile** means a shapefile consisting of polygons using the Geocentric Datum of Australia (GDA);

*sight line area* has the meaning given to it in the *Environmental Protection (Clearing of Native Vegetation) Regulations 2004*;

*soil disease status* means soil types either infested, not infested, uninterpretable or not interpreted with a pathogen;

*temporary works* means access tracks, spoil areas, side tracks, site offices, storage areas, laydown areas, extraction sites, camps, project surveys, pre-construction activities and similar works associated with a project activity that are temporary in nature;

*transport corridor infrastructure* has the meaning given to it in the *Environmental Protection (Clearing of Native Vegetation) Regulations 2004*; and

*weed/s* means any plant -

- (a) that is a declared pest under section 22 of the *Biosecurity and Agriculture Management Act 2007*; or
- (b) published in a Department of Parks and Wildlife Regional Weed Rankings Summary, regardless of ranking; or
- (c) not indigenous to the area concerned.

---

xxxxxx

*Officer delegated under Section 20  
of the Environmental Protection Act 1986*

xxxxx

#### ANNEXURE 1

*A Guide to the assessment of applications to clear native vegetation under Part V Division 2 of the Environmental Protection Act 1986*

## 6.6 Online Voting in Local Government Elections (05-034-01-0013 TL)

By Tim Lane, Manager Strategy and Association Governance

Moved: Cr Michael McPhail

Seconded: Cr Fiona Reid

That the report on online voting be noted.

**RESOLUTION 42.2/2017**

**CARRIED**

### In Brief

- Two Zones have recently passed resolutions asking WALGA to explore the introduction of online voting in Local Government elections;
- It is proposed that the secretariat will:
  1. Liaise with the Western Australian Electoral Commission (WAEC) regarding the use of the iVote system in the 2017 State Election and the potential for online voting to be introduced in Local Government elections; and,
  2. Seek feedback from the Local Government sector to develop a position on online voting in Local Government elections and explore other opportunities for electoral turnout to be increased.

### Attachment

Nil.

### Relevance to Strategic Plan

### Key Strategies

#### Engagement with Members

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

#### Sustainable Local Government

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

#### Enhanced Reputation and Relationships

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

## Background

Two Zones have recently asked WALGA to undertake further research and advocacy in relation to increasing voter participation in Local Government elections, with a particular focus on the potential for online voting to be introduced.

The South Metropolitan Zone resolved, in December 2015:

*That the WALGA secretariat be requested to provide an update on Local Government elections and online voting. A report to be prepared for a future Zone meeting.*

Similarly, the North Metropolitan Zone resolved, in November 2016:

*WALGA North Zone (being the Cities of Wanneroo, Joondalup and Stirling) request that WALGA and LGMA engage the Local government sector to:*

- 1. Assess the appropriateness of the Western Australian Electoral Commission being the sole provider of election services to be conducted using the postal voting method;*
- 2. Determine strategies to increase voter participation in local government elections such as electronic voting; and*
- 3. Lobby for any required legislative change to support the identified strategies.*

WALGA's current policy position regarding point 1 above is that "The *Local Government Act 1995* should be amended to allow the Australian Electoral Commission (AEC) and Local Governments to conduct postal elections". This matter will be included in discussions with the Government during the review of the *Local Government Act 1995*.

## Online Voting

Following the receipt of the two Zone resolutions, the Governance and Organisational Services Policy Team (consisting of six State Councillors) considered an agenda item in relation to online voting and voter participation and resolved as follows:

*That a State Council item be developed recommending consultation with the Local Government sector and key stakeholders to explore strategies to increase voter participation including but not limited to on-line voting in Local Government elections in Western Australia.*

For clarity, online voting refers to voting remotely via the internet, whereas electronic voting refers to the use of electronic equipment to assist in voting, often at a polling place.

The opportunity for electors to vote online via the internet seems to be an intuitive progression for Local Government elections, given the ubiquity of the internet and its replacement of traditional communication media such as mail. As many Local Government elections are conducted via postal ballots, it seems logical to explore the potential for the postal electoral system to be replaced with an online voting system.

Conceptually, online voting could work in the same method as postal voting, with voters using a unique code to cast a ballot, with the ballot then de-identified and added to the count.

The postal voting framework has been developed to ensure that:

- Only enrolled voters can vote,
- Each elector can vote only once; and,
- Anonymity of electors' votes is maintained.

To achieve these objectives the postal voting process incorporates two envelopes: an outer envelope consisting of the elector's declaration and an inner envelope containing the ballot paper. By using this two-envelope and two-stage approach, elector's details are able to be recorded to ensure that only eligible electors vote and that each elector only votes once, while preserving the confidentiality of electors' votes.

Any online voting system would need to ensure the same principles, as well as ensuring the security of the voting process. Electors need to be confident that votes are not able to be accessed or changed by third parties.

The Commonwealth Parliament Joint Standing Committee on Electoral Matters considered electronic voting in their review of the 2013 Federal Election. The report discusses electronic and online voting in a number of jurisdictions and found that, while many countries have explored online voting, only Estonia utilises online voting systemically for national elections, while New South Wales utilises an online voting system for blind, disabled and absentee electors for State Elections. The NSW iVote system has also been utilised by other Australian jurisdictions including Western Australia.

In 2011, the NSW Electoral Commission implemented a remote telephone and internet voting system known as iVote for NSW State Elections. The system was established for blind or low vision voters, voters with a disability or voters who would be more than 20km from a polling place on Election Day. Later, eligibility was extended to voters who would be outside of NSW on Election Day.

Approximately 47,000 electors voted using the iVote service in 2011 and 283,669 electors utilised iVote at the 2015 election. The NSW Electoral Commission cites increasing use, combined with positive results in satisfaction surveys, as evidence for public support of the iVote system.

The security of NSW's iVote system has been criticised by internet security experts, most notably by two researchers that warned of a security vulnerability as polling for the 2015 election was underway.

The New South Wales Electoral Commission has published a detailed defence of the iVote system on their website and asserts that the researchers who questioned the security of the iVote system are "anti-internet voting activists".

The conduct of the 2015 NSW State Election, including the iVote system, is currently the subject of a NSW Parliamentary Inquiry, which is due to report in the coming months.

The use of iVote has been expanded beyond NSW to other Australian jurisdictions, including Western Australia, where the iVote system was used for the 2017 Western Australian State Election for people with disabilities.

## Comment

Proponents of online voting in Local Government elections contend that, as citizens' lives and transactions continue to migrate online, it is a logical progression for voting to be undertaken online. In this way, voting online could be more convenient for many electors.

With added convenience, it could be argued that electoral participation could be increased by enabling electors to vote online.

Critics of online voting argue that the cost of establishing and implementing an online voting system will exceed the benefits, partly due to the security measures that will need to be established and maintained.

Accordingly, the main argument against online voting is that it is difficult to ensure that the voting system is secure. These potential security issues lead to further concerns about transparency of the voting process with fears that confidence in the electoral system may be eroded.

Postal voting has become an accepted aspect of the Local Government electoral process in Western Australia since it was first trialled by the Western Australian Electoral Commission in 1995, and it would seem, as people's lives continue to migrate online, that online voting would be the next logical progression.

Indeed, a number of Australian states and Estonia have taken steps to establish substantial online voting systems that, despite concerns regarding security and transparency, seem to have been implemented successfully with community support.

The establishment and utilisation of a broad online voting system presents an opportunity for the Local Government sector to shift citizens' engagement with the electoral process, improve convenience for voters thereby boosting turnout, and ultimately lead the way for voting system improvements in Western Australia.

The benefits associated with online voting, such as convenience and ease of counting, must be carefully weighed against concerns relating to security and transparency and the cost of implementation.

The secretariat will liaise with the WAEC regarding online voting and the iVote system including the potential for online voting to be utilised in future Local Government elections. The secretariat will also seek feedback from members to develop a sector position in relation to online voting as well as other strategies to increase voter turnout in Local Government elections.

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

*By Rebecca Brown, Manager, Waste & Recycling*

**Moved: Cr Darren Slyns**  
**Seconded: Mayor Henry Zelones**

**That State Council note the Minutes of the Municipal Waste Advisory Council at its 22 February 2017 meeting.**

**RESOLUTION 43.2/2017**

**CARRIED**

### **In Brief**

- This item summaries the outcomes of the MWAC meeting held on 22 February.

### **Attachment**

Minutes from 22 February 2017 meeting.

### **Relevance to Strategic Plan**

#### **Key Strategies**

##### Engagement with Members

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

##### Sustainable Local Government

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

##### Enhanced Reputation and Relationships

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

### **Background**

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 resolution from the 22 February 2017 meeting, 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 issue considered at the meeting held on 22 February 2017 included:

### Waste Strategy Performance Assessment

The Waste Authority is undertaking some initial engagement on the performance of the Waste Strategy and is keen to receive input from stakeholders regarding the Strategy's implementation and effectiveness. The Authority's assessment will be informed by 2014-15 waste related data. It is anticipated that the feedback provided by key stakeholders will inform an in depth review of the Waste Strategy.

The Waste Authority developed a questionnaire with some background commentary to guide feedback. The questionnaire provides very little commentary on the proportion of Landfill Levy funds allocated to funding internal State Government programs that are related to the Waste Strategy, or whether these programs were delivered. There is also no mention of the contribution that Local Government and the wider industry makes in collecting the Levy.

A Draft response has been developed and feedback from the OAG incorporated. Key points from the Submission include:

- The Targets from the Waste Strategy have not been achieved and many of the Strategic Objectives have not been completed
- The timeliness of decision making and program delivery has undermined the effective delivery of the Strategy
- There is limited engagement with stakeholders and often Programs are developed in isolation by the Department of Environment Regulation
- The Waste Strategy is endorsed by Government, yet there does not seem to be Government support for the Strategy.

### **MUNICIPAL WASTE ADVISORY COUNCIL MOTION**

That the Municipal Waste Advisory Council endorse the Draft Submission to the Waste Authority of the Performance Assessment of the Waste Strategy.

### Vergeside Collection Working Group

In 2013/14 WALGA received funding from the Waste Authority to develop a Better Practice Guidelines for Vergeside Collection. This Guideline was an effective tool for Local Governments considering changes to their vergeside collection. Since the development of the Guideline the approaches to vergeside collection have changed in WA there is now additional evidence regarding different collection systems and new processing options. MWAC agreed to consider options for a Vergeside Collection Working Group.

### **MUNICIPAL WASTE ADVISORY COUNCIL MOTION**

That the Municipal Waste Advisory Council approve:

1. The establishment of a Vergeside Collection Working Group
2. Seeking nominations for the Working Group
3. The Scope of the Working Group activities being approved by the OAG.



MUNICIPAL WASTE ADVISORY COUNCIL  
*"Getting the Environment Right"*

# Municipal Waste Advisory Council

## Unconfirmed Minutes

**4.00pm Wednesday  
22 February 2017  
WALGA  
ONE70 Railway Parade, West Leederville**

## CONTENTS

<b>1</b>	<b>PROCEDURAL MATTERS</b> .....	<b>4</b>
<b>2</b>	<b>MINUTES OF PREVIOUS MEETING</b> .....	<b>4</b>
2.1	CONFIRMATION OF THE PREVIOUS MWAC MINUTES.....	4
2.1	BUSINESS ARISING FROM THE PREVIOUS MWAC MINUTES.....	4
<b>3</b>	<b>DECISION ITEMS</b> .....	<b>6</b>
3.1	WASTE STRATEGY PERFORMANCE ASSESSMENT*** .....	6
3.2	VERGESIDE COLLECTION WORKING GROUP.....	7
<b>4</b>	<b>DISCUSSION ITEMS</b> .....	<b>8</b>
4.1	MWAC STRATEGIC PRIORITIES AND FUNDING FOR 2017/18.....	8
4.2	INCOMING GOVERNMENT BRIEFING.....	9
4.3	WASTE 101 – ONLINE TRAINING.....	9
<b>5</b>	<b>INFORMATION ITEMS</b> .....	<b>9</b>
5.1	COMMUNITY AND INDUSTRY ENGAGEMENT FUNDING .....	9
5.2	UPDATED: DER REGULATORY REFORM.....	10
5.3	HHW PROGRAM UPDATE.....	10
5.4	PAINTBACK UPDATE.....	10
5.5	ACCC RULE OUT SA COLLECTIVE APPROACH.....	11
5.6	AMENDMENTS TO THE HEALTH (ASBESTOS) REGULATIONS 1992 .....	12
5.7	WASTE MANAGEMENT IN EMERGENCY MANAGEMENT.....	12
5.8	LOCAL GOVERNMENT FEEDBACK PLASTIC BAGS .....	12
5.9	TYRE STEWARDSHIP AUSTRALIA.....	12
5.10	REGIONAL SUBSIDIARIES.....	12
5.11	UPDATE: CDS POLICY FORUM*** .....	12
5.12	ILLEGAL DUMPING OF MATTRESSES***.....	13
<b>6</b>	<b>REPORTS</b> .....	<b>13</b>
6.1	REGIONAL DELEGATES REPORT .....	13
6.2	WORKING GROUPS/COMMITTEE REPORTS.....	14
<b>7</b>	<b>OTHER GENERAL BUSINESS</b> .....	<b>15</b>
<b>8</b>	<b>NEXT MEETING</b> .....	<b>15</b>

## ATTENDANCE

Cr Michael Aspinall (Gingin)	Non Metropolitan Local Government	Chair
Mayor Logan Howlett (Cockburn)	WALGA State Council	
Cr Bill Adams (Harvey)	Bunbury Harvey Regional Council	
Cr Paul Bridges (Bassendean)	Eastern Metropolitan Regional Council	
Cr Bob Hall	City of Greater Geraldton	
Cr Brett Pollock (Mosman Park)	Western Metropolitan Regional Council	
Mr Morné Hattingh	City of Greater Geraldton	
Mr Gunther Hoppe	Mindarie Regional Council	
Mr Tim Youé	Southern Metropolitan Regional Council	
Mr John Stevenson	Western Metropolitan Regional Council	
Mr Sebastian Camillo (Gingin)	Non-Metropolitan Local Government	
Mr Mark Wong (Canning)	Metropolitan Local Government	OAG Chair
Ms Rebecca Brown	Municipal Waste Advisory Council	
Ms Heather Squire	Municipal Waste Advisory Council	
Ms Tazra Hawkins	Municipal Waste Advisory Council	
Ms Ariane Katscherian	Municipal Waste Advisory Council	
Mr Mark Batty	WA Local Government Association	
Ms Dana Mason	WA Local Government Association	Observer

## APOLOGIES

Cr Darren Slys (Dandaragan)	WALGA State Council	Deputy Chair
Cr Darryl Trease (Swan)	WALGA State Council	
Cr Fiona Reid (South Perth)	WALGA State Council	
Cr Laurie Graham	City of Greater Geraldton	
Cr Russ Fishwick (Joondalup)	Mindarie Regional Council	
Cr Wally Barrett (Murray)	Rivers Regional Council	
Cr Doug Thompson (Fremantle)	Southern Metropolitan Regional Council	
Mr Brian Callander	Mindarie Regional Council	OAG Deputy
Mr John McNally	Rivers Regional Council	
Mr Vitor Martins (Busselton)	Non-Metropolitan Local Government	
Mr Kyle Boardman (Mandurah)	Non-Metropolitan Local Government	
Mr Darrell Monteiro (Cottesloe)	Metropolitan Local Government	
Cr Lynne Craigie	WALGA President	

# 1 PROCEDURAL MATTERS

## 1.1 Presentations

David Burrows, General Manager WA, Sims Metal, presented on the variety of factors which influence the international commodities prices and impact on the cost of metal recycling in WA.

## 1.2 MWAC Minutes tabled at WALGA State Council

The Minutes of the Municipal Waste Advisory Council meeting held Wednesday, 14 December 2016 will be noted at the WA Local Government Association State Council meeting on Wednesday 1 March 2017.

# 2 MINUTES OF PREVIOUS MEETING

## 2.1 Confirmation of the Previous MWAC Minutes

### MUNICIPAL WASTE ADVISORY COUNCIL MOTION (MAYOR HOWLETT/CR ASPINALL)

That the Minutes of the meeting of the Municipal Waste Advisory Council held on 14 December 2016 be confirmed as a true and accurate record of the proceedings.

**CARRIED**

## 2.1 Business Arising from the Previous MWAC Minutes

<b>A</b>	<b>Issue</b>	August MWAC Item 4.2 Preferred Supplier – Recyclable Material		
	<b>Action</b>	That the Municipal Waste Advisory Council investigates the potential for the development of a recyclable material preferred supplier panel.		
	<b>Timeframe</b>		<b>Status</b>	This Preferred Supplier Panel will be part of a Waste Management Service panel being developed by WALGA. The Officers Advisory Group have been provided with the opportunity to comment on the scope of this Panel.
<b>B</b>	<b>Issue</b>	April 2015 MWAC Item 4.3: TV and Computer Product Stewardship Scheme		
	<b>Action</b>	That the Municipal Waste Advisory Council: 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. Follow up with the Minister's office to enquire when the funding for Local Government will be available Research the potential for the tender process to be reviewed to recognise the need for WALGA preferred suppliers to support the Scheme Targets		
	<b>Timeframe</b>		<b>Status</b>	In progress Complete Complete
<b>C</b>	<b>Issue</b>	December 2015 MWAC Item 5.6 Recyclability Labelling		
	<b>Action</b>	That the Municipal Waste Advisory Council: Engage with Planet Ark/GreenChip to ensure the system is appropriate for WA Promote the use of a consistent label to identify packaging recyclability		
	<b>Timeframe</b>		<b>Status</b>	Complete Ongoing

<b>D</b>	<b>Issue</b>	February 2016 Item 3.2 Paint Product Stewardship & HHW		
	<b>Action</b>	That the Municipal Waste Advisory Council: Manage the process of Local Government engagement with the Paint Product Stewardship Scheme Approach the Waste Authority to establish if they would fund paint through the HHW Program if the Paint Product Stewardship Scheme were to cease Seek information from the Waste Authority on the future of the Household Hazardous Waste Program Provide an update at the October meeting when the number of Paintback sites are known.		
	<b>Timeframe</b>		<b>Status</b>	In progress Complete Complete Complete.

<b>E</b>	<b>Issue</b>	June 2016 Item 6.4 WMAA Verge Workshop		
	<b>Action</b>	That the Municipal Waste Advisory Council consider options for a vergeside working group		
	<b>Timeframe</b>		<b>Status</b>	See Decision Item 3.2.

<b>G</b>	<b>Issue</b>	August 2016 Item 4.3 Plastic Bag Discussion Paper		
	<b>Action</b>	That the Municipal Waste Advisory Council: Gauge Local Government interest and support of legislated bans on plastic bags Coordinate Local Government efforts to enact Local Laws by offering assistance Circulate a briefing note with the Fremantle Local Law and the Plastic Bag Discussion Paper to Elected Members		
	<b>Timeframe</b>		<b>Status</b>	Correspondence has been sent to all Mayors and Presidents – extension to feedback date has been circulated. To be completed To be completed

<b>K</b>	<b>Issue</b>	October 2016 Item 4.1 Submission on NSW CDS Discussion Paper		
	<b>Action</b>	That the Municipal Waste Advisory Council: Report back on the meeting with the Minister and Shadow Minister for Environment Circulate the highlights of the report commissioned by the SMRC that details potential impacts of a Container Deposit Scheme on recycling.		
	<b>Timeframe</b>		<b>Status</b>	Complete In progress

### 3 DECISION ITEMS

#### 3.1 Waste Strategy Performance Assessment\*\*\*

#### **MUNICIPAL WASTE ADVISORY COUNCIL MOTION (MAYOR HOWLETT/ CR POLLOCK)**

**That the Municipal Waste Advisory Group endorse the Draft Submission to the Waste Authority on the Performance Assessment of the Waste Strategy.**

**CARRIED**

#### **In Brief**

- The Waste Strategy is due for review this year and the Waste Authority has engaged with MWAC on the extent to which the Strategy needs to be reviewed, via a questionnaire.

- In reviewing the Waste Strategy performance, it is clear that the Targets in the Strategy have not been met and that a range of strategic objectives not implemented.

### **Relevance to Strategic / Business Plan:**

- Key Results Area: 1 Advocacy.
  - Strategy: 1.2 Making comment on relevant policy, programs, legislation and regulations.
  - KPI: 5: Respond to all relevant State/Federal waste specific policy, programs, legislation and regulation.

**Policy Implications:** N/A

**Budgetary Implications:** N/A

### **Actions/Advocacy Activity**

In considering this Submission MWAC should think about the potential to use this as a tool for advocacy post election.

### **Background**

The Waste Authority is undertaking some initial engagement on the performance of the Waste Strategy and is keen to receive input from stakeholders regarding the Strategy's implementation and effectiveness. The Authority's assessment will be informed by 2014-15 waste related data. It is anticipated that the feedback provided by key stakeholders will inform an in depth review of the Waste Strategy. WALGA has been granted an extension to provide comment by 27 February 2017.

### **Comment**

The Waste Authority developed a questionnaire with some background commentary to guide feedback (**attached pg. 1**). The questionnaire provides very little commentary on the proportion of Landfill Levy funds allocated to funding internal State Government programs that are related to the Waste Strategy, or whether these programs were delivered. There is also no mention of the contribution that Local Government and the wider industry makes in collecting the Levy.

A Draft response has been developed and feedback from the OAG incorporated (**attached pg. 10**). Key points from the Submission include:

- The Targets from the Waste Strategy have not been achieved and many of the Strategic Objectives have not been completed
- The timeliness of decision making and program delivery has undermined the effective delivery of the Strategy
- There is limited engagement with stakeholders and often Programs are developed in isolation by the Department of Environment Regulation
- The Waste Strategy is endorsed by Government, yet there does not seem to be Government support for the Strategy.

### **Discussion at the Municipal Waste Advisory Council**

Members discussed the implications of the upcoming election and its impact on the timelines for release of information from DER and the Waste Authority, including responses to the Office of the Auditor General's recommendations.

## **3.2 Vergeside Collection Working Group**

### **MUNICIPAL WASTE ADVISORY COUNCIL MOTION (CR ASPINALL/ MAYOR HOWLETT)**

**That the Municipal Waste Advisory Council approve:**

- 1. The establishment of a Vergeside Collection Working Group**
- 2. Seeking nominations for the Working Group**
- 3. The Scope of the Working Group activities being approved by the OAG.**

### In Brief

- MWAC had supported the formation of the Vergeside Collection Working Group, this Group would consider an update of the Better Practice Guidelines for Vergeside Collection.

### Relevance to Strategic / Business Plan:

- Key Results Area: 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: 9: Report on information provided to Local Government and the range of formats to MWAC

**Policy Implications:** N/A

**Budgetary Implications:** N/A

### Actions/Advocacy Activity

MWAC members consider what collection systems their Local Government has in place.

### Background

In 2013/14 WALGA received funding from the Waste Authority to develop a Better Practice Guidelines for Vergeside Collection. This Guideline was an effective tool for Local Governments considering changes to their vergeside collection. Since the development of the Guideline the approaches to vergeside collection have changed in WA there is now additional evidence regarding different collection systems and new processing options.

MWAC agreed to consider options for a Vergeside Collection Working Group. It is proposed that nominations be sought for a Working Group to provide input into the updating of the Better Practice Guideline for Vergeside Collection and develop an action plan to progress implementation of the updated Guideline.

### Comment

The update of the Guidelines will include new service options available, such as the sorting of skip bins, expected recovery rates from these approaches, evidence regarding illegal dumping reduction and options for education on vergeside collection.

### Discussion at the Municipal Waste Advisory Council

Members discussed the positive and negative impacts of bulk verge collections both containerized and non-containerized. The Executive Officer will circulate the Verge Reduction Background Paper. Cr Bill Adams, Cr Brett Pollock, Mayor Logan Howlett and Cr Michael Aspinall expressed interest in being involved in the Working Group.

## 4 DISCUSSION ITEMS

### 4.1 MWAC Strategic Priorities and Funding for 2017/18

#### In Brief

- The MWAC Budget for 2017/18 is being developed and it is important to discuss the priority areas for action in the next financial year.
- The new Waste Authority approach to funding provides no certainty for the next financial year.
- Feedback from the Officers Advisory Group suggested picking one main area for activity/advocacy and separating the issues into Strategic and Operational.

## For Discussion

- *Other priority areas for activity in 2017/18?*
- *Funding options for MWAC?*

## Background

### *Strategic areas*

- Container Deposit Scheme: influencing the development and ensuring the effective implementation of the Scheme.
- Plastic Bags: The level of activity on this issue will depend on the feedback provided by Local Governments.
- Use of Construction & Demolition materials: increasing the use of C&D materials will reduce this material to landfill and also assist in diverting glass from landfill.

### *Operational/ongoing activities*

- DER Regulatory Reform: following the election another selection of DER Regulatory reform documents will be released for comment.
- Environmental Standard for Rural Landfills: The new Standard is still being finalised, there is the potential for a substantial boy of work associated with assisting Local Governments to audit their existing landfills against the standards and identifying any gaps.
- Household Hazardous Waste Program: the next phase of the HHW Program will need to be developed in 2017/18, providing input into this to ensure Local Governments can continue to provide these services without additional costs.
- Waste Strategy Review: providing input into the review of the Strategy will be important.

### *Funding*

MWAC has historically received funding for operations from WALGA (30.6%), Regional Councils (32.5% - inc. Regional Council Working Group) and the Waste Authority (26.9% HHW, 10% Strategic Partnership). However the Waste Authority funding, through the Strategic Partnership and now Community and Industry Engagement Programs, has become progressively more difficult to access, the timeline for funding has continued to be sporadic which increases the difficulty in planning and delivering projects and the new requirement for a 50% matched co-contribution limits the types of activities/projects that can be undertaken.

If MWAC does not seek funding from the Waste Authority, other funding options include:

- Fee for service – offer small regional Local Governments, on a fee for service basis, assistance in completing applications for new landfills or auditing of their existing landfills against the new Environmental Standard.
- Royalties for Regions – to assist Local Governments with any upgrades to their landfills.
- Program Specific funding request to the State Government / Waste Authority – focusing on the activity areas identified seek funding from the Levy.
- Additional funding from WALGA and Regional Councils.

## Discussion at the Municipal Waste Advisory Council

Members discussed the current uncertainty around funding, including co-contributions by Local Government as an unrealistic expectation from the Waste Authority. There is a commitment for the HHW Program next financial year but members raised concerns that the Authority has not committed to a new program.

## 4.2 Incoming Government Briefing

### In Brief

- WA has a State Election on March 11, following the election there may be a new Government/Environment Minister
- It is suggested that MWAC discuss the key issues that should be raised with the incoming Government following that a briefing paper will be developed.

### For Discussion

- *What are the key issues for the incoming Government?*

### Background

Some of the issues which could be considered include:

- Ineffective implementation of the Waste Strategy and need for Government Commitment to the Strategy implementation
- Need for effective engagement with Stakeholders
- Container Deposit Scheme development and implementation
- Household Hazardous Waste Program
- Department of Environment Regulation Reform process
- Construction & Demolition materials market development.

### **Discussion at the Municipal Waste Advisory Council**

Members discussed the key issues for the incoming Government and highlighted the need for improved timeliness of decision making, the issue of co-contributions for funding and the positive progress of the Environmental Standard: Rural Landfill.

## **4.3 Waste 101 – Online Training**

### **In Brief**

- An online Waste 101 training course has been developed and MWAC members were encouraged to complete the course and provide feedback at this meeting.

### **For Discussion**

- *Feedback on the Waste 101 training course*

### **Background**

An introductory online waste training module has been developed by WALGA and is available on the WALGA Training website. MWAC members were encouraged to complete the training to provide feedback at the meeting. Following this the training will be modified then promoted more widely. Feedback from the Officers Advisory Group was that WALGA should issue certificates to those who complete the Waste 101 training. This Waste 101 training course is seen as the first in a suite of potential Waste 101 training courses, for example Waste 101: Procurement and contracting.

### **Discussion at the Municipal Waste Advisory Council**

Members provided feedback on the utility and content of the Waste 101, including its use as a training tool for Elected Members with limited waste management knowledge. The feedback will be collated and the course updated.

## **5 INFORMATION ITEMS**

### **5.1 Community and Industry Engagement Funding**

- WALGA received notification on Tuesday 31 January that of the seven funding proposals submitted as part of the Waste Authority Community and Industry Engagement (CIE) Funding only one proposal has been approved – Sponsorship for the Waste & Recycle Conference.
- WALGA are current investigating funding options for MWAC for the current financial year, to cover the potential \$55,000 budget deficit. This includes re-submitting funding applications to the next round of the CIE Funding.

### **5.2 Updated: DER Regulatory Reform**

- In December 2016, DER updated its schedule of [upcoming consultation](#). The following documents will be released for consultation post April 2017:
  - Environmental Standard: Rural Landfills (the Shire of Koorda will submit a works approval application, to test the approvals process and interpretation of the Environmental Standard)
  - Guideline: Emissions to Air
  - Guideline: Odour

- Guideline: Emissions to Land
- Guideline: Emissions to Water
- Environmental Standard: Metropolitan Landfills
- Environmental Standard: Waste Water Treatment Plants
- As indicated at the MWAC meeting, the Department of Environment Regulation were reviewing the Guidance Statement on Separation Distances. Correspondence has now been received which confirms that DER has withdrawn the draft *Guidance Statement: Separation Distances*, to avoid stakeholder confusion or misunderstanding on its purpose or use. The consideration of distances from sensitive receptors will still be used by DER to inform assessments and decision making, with assessment on a case-by-case basis. It is not yet clear what approach the EPA will take in finalizing its approach to separation distances. Officers suggested that a response be provided to the DER thanking them for taking on board the feedback.

### 5.3 HHW Program Update

- Half way through the financial year, 61.7% (\$987,454) of the 2016/17 financial year budget was expended.
- 335 tonnes of HHW has been collected this financial year from Permanent facilities.
- 64% of materials collected by weight was Paint (water and solvent based).
- WALGA has projected that the HHW Program will likely overspend by approximately \$325,000. This is based on the second half of last financial year's expenditure on HHW collections from Permanent facilities added to what has been spent to date this financial year and includes the removal of paint from the participating Paintback sites.
- To address this shortfall, WALGA submitted a request for a budget increase of \$350,000 to the Waste Authority (the additional \$25,000 is to allow for a buffer in case collections are more than projected) and a response is expected in early April.

### 5.4 Paintback Update

- WALGA has put substantial time and effort into ensuring that the Local Government Agreements with Paintback are robust and that the process of Paintback's engagement with Local Government is equitable. Throughout the contract development, Local Governments & Regional Councils have expressed their concerns about taking commercial paint. Currently Paintback have declined the proposal to reimburse sites if their running costs substantially increase after accepting commercial paint, but WALGA will be writing to Paintback to ask the Board to reconsider.
- As of 28 December, 3 HHW facilities began collecting paint through the Paintback Scheme (Balcatta, Rockingham and Red Hill). It is anticipated that Tamala Park will start collecting through Paintback from 1 February, however they and Red Hill are currently only committing to a three month trial of the Scheme to begin with, to assess the impact of the Scheme on their operational costs.
- In the initial approach, Bunbury was to be one of the five Western Australia Paintback collection sites, but on 12 December Paintback advised WALGA that Bunbury would no longer be a Scheme site. This was due to Cleanaway having indicated that they had identified several risks at the site that they consider too great and were consequently unable to service the site. WALGA will discuss with Paintback the option of using Toxfree in the future for Bunbury paint collections instead.
- It is worth noting that not all paint collected can go through the Paintback Scheme, due to the levy being placed only on certain paint products. This means there will always be a small percentage of paint that will continue to come through the HHW Program. At this stage it is still unknown what percentage this will be.
- Paint Temporary Collection Days: In order to reduce the potential burden on the already busy HHW sites, Paintback funded three paint temporary collection days (TCDs) that were held near Balcatta, Tamala Park and Rockingham's HHW facilities. These events were located in the City of Stirling (Saturday 19 November), City of Wanneroo (Saturday 3 December) and City of Rockingham (Saturday 10 December). The promotion of the events included 1,300 letters mailed out to all registered painters within 30 minutes of these facilities, as well as adverts in their local newspapers, an email sent to all registered painters through the Department of Commerce, a flyer mailed to residents within 5km radius of sites and flyers handed out at paint shops and various local events. Nearly 500 vehicles attended these events, collecting 36,464kg of paint, with 26% of those attending being commercial operators. The domestic paint collected made up 26,983kg and had this paint been

put through the HHW Program, the cost would have been \$44,253 just for the recycling. Table 1 shows a summary of key details from each TCD.

**Table 1.** Summary of statistics from the paint TCDs held at the City of Stirling, Wanneroo and Rockingham.

	City of Stirling	City of Wanneroo	City of Rockingham
<b>Tonnes of paint collected</b>	9,715kg	15,575kg	11,174kg
<b>Number of vehicles attended</b>	141	216	Approximately 125*
- <b>Domestic vehicles</b>	102 (72%)	149 (69%)	107 (86%)
- <b>Commercial vehicles</b>	39 (28%)	67 (31%)	18 (14%)
<b>Average amount of paint per vehicle</b>	68.9kg	72.1kg	-*
<b>Heard about the day – Commercial top 3</b>	69% heard about the day from the letter WALGA sent 10% heard from the letterbox drop 10% heard from the email from the Department of Commerce/Building Commission	29% heard about the day from the letter WALGA sent 16% heard from the letterbox drop 16% heard from the email from the Department of Commerce/Building Commission	78% heard about the day from the letter WALGA sent 11% heard from a flyer in the paint shop or Bunnings At equal 6%: Heard by the letterbox flyer, Email from the Department of Commerce/Building Commission Social media
<b>Heard about the day – Domestic top 3</b>	67% heard about the day from the letterbox drop 22% heard from other sources (Google, saw us, City of Stirling website and internal communications, KAB, Balcatta Transfer Station) 4% Social Media	49% drove passed the sign advertising the day 22% heard from the letterbox drop 13% word of mouth	40% heard about the day from the letterbox drop 33% heard from the newspaper advert 17% drove passed the sign advertising the day
<b>Distance travelled to attend event</b>	65% travelled 0 - 10min to attend 28% travelled 11-20 min 7% travelled 21+ min.	56% travelled 0 - 10min to attend 31% travelled 11-20 min 13% travelled 21+ min.	58% travelled 0 - 10min to attend 33% travelled 11-20 min 9% travelled 21+ min.

\* Some data missing for Rockingham, for approx. 30 minutes no data was collected.

## 5.5 ACCC Rule out SA Collective Approach

- The ACCC has decided not to authorise Council Solutions, Adelaide City Council and the Cities of Charles Sturt, Marion, Tea Tree Gully and Port Adelaide Enfield to jointly procure waste collection services, receipt and processing of recyclables, receipt and processing of organics and waste disposal services.
- The ACCC has indicated that unlike previous authorisations this application faced significant opposition from interested parties. The key difference between this proposal and previous is that the proposal was for four services (kerbside – waste, recycling and organics, parks and gardens, Multi-Residential Dwellings and vergeside collections) across the five participating Local Governments. After considering feedback from a number of submission the ACCC has ruled that it considers the proposal was likely to result in some public detriment by lessening of competition through:
  - deterring or preventing some potential suppliers from tendering, or from submitting competitive bids
  - reducing competition for the supply of waste services to participating councils in the longer term
  - reducing competition for the supply of waste services to non-participating councils

## 5.6 Amendments to the Health (Asbestos) Regulations 1992

- The Department of Health indicated during consultation on the *Public Health Act 2016* that Local Government feedback on the *Health (Asbestos) Regulations 1992* penalties were inadequate and of

particular concern in the context of the management of asbestos, with the costs of complying with the Regulations exceeding penalties for non-compliance.

- As of 24 January, the penalties for offences under the Regulations have increased so that a person who commits an offence against the Regulations is liable, upon conviction, to:
  - a penalty of not more than \$10,000, and
  - if the offence is of a continuing nature, to an additional daily penalty of not more than \$1,000.
- The regulations also enable Local Governments to issue infringement notices for specified offences.
- Further information on Infringement notices, the requirements for authorised and approved officers and enforcement of the regulations is available [here](#), or by emailing the [Department of Health](#).

## 5.7 Waste Management in Emergency Management

- Waste Management has had limited consideration with the Emergency Management system. The importance of this issue has been raised and WALGA has assisted in the development of a proposed Work Plan for Recovery: Waste Management, for the State Emergency Management Committee.
- As no decision has been forthcoming on the Project Plan, WALGA will submit a funding bid to undertake a portion of the work through the Natural Disaster Resilience Program.

## 5.8 Local Government Feedback Plastic Bags

- As requested at the December MWAC meeting, the deadline for Local Governments to provide feedback on plastic pollution and plastic bags has been extended to Friday 31 March.
- This issue has generated a great deal of discussion across the sector. While there is support for a state-level ban, the majority of Local Governments are reluctant to progress a Local Law.
- As of 9 January 2017, 37 Local Governments had responded.

## 5.9 Tyre Stewardship Australia

- WALGA has joined Tyre Stewardship Australia as an Accredited 'Local Government' Participant
- WALGA has written to tyre related Preferred Suppliers to either invite them to also join TSA or congratulate them for their engagement with the Scheme.

## 5.10 Regional Subsidiaries

- The Regulations relating to Regional Subsidiaries have been put in place. The WALGA State Council will be discussing advocacy in relation to the Regulations which significantly limit the scope of a Subsidiary.

### Discussion at the Municipal Waste Advisory Council

The Executive Officer will circulate the State Council item.

## 5.11 Update: CDS Policy Forum\*\*\*

- WALGA held the first meeting of the Container Deposit Scheme Policy Forum on Friday 13 January 2017. The meeting was very constructive with a wide range of discussion.
- A short presentation on CDS was provided, followed by group discussion on the range of CDS stakeholders, issues and options. The Minutes are **attached pg. 15**.
- An updated Frequently Asked Questions document is being developed as well as a background paper on CDS to assist in engaging with the sector.

## 5.12 Illegal Dumping of Mattresses\*\*\*

- In recent months there has been a noticeable increase in clusters of illegally dumped mattresses across Perth and its peri-urban area. WALGA has begun compiling information on instances of illegal dumping, as reported by Local Governments. The majority of mattresses have been dumped in the

Shire of Serpentine-Jarrahdale, City of Armadale, Shire of Gingin and City of Wanneroo. The approximate locations of reported illegally dumped mattresses have been plotted on a map (**attached pg. 20**), the number of mattresses dumped are shown in the Table

- The Department of Environment Regulation is interested in progressing the matter further. This situation could present an opportunity to carry out high profile media on illegal dumping, and potentially secure a prosecution.

Local Government	Estimated number of mattresses	Notes
Shire of Mundaring	6	
Shire of Serpentine Jarrahdale	182+	From November 2016 Small piles in Roleystone, Oakford, Pickering Brook reported by another LG
Shire of Gingin	61	From December 2016
City of Wanneroo	50	
City of Swan	10+	2 small piles also reported by another LG
City of Rockingham	27	
City of Cockburn	37	
City of Armadale	63+	

### Discussion at the Municipal Waste Advisory Council

Shire of Gingin recently met with DER and will be partnering with them to install CCTV.

## 6 REPORTS

### 6.1 Regional Delegates Report

#### 1. Chairs Report

#### 2. Country Reports

- Shire of Gingin with Shire of Cue and Dandaragan have entered into a contract with Avon Waste for waste and potentially recycling collection

#### 3. Bunbury Harvey Regional Council (BHRC)

- Recently trialled a mattress shredding machine to separate the material from 2,500 stockpiled mattresses. The residual waste volume was reduced by 55% per unit
- Timber was also shredded with a significant volume reduction and is planned to be sold to Simcar as a fuel source.

#### 4. Eastern Metropolitan Regional Council (EMRC)

#### 5. City of Greater Geraldton (CoGG)

- CGG recently completed the refurbishment of the Reuse Recycle Facility. MEEDAC have been contracted to facilitate the contract. So far the feedback from Community and other key stake holders have been very positive and the refurbishment have attracted the attention of some of the largest recyclers in WA – watch this space!
- The Community recycling station program is going well, MEEDAC have taken over the servicing schedule,
- CGG is preparing to review its waste strategy in consultation with Council and should go to market later this year.
- Meru landfill had a bit of a “face lift”, new signage and a complete traffic reconfiguration of how waste products are received at Waste Transfer Station, residents and commercials can now use the whole facility in a safer and more efficient manner.

- CGG would like to know if there are other councils using the AV-DATA system at their stock wash bays? Have any councils consider alternative solutions to managing this type of asset.

## 6. Mindarie Regional Council (MRC)

- Currently reviewing the MRC Strategic Community Plan 2013/2014 – 2033/2034 and the associated informing plans.
- Work continues with member councils to revise and update the MRC Establishment Agreement (Constitution) to assist to execute MRC's strategic direction.
- Investigations continue on the development of a waste precinct in the region with the view to provide waste processing infrastructure solutions for the member councils.
- Tenders for an 'Energy from Waste' facility for the region are currently being assessed.
- Community education and engagement remains a priority with messaging focused on the Waste Hierarchy being delivered through broad and varied channels into the community.
- Member councils are holding a number of e-waste, clothing, HHW and targeted recycling collection days to assist the public in correctly disposing of often problematic waste items.

### Tamala Park

- Ongoing works to improve landfill gas extraction and groundwater monitoring have been performed in line with the conceptual site model.
- Operational changes have been initiated to manage excess water on the landfill as a result of high rain weather events.
- Green waste and polystyrene are both currently being collected and diverted from landfill in quantities above expectations.
- Stage One of the redevelopment of the Recycling Centre/Tip shop, to improve access and traffic flow, has been completed. Stage Two, to extend the area under cover for weather protection, is about to commence.
- Review of the transfer station taking place with the view for its redevelopment/upgrade.

### Resource Recovery facility (RRF)

- The Resource Recovery Facility (RRF) in Neerabup is operating well and is meeting its contract obligations.
- The MRC's 'No Glass' campaign aimed at educating the residents against placing glass into their green top (general waste) bin continues. Since the campaign glass levels recorded in the RRF produced compost have generally been well below the long term average.
- The RRF produced OSC (organic soil conditioner) is currently being used as part of the verge rehabilitation of the Northern Freeway Extension.

## 7. Rivers Regional Council (RRC)

## 8. Southern Metropolitan Regional Council (SMRC)

## 9. Western Metropolitan Regional Council (WMRC)

- WMRC are pleased to welcome John Stevenson back as CEO and thanks Gunther Hoppe for this time at the Council.

## 6.2 Working Groups/Committee Reports

### 1. Metropolitan Regional Council Working Group

Delegates/Nominees: Mr Peter Schneider

The Regional Council Working Group is due to meet on Monday 27 February.

### 2. Waste Management Association of Australia (WA)

Representative: MWAC Executive Officer

Executive Officer reported that WMAA has also prepared a submission on the Waste Strategy Review.

### 3. HHW Program Advisory Committee

Delegates/Nominees: Cr Darryl Trease

The HHW Program Advisory Committee has not meet since the last MWAC meeting.

#### **4. 7. Rural Landfill Working Group**

Delegates/Nominees: Cr Michael Aspinall

The Rural Landfill Working Group met on Friday 17 February. The Working Group received a draft report from DER and provided only minor changes.

## **7 OTHER GENERAL BUSINESS**

Meeting closed 5:55pm.

## **8 NEXT MEETING**

The next meeting of the Municipal Waste Advisory Council will be held at WALGA, Boardroom at 4:00pm on Wednesday 26 April 2017.

## 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: Mayor Logan Howlett**

**Seconded: Mayor Tracey Roberts**

**That the Key Activities Report from the Environment and Waste Unit to the May 2017 State Council meeting be noted.**

**RESOLUTION 44.2/2017**

**CARRIED**

The following provides an outline of the key activities of Environment and Waste since the last State Council meeting.

#### **Member Engagement and Support**

The Association held its most recent round of sector engagement meetings. This round included:

- The City of Cockburn hosted a Sustainability Officers Network Group (SONG) meeting at the Cockburn Administration Centre on Thursday, 2 March, with the theme of 'Facilitating sustainable action in the community'. The City of Cockburn and Curtin University discussed community innovation hubs, which aims to inspire social enterprises and peer-to-peer learning to tackle environmental challenges. The Australian Youth Climate Coalition discussed the 2017 Switched on Schools Summit, which is designed to inspire young people to take action on climate change in their school and community. The City of Cockburn provided an overview of the community partnerships that led to the creation of the newly launched Cockburn Sound interpretive dive trail.
- WALGA hosted an event on 'Bushfire Planning and Biodiversity Management' in Perth on Wednesday, 22 February and Busselton on Friday, 10 March. Speakers discussed the challenge of balancing bushfire risk and the conservation of biodiversity values, and included experts from the FPAA, OBRM, DFEW, DPaW, BGPA and Greening Australia. The Local Governments of Mundaring, Busselton and Jerramungup provided case studies of the learning from applying the various bushfire regulations and policy requirements in practice. The two events were attended by over 150 delegates.
- Staff attended an Australian Local Government Association meeting of Environment and Climate Change Officers in Brisbane on Tuesday, 28 March. The meeting was an excellent opportunity to share information and compare approaches to range of current environmental and climate change issues, such as energy efficient street lighting, adaptation, biosecurity, and waste management.
- WALGA hosted a briefing by the Environmental Protection Authority on Navigating the Environmental and Planning Approvals Process, on Wednesday, 22 March. Information covered included the role of the Office of the EPA's Environmental Planning team, interactions between the *Environmental Protection Act 1986* and the *Planning and Development Act 2005*, referrals of schemes and development applications, and the new

suite of EPA policies. Over 70 attendees from Local Government attended the event and webinar.

- WALGA hosted an Urban Forest workshop in April featuring speaker Joe Hurley (RMIT University, Melbourne), a recognised expert in urban planning. Joe discussed Local and State Government approaches to protecting and enhancing the urban forest, with a particular focus on the role of planning policy and the contribution of private land. The event was fully subscribed, with 80 attendees from both metropolitan and regional Local Governments.
- WALGA hosted a Climate Change Collaborators Meeting on Thursday, 4 May and included a speaker from the National Climate Change Adaptation Research Facility (NCCARF) taking attendees through the newly launched final version of CoastAdapt, the coastal adaptation tool recommended for all coastal Local Governments.
- WALGA hosted a Natural Area Management Forum on Habitat Creation and Wildlife Corridors on Tuesday, 2 May at the WALGA Office. Experts from a number of organisations including the Western Australian Biodiversity Science Institute, the University of Western Australia, the Department of Parks and Wildlife, the Water Corporation, Perth NRM and the City of Perth provided information on creating habitats in urban areas and support for wildlife.
- WALGA hosted a Natural Area Management Forum on Feral Animal Management on Thursday, 1 June at the City of Stirling's Henderson Environment Centre, North Beach. The forum provided Local Government members with information on the current and emerging feral animal control issues and management techniques. The forum included speakers from the City of Stirling, Department of Parks and Wildlife, Department of Agriculture and Food, and the University of Western Australia, who presented on a variety of topics including foxes, cats, rabbits, wild dogs, pigs, introduced bird species and feral bees.

## Urban Forest Strategies

Staff attended a Green Cities Project stakeholder engagement workshop on the “*Which plant, where, when*” database for growing urban green space on Monday, 3 April. The Association also presented on the state of play for Local Governments at a Landscape Industries Association WA Urban Forest Symposium on Tuesday, 4 April.

As outlined in the last Key Activities Report, WALGA has been in regular contact with Department of Planning in regards to this issue. Due to the election and the caretaker period leading up to this, the Department of Planning's Local Government consultation workshop and its work on a planned urban forest strategy has not yet progressed. WALGA is urging the Department to resume work in this area. In the meantime, WALGA is designing a survey for Local Government, in order to collect data on urban forest strategies throughout Western Australia, including different mechanisms used, hurdles encountered, and opportunities suggested across Local Government.

This will inform WALGA's work with Member Councils to develop a system of appropriate market based and regulatory instruments to promote the increase in the urban tree canopy on private property.

## Tool Implementation Partnership for CoastAdapt

The final version of the tool was launched at the end of April 2017. WALGA submitted a final report on its activities as a Tool Implementation Partner. NCCARF will now be promoting the tool and offering training on use of the CoastAdapt. At the time of writing there was no funding for the tool beyond June 2017. NCCARF and interested groups (including WALGA) have written to the Hon

Josh Frydenberg MP, Commonwealth Minister for Environment and Energy, seeking continued funding for the tool.

### **WA Sustainable Development Goals (SDG) Network**

WALGA has continued its involvement in the WA SDG Network and to assist in promoting the goals, and setting targets. WALGA attended a meeting on Thursday, 6 May where members shared work on adoption of the SDGs, and made plans for SDG related events in the coming months.

### **Environmental Planning Tool**

In addition to the two training sessions on the use of the Environmental Planning Tool, staff presented the EPT at the 2017 IPWEA conference, held on 17 March at Burswood.

The potential use of the Environmental Planning Tool to inform planning in Bush Fire Prone Areas was tested in March and April. The new function will help with vegetation bushfire risk assessment mapping and the generation of Bush Fire Assessment Level contours. Following feedback from the Department of Planning and the Department of Fire and Emergency Services, it is anticipated that the new functionality could be made later this year.

### **Coastal Zone Strategy**

Department of Planning is currently finalising its draft WA Coastal Zone Strategy and will soon be seeking consultation with members, via WALGA.

### **Corella Control Project**

The on-ground corella control work component of the Coordinated Corella Control Project began in January and was completed in early April. This control work was undertaken at three sites in the City of Stirling, Town of Claremont and in the City of Rockingham. The control work resulted in over 1,000 birds being removed across the three sites.

The Pest Bird Portal is now live on the WALGA website. The portal is made up of two parts, an information page and a spatial system. The information page includes scientific information, case studies from Local Governments and other relevant information. The spatial system component allows for the mapping of corella feeding, roost and control sites by Local Government officers.

The Pest Bird Portal requires a log-in to access, if you would like to request access to the portal please email Environment Policy Officer, Michelle Brent at [mbrent@walga.asn.au](mailto:mbrent@walga.asn.au).

A report on the control work undertaken and the project moving forward will be included in the next State Council Agenda.

## **7.1.2 Report on Key Activities, Governance and Organisational Services (01-006-03-0007 TB)**

*By Tony Brown, Executive Manager Governance & Organisational Services*

**Moved: Mayor Logan Howlett**  
**Seconded: Mayor Tracey Roberts**

**That the Key Activities Report from the Governance and Organisational Services Unit to the May 2017 State Council meeting be noted.**

### **RESOLUTION 45.2/2017**

**CARRIED**

Governance and Organisational Services comprises of the following WALGA work units:

- Governance Advice (Local Government Act advice and support)
- Employee Relations
- Training
- Regional Co-operation
- Recruitment
- Association Governance (Zones/State Council)

The following provides an outline of the key activities of Governance and Organisational Services since the last State Council meeting.

### **Governance – Local Government Act and Regulation Advocacy**

One of the Policy Priorities listed in WALGA's Election Campaign document was for a commitment to comprehensively review the key areas of the Local Government Act. The new State Government has agreed to this request.

Prior to commencing a process to review the Act there a four urgent Act/ Regulation amendments that the sector would like the State Government to consider acting on as soon as possible. The following is an outline of the advocacy position on reviewing the Act and regulations.

The discussion points are listed under 3 categories being, Urgent Act/ Regulation amendments, Local Government Act Review Process and thirdly, key areas of the Act review;

#### **1. Urgent Act/ Regulation Amendments**

There are four (4) key Act amendments, that WALGA requests the Government to consider;

##### **a) Regional Subsidiaries**

The Local Government Act was amended in late 2016 to allow Local Governments to establish Regional Subsidiaries. The Association welcomed this amendment as it had been an advocacy goal of the sector for many years.

Unfortunately the regulations that have been established following the Act amendment have applied a number of significant restrictions on Regional Subsidiaries that will restrict many groups of Local Governments from wanting to establish a Subsidiary. The primary governance control for a Subsidiary should be the Charter it establishes and not the Act or Regulations.

The most significant restrictions are as follows;

- Restriction on Land Transactions – Current a Subsidiary cannot acquire or dispose of land, which means it cannot lease, purchase or sell property.
- Restriction on Borrowing – A subsidiary cannot borrow in its own right, it can only borrow from one or more of the recipients.
- Restriction on Trading Undertakings – A subsidiary needs to be able to undertake commercial activity. It is acknowledged that a Subsidiary is not set up to carry out major commercial enterprises; this would be more appropriate for a Council Controlled Organisations (Local Government Enterprises).

b) Gifts

The current Gift Provisions in the Local Government Act are confusing and overly prescriptive. The Department of Local Government and Communities has established a Gift Working Group to look at completely reviewing the gift provisions for changes following the March 2017 State Election. WALGA is a participant in this working group.

WALGA representatives have been advocating for the following;

- There be one section for declaring gifts. Delete declarations for Travel.
- Gift provisions only for Elected Members and CEO's. Other staff fall under codes of conduct from the CEO to the staff.
- Gifts only to be declared if above \$500.00.
- There will not be any notifiable gifts or prohibited gifts.
- Gifts only to be declared in respect to an Elected Member or CEO carrying out their role. No need to declare gifts received in a genuine personal capacity.
- Exemptions for ALGA, WALGA and LG Professionals (already achieved).
- Exemption for electoral gifts received that relate to the State and Commonwealth Electoral Acts. So Elected Members who are standing for State or Federal Parliament will only need to comply with the State or Federal electoral act and not declare it as a Local Government gift.

c) Investments

The Local Government Sector has been requesting for the last four years for the Government to amend Regulation 19C of the Financial Management Regulations to change deposits for fixed terms from 12 months to three years. Local Governments have lost a significant amount of investment funds by being restricted to investing for only 12 months.

d) Local Government Audits

The former State Government had introduced the *Local Government Amendment (Auditing) Bill 2016* on Thursday, 24 August 2016. The Bill was intended to provide for the appointment of the Auditor General as the auditor for Local Governments.

The Bill did not go through the Parliament prior to the completion of the Parliamentary sitting days and will now need to be re-introduced. The Local Government sector acknowledges that there has been varying degrees of Audit standards implemented by Local Governments and supports the financial audit coming under the responsibility of the Auditor General.

## 2. Local Government Act Review Process

WALGA has requested a consultative process for an Act review process. A process involving WALGA, Local Government Professionals (WA), Department of Local Government and Communities and the Office of the Minister for Local Government is proposed. WALGA as part of the process would regularly consult the sector for its views on particular issues.

Key foundations of the Act that the sector would like considered, relate to the retention of the General Competence principle and consideration of a size and scale compliance regime.

### 3. Key Areas of a Local Government Act Review

- I. Rating Exemptions – Charitable Purposes, Rate Equivalency Payments of Government Trading entities.
- II. Financial Management – Borrowings, Investment, Fees and Charges.
- III. Administration – Annual General Meetings, Designated Senior Officers, Public Notices (modernisation of the Act to acknowledge electronic means).
- IV. Functions of Local Governments – Tender Thresholds, Establish Council Controlled Organisations (Local Government Enterprises), Regional Council provisions (review of compliance requirements).

The other key issue identified in WALGA's State Election Campaign document related to a commitment to the Poll Provisions relating to amalgamations and boundary adjustments. WALGA's position is that the poll provisions contained in Schedule 2.1 of the Local Government Act should be extended to provide any community whose Local Government is undergoing a boundary change or amalgamation with the opportunity to demand a binding poll of electors.

#### **Local Government Gifts Webinar**

Approximately 80 attendees 'tuned in' to WALGA's Local Government Gift Declaration webinar conducted on 8 March 2017. The webinar was conducted in response to concerns that both the gift provisions and declaration obligations are onerous and confusing.

This recorded webinar is now available for download on WALGA's training website and contains the video, PowerPoint presentation and a comprehensive Q&A section. These Q&A's were gathered during and post webinar to ensure every opportunity was made to answer all questions received from our members.

Information on the Gift Webinar and all previous webinars can be found at - <http://walga.asn.au/Training/Our-Services/Webinars.aspx>

#### **Training - State VET Advice**

##### Qualifications Register - Schools

The VET qualifications register is produced by the Department of Training and Workforce Development (DTWD) to provide industry advice for schools on the suitability of qualifications for secondary students.

It aims to assist schools to select qualifications for students that are more likely to be completed or help students to effectively transition to further training or employment.

WALGA, as provider of strategic information and advice on VET industry needs relating to Local Government, reviewed the current register and provided guidance on a suggested work placement structure for completion of the Certificate II in Local Government qualification in the school environment.

#### **Training - National VET Advice**

##### Local Government Training Package – 'Case for Change'

The National Local Government Industry Reference Committee (LGIRC), of which WALGA is a member, has identified an overwhelming need to thoroughly review and update the LGA04 Local Government Training Package. Skills IQ, on behalf of the LGIRC, is currently looking to capture broad stakeholder perspectives via two national surveys (one for employers and one for registered training organisations). Feedback from the surveys will inform the development of a 'Case for Change' to be put to the Australia Industry and Skills Committee (AISC) in respect to a proposed review of the package.

These surveys were disseminated nationally and closed on 5 April 2017.

### **State Priority Occupation List**

WALGA Recruitment are assisting the Department of Training and Workforce Development (DTWD) to gather data for their 2017 State Priority Occupation List (SPOL) review.

A survey was sent to the sector on Tuesday 14 February in order to ascertain the views of each Local Government, specifically asking what skills they find are a priority to the operation of their Council and how this gap can be bridged. Responses indicated that Environmental Health Officers, Building Surveyors and Civil Engineers are pivotal and currently in short supply to both metropolitan and regional Councils. Regional Councils are also affected by a shortage in available skilled outside staff.

Further discussions with the DTWD will take place in late May 2017.

### **7.1.3 Report on Key Activities, Infrastructure (05-001-02-0003 ID)**

*By Ian Duncan, Executive Manager Infrastructure*

**Moved: Mayor Logan Howlett**

**Seconded: Mayor Tracey Roberts**

**That the Key Activities Report from the Infrastructure Unit to the May 2017 State Council meeting be noted.**

**RESOLUTION 46.2/2017**

**CARRIED**

The following provides an outline of the key activities of Infrastructure since the last State Council meeting.

#### **Roads**

##### **Review of the Road Classification System**

A Working Group including representatives from Local Governments, 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*. It is proposed that the new system adopt a two tier process. The first tier will consider the planning and statutory functions of the road and the second will comprise a more detailed assessment of the road's current and future function. The Group met in October to consider a draft methodology which was tested on the Metropolitan road network. The Group was in general agreement that the methodology and outcome was reasonable. Main Roads are now awaiting Ministerial approval of the classification methodology after which the draft will be released to all Local Governments for comment.

##### **Guidelines and Specifications for Residential Vehicle Crossovers**

WALGA, with the assistance of engineering consultancy Cardno, has prepared a guideline for the planning, design and construction of residential crossovers. The document represents a consolidation of current Local Government standard guidelines and specifications and provides an opportunity to encourage a consistent approach across the sector. Local Governments may adopt the guideline in its entirety or as a framework with amendments to reflect local circumstances. The document is available on the WALGA website.

##### **2015/16 Road Assets and Expenditure Report**

Collection of data for the 2015/16 report has been completed and drafting of the document is underway. It is anticipated that the report will be published and distributed to all Local Governments in May.

#### **Funding**

##### **Local Government Agricultural Commodity Freight Routes Program**

The Department of Regional Development has announced the allocation of \$48 million from the Royalties to Regions Programme for an Agricultural Commodity Routes Fund for Local Government roads. The funding will be available from 2016/17 to 2019/20. WALGA is currently working with Main Roads to develop guidelines and assessment criteria for the program. The funding will be available for projects on all Local Government roads that have a significant agricultural freight task.

Local Governments will be invited to submit applications via their Regional Road Group once the guidelines have been completed and approved.

### **Western Australian Natural Disaster Relief and Recovery Arrangements (WANDRRA)**

In response to the recent flooding event, the Office of Emergency Management (OEM) in conjunction with WALGA, Main Roads and Local Government, conducted a series of workshops to develop a new recovery methodology that will allow Local Governments to use their own labour and equipment and improve the reimbursement conditions.

The OEM advises that this arrangement will be temporary and is not a change in policy. The Government has been working with States and Territories to develop an upfront recovery funding model as part of broader disaster funding reforms recommended by the Productivity Commission's inquiry into Natural Disaster Funding Arrangements.

The proposed new model will provide States with more autonomy to rebuild in the most effective way including improving the resilience of infrastructure for the long term, while also ensuring better budget certainty through the upfront estimate of costs.

An exemption to trial the methodology is currently awaiting approval from the Federal Minister.

### **Vehicle Licence Fee Concession**

Vehicle licence fees were historically a Local Government tax, intended to fund road construction and maintenance. Responsibility for collecting this tax was progressively handed to the State Government, but vehicles registered by Local Governments have been exempt.

In January the State Government advised Local Governments that this exemption would no longer apply from 1 July 2017. A series of action seeking to reverse this decision were undertaken in the lead up to the March election, including writing to and / or meeting with Parliamentary members and candidates, a media and social media campaign and obtaining details of the likely impact on each Local Government.

The matter has been raised with the new Minister for Local Government and will be again raised with the new Minister for Transport.

## **Urban and Regional Transport**

### **Cycling Reference Group Actions**

WALGA's Local Government Cycling Reference Group has developed a plan to address key cycling issues across the sector and is now progressing these actions. Excessive speed of cyclists on shared paths, particularly the highly used shared paths, is a concern for Local Governments due to the risk of cyclist-pedestrian conflict. WALGA is currently researching speed management treatments for shared paths used in other States and overseas. Different approaches to maintenance of paths across Local Governments was identified by the Auditor General's report in 2015 as being of concern. The group is currently reviewing the IPWEA National 'Condition Assessment & Asset Performance Guidelines' document which may be utilised to standardise the maintenance of cycle paths.

## Road Safety

### Road Safety Council Update

At the Road Safety Council meeting held on 21 March 2017 the Road Safety Commission provided an update on the Road Trauma Trust Account (RTTA) budget, existing and proposed road safety projects and an overview of road trauma statistics. Information about the Western Force rugby partnership was also provided, out-of-session.

The Road Safety Council will next meet in April, to consider project submissions for Road Trauma Trust Account (from speed and red light camera fines) funding in 2017-18. The Council will then be advised by the Road Safety Commission on the process for making recommendations, in accordance with the *Road Safety Council Act 2002*, to the new Minister (Hon. Michelle Roberts MLA) on how the RTTA should be spent to: improve the safety of the roads; reduce death, injury and damage from road crashes in WA.

### RoadWise Road Safety Newsletter

The March edition of the *RoadWise Road Safety Newsletter* can be accessed electronically at <http://roadwise.asn.au/roadwise-road-safety-newsletter.aspx>. New subscribers should email [roadwise@walga.asn.au](mailto:roadwise@walga.asn.au) to register to receive the newsletter directly. The newsletter is currently distributed to more than 2,000 members of the community road safety network in Western Australia. Readership of the newsletter is estimated to be significantly higher than distribution.

## 7.1.4 Report on Key Activities, Planning and Community Development (01-006-03-0014 JB)

By Jo Burges, Executive Manager Planning and Community Development

**Moved: Mayor Logan Howlett**  
**Seconded: Mayor Tracey Roberts**

**That the Key Activities Report from the Planning and Community Development Unit to May 2017 State Council meeting be noted.**

**RESOLUTION 47.2/2017**

**CARRIED**

The following provides an outline of the key activities of Planning and Community Development since the last State Council meeting.

### **Planning**

#### **Opposition to Full Private Certification of the Building Permit Process**

Over the last few months, the Property Council (PC), Master Builders Association (MBA), Urban Development Institute of Australia (UDIA) and Housing Industry Australia (HIA) have been actively campaigning for full private certification of the Building Permit process.

The Association's current policy position totally opposes full private certification, in order to keep the separation between the technical assessment and the issuing of the final permit. This position acknowledges that it will reduce the conflict of interest for Private Building Surveyors, while maintaining community expectations that an independent and impartial authority will be issuing the Building Permit approval.

To provide greater depth to the current WALGA policy position, members were contacted to provide examples of the concerns and issues that would need to be considered by the State Government before investigating the introduction of a full private certification model in WA. This information has been sent to the new Minister for Commerce, the Building Commission, the Property Council, MBA, UDIA and HIA to clearly outline the sector's position and concerns with the proposal and to initiate dialogue between stakeholders.

A copy of the information compiled can be obtained by email [planning@walga.asn.au](mailto:planning@walga.asn.au) or from the Planning Improvement Portal at <http://walgapip.ning.com/>.

#### **Feedback to Government Agencies**

Numerous documents were circulated by Government Agencies over the last few months, seeking preliminary feedback or comments to assist in progressing their projects. The Planning team advised that the feedback or comments were preliminary only as it would be anticipated that a formal submission would be made when the documents are released for public comment. The following documents were commented on:

- Department of Planning's proposed draft Coastal Management *Planned or Managed Retreat Guidelines*, to provide advice on these principles contained in State Planning Policy 2.6 – State Coastal Planning.
- Department of Planning's draft RCodes interpretation notes, seeking to provide much clearer and more specific guidance on the deemed to comply provisions of the RCodes.

- Department of Planning's review of Development Control Policy 4.1 – Industrial Estates and the discussion paper which examines various issues and challenges relating to the planning for industrial estates.
- Department of Finance's ongoing work on the review of the single housing approval process, specifically the section of the report relating to planning and building private certification.
- Australian Standards initial review of Swimming Pool fencing. Following a workshop with 46 Building Surveyors and Swimming Pool Inspectors on the 2 March, provided the ALGA representative on the Australian Standards review, with a range of comments and issues. The feedback will inform the Committee's upcoming review, with a draft new Standard to be released for public consultation in July.
- Building Commission's draft discussion paper on Mandatory Inspections of Roofs.

Further information about the feedback provided can be obtained by emailing [planning@walga.asn.au](mailto:planning@walga.asn.au) or join the Planning Improvement Program Portal at <http://walgapip.ning.com/>.

## Performance Monitoring Framework

The Association is working with the Growth Alliance Perth and Peel (GAPP) members to prepare and present performance monitoring of their planning and building performance. The nine GAPP members are the Cities of Swan, Wanneroo, Armadale, Cockburn, Gosnells, Kwinana, Rockingham, Mandurah and the Shire of Serpentine-Jarrahdale. Several inner city Local Governments were also invited to attend a workshop to discuss the concept and whether they would like to be involved in the project.

In the absence of any regulations being prepared by the State Government under the *Planning and Development Act 2005*, the preparation of a set of performance criteria prepared by and collated by members, was considered to be a more accurate indication of the Members' performance. It is anticipated that the first report with two years of statistics and information will be prepared over the next four months and the full report released in September 2017. It is then proposed to conduct this report annually, but only comparing the performance of each Local Government against its own results, rather than comparing across Local Governments

## Community Development

### Local Government Health and Wellbeing Forum

The Association will host a Local Government Health and Wellbeing Professional Development Forum on 10 May, at the Bendat Community Centre in Wembley. The Forum will provide Local Governments with information on public health and wellbeing which will assist them in providing services to their communities and preparing Local Public Health Plans. WALGA Deputy President Tracey Roberts will host the event. Information on the event is located here: <http://www.walga.asn.au/News,-Events-and-Publications/Events/Local-Government-Health-and-Wellbeing-Forum.aspx>

### Public Health Discussion Paper

The WALGA Public Health Advisory Group supports the Association in their advocacy activities in the public health portfolios (including environmental health, health promotion, physical activity and preventive health), through identifying public health issues that impact on the Local Government sector. WALGA is currently preparing a discussion paper with input from the Advisory Group, which will address Local Governments' obligations under the *Public Health Act 2016*. The paper has been

informed by two sector-wide surveys distributed by the Association, which sought feedback on workforce planning and Local Public Health Planning in Local Government. The paper will be made available for feedback in early May.

### **Town Planning Guidelines for Fast Food Outlets**

In the coming months, the Association will prepare a scope of work for Town Planning Guidelines for Fast Food Outlets, similar to WALGA's current Town Planning Guidelines for Alcohol Outlets. WALGA will also support research by Telethon Kids Research Institute and the Centre for the Built Environment, University of Western Australia, on the impact of fast food on children's health. The Curtin research project aims to map fast food outlets close to schools in the metropolitan area, and investigate whether this proximity effects childhood obesity.

### **Public Health Act Reference Group**

The Department of Health has established a reference group which includes representative members from the Environmental Health Directorate, Public Health Division, Department of Health; WALGA; Environmental Health Australia (EHA), Regional and Metropolitan Local Governments. The objectives of the Public Health Act Reference Group include: guiding the administration of the *Public Health Act 2016* and subsidiary legislation in Western Australia, presenting the views of Local Government in relation to public health administration, providing first review of Department of Health draft information resources and acting as a public health legislation reference group for Local Government.

### **Community Infrastructure Grants Program**

Of the 25 applicants who received funding through the Community Infrastructure Grant Program, 22 have submitted or are due to submit their final Project Acquittals by 30 April 2017. Three applicants have received extensions to their Grant Agreements and will acquit at the end of 2017. WALGA is undertaking an overall evaluation of the Grant Program to identify how it has improved the overall outcomes for people with disability and reaffirm their value and contributions as members of the community.

### **Changing Places Grants Program**

Four Local Governments who were awarded funded through the Changing Places Grant Program have now completed their Changing Place, being the City of Greater Geraldton, the Shire of Toodyay, the City of Cockburn and the City of Joondalup. All remaining Local Governments have either commenced the planning or construction phase of their Changing Place project. WALGA has engaged Culture Counts to assist with the overall evaluation of both the Changing Places and Community Infrastructure Grants Program to measure the impact and quantify the important \$2.85 million investment made by State Government to WA communities. WALGA has also developed an online communications platform for Local Governments applicants to converse with each other directly and share information relating to the planning, construction and accreditation process which is now available through the WALGA website.

## Emergency Management

- SEMC Meeting

The State Emergency Management Committee meeting was attended by Ricky Burges on Tuesday 28 March 2017. The Office of Emergency Management have released the SEMC Communique which can be read here

<https://www.oem.wa.gov.au/Documents/Publications/Communique%20-%202017/SEMCCommuniqueMarch2017.pdf>

The following items were of note to the sector:

### Special Inquiry into the Waroona Fire (Ferguson report) - Implementation update

The SEMC and the OEM (former SEMC Secretariat) have made substantial progress on most of their recommendations and/or opportunities for improvement. The SEMC noted all the recommendations and opportunities, assigned to the SEMC and OEM that have been completed.

The status of the remaining items is:

- Community sirens:

The OEM has developed draft guidelines and an associated discussion paper. These have been circulated widely for comment. Discussions are continuing with Local Governments who are interested in piloting the guidelines and/or proceed to install one or more sirens.

- Farmer and Forestry fire-fighting units:

The OEM has prepared a discussion paper for wide circulation and has commenced discussions with the WA Farmers, Pastoralists and Graziers Association, Forest Industries Association and other stakeholders.

The SEMC noted the progress made in relation to assessing the applicability of strategic control priorities for fire being applied to all hazards. The SEMC Response Capability Subcommittee has discussed relevance to, and benefit of, applying strategic control priorities to all hazards. Further clarification and analysis is underway and will be presented to the SEMC once completed.

It is anticipated that the responsibility for monitoring the progress of Ferguson Report recommendations will transfer from the Department of Premier and Cabinet to OEM in April or May 2017.

## 7.2 Policy Forum Reports

### 7.2 Policy Forum Reports (01-006-03-0007 TB)

The following provides an outline of the key activities of the Association's Policy Forums since the last State Council meeting.

**Moved: Mayor Logan Howlett**  
**Seconded: Mayor Tracey Roberts**

**That the report on the key activities of the Association's Policy Forums to the May 2017 State Council meeting be noted.**

**RESOLUTION 48.2/2017**

**CARRIED**

#### 7.2.1 Mayors/Presidents Policy Forum

(Tony Brown, Executive Manager Governance & Organisational Services)

*The Mayors/Presidents Policy Forum has been tasked with addressing the following key issues;*

- i. Advise the WALGA President on emerging policy issues;*
- ii. Serve as a stakeholder forum to effectively support and complement the broader work of the Western Australian Local Government Association*
- iii. Provide a networking opportunity for all Mayors and Presidents across the State.*
- iv. Provide a forum for guest speakers to present on topical sector issues.*

#### **Comment**

The second Mayors/Presidents forum was held on Tuesday 28 February 2017. The forum was attended by approximately 30 Mayors/Presidents and received a presentation from GRA Everingham, with a preview on the 2017 State Election. The forum also discussed emerging sector issues being the Motor Vehicle licence concession issues, WAANDRA funding and the need for a State Local Government Partnership Agreement.

The next Mayors/Presidents forum will be held on Tuesday 1 August 2017 as part of the 2017 Local Government Convention.

#### 7.2.2 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/DIDI 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.

**7.2.3 Container Deposit Legislation Policy Forum**

(Mark Batty, Executive Manager Waste and Environment)

*A Container Deposit Scheme (CDS) is a form of Extended Producer Responsibility which seeks to place financial/physical responsibility for a product (at end of life) on the original producer*

*The objectives of the Container Deposit Scheme Policy Forum shall be to:*

- *Provide constructive input into the development of a CDS for WA*
- *Ensure that regional and remote communities have access to the benefits of a CDS*
- *Engage with Local Government, and collectively negotiate with the Scheme operator, to ensure the sector has the opportunities to be involved in the implementation of a CDS.*

**Comment**

The Policy Forum has not met since the last State Council meeting. At the Policy Forum meeting in January there was discussed updating the Frequently Asked Questions and a Background Paper. WALGA is waiting on the new Government to confirm the direction and timing of the development of the Container Deposit Scheme in WA before undertaking further work.

The Department of Environment Regulation have removed all the detailed CDS information from their website and it now says “The Western Australian government has committed to implementing a container deposit scheme”.

WALGA has written to the Environment Minister seeking a meeting and CDS will be one of the topics on the Agenda. Once the Minister has clarified the direction, in relation to CDS, the Policy Forum will meet for further discussion.

**7.2.4 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 Freight Policy Forum was held in April. The members further progressed a policy guideline on the mechanisms and conditions under which cost recovery for roads will apply. Additional work on this guideline will occur out of session with the aim to present it to the WALGA State Council before the end of 2017. The policy template for heavy vehicle access on local roads was workshopped and work will continue at the next meeting to progress it.

**7.3 President's Report**

Moved: Mayor Logan Howlett  
Seconded: Mayor Tracey Roberts

That the President's Report for May 2017 be received.

RESOLUTION 49.2/2017

CARRIED

**7.4 CEO's Report**

Moved: Mayor Logan Howlett  
Seconded: Mayor Tracey Roberts

That the CEO's Report for May 2017 be received.

RESOLUTION 50.2/2017

CARRIED

**7.5 Local Government Professionals (WA) Report**

Local Government Professionals (WA) were an apology for the meeting.

## **8. ADDITIONAL ZONE RESOLUTIONS**

---

Moved: President Cr Wayne Sanford  
Seconded: Cr Russ Fishwick

That the additional Zone Resolutions from the May 2017 round of Zones meetings as follows be referred to the appropriate policy area for consideration.

### **RESOLUTION 51.2/2017**

**CARRIED UNANIMOUSLY**

---

### **GREAT EASTERN COUNTRY ZONE**

---

#### ***Mobile Phone Tower Battery Back-up across the Great Eastern Country Zone (Planning & Community Development)***

That the response from the Office of Emergency Management be noted and the WA Local Government Association be asked to pursue this issue further with both Telstra and the Office of Emergency Management.

---

### **NORTH METROPOLITAN ZONE**

---

#### ***Item 7.1.4 Report on Key Activities, Planning and Community Development***

That WALGA find a solution for all participating Local Governments in the Changing Places Grants Program whereby the successful grant applicant is not required to fund its own costs to become accredited as a Changing Places facility.

---

### **MURCHISON COUNTRY ZONE**

---

#### ***Early Childhood Learning Centres (Planning & Community Development)***

That the Murchison Zone request WALGA State Council to investigate and report on the implementation of Early Childhood Learning Centres throughout the Midwest Region and the program outcomes.

#### ***Student Progression /Learning (Planning & Community Development)***

That the Murchison Country Zone request the WALGA State Council to lobby the Education Department of Western Australia to review and amend policies so that school student progression to the next grade/level not be implemented until the student meets the required standard.

#### ***Rural Nursing Posts (Planning & Community Development)***

That the Murchison Country Zone raise with WALGA State Council and other relevant bodies the critical issue with regard to the Staffing of Health Centres in the Murchison region. This region recommends that Government policy should dictate that at least two nurses, as a minimum, should be stationed at Health Centres where there is no hospital.

**9. MEETING ASSESSMENT**

Cr Wally Barrett provided feedback as to the effectiveness of the meeting.

**Acknowledgment of the Election of David Michael to State Parliament**

**Moved: President Cr Wayne Sanford**

**Seconded: Mayor Tracey Roberts**

**That State Council acknowledge and congratulate David Michael on his election to State Parliament.**

**RESOLUTION 51.2/2017**

**CARRIED**

**10. DATE OF NEXT MEETING**

1. That the next Special meeting of the Western Australia Local Government Association State Council be held in the Boardroom at WALGA, ONE70 Railway Parade, West Leederville, on Wednesday, 7 June 2017 commencing 4pm for adoption of the 2017/18 budget.
2. That the next Ordinary meeting of the Western Australia Local Government Association State Council be held in the Boardroom at WALGA, ONE70 Railway Parade, West Leederville, on Wednesday, 5 July 2017 commencing 4pm.

**11. CLOSURE**

There being no further business the Chair declared the meeting closed at 12.54pm.



# MINUTES

**SPECIAL COUNCIL MEETING**

**TIME: 7.30PM**

**THURSDAY 18 MAY 2017**

**TOWN OF VICTORIA PARK**

---

*Winning Back Waste*

*Constituent Members: Cities of Perth, Joondalup, Stirling, Vincent and Wanneroo  
Towns of Cambridge and Victoria Park*



---

## CONTENTS

1	DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS.....	3
2	ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE .....	3
3	DECLARATION OF INTERESTS.....	4
4	PUBLIC QUESTION TIME .....	4
5	ANNOUNCEMENTS BY THE PRESIDING PERSON .....	4
6	APPLICATIONS FOR LEAVE OF ABSENCE .....	4
7	CONFIDENTIAL REPORT .....	5
	7.1 Energy from Waste Tender Consideration .....	5
8	NEXT MEETING .....	7
9	CLOSURE .....	7

---

---

**1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

The Chair declared the meeting open at 7.30pm

**2 ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE**

**Councillor Attendance**

Cr R Fishwick JP (Chairman)	City of Joondalup
Cr D Boothman JP (Deputy Chairman)	City of Stirling
Cr E Cole	City of Vincent
Cr R Driver	City of Wanneroo
Cr A Guilfoyle	City of Stirling
Cr C MacRae	Town of Cambridge
Cr V Maxwell	Town of Victoria Park
Cr D Newton JP	City of Wanneroo
Cr M Norman	City of Joondalup
Cr S Proud JP	City of Stirling

**Apologies**

Cr J Adamos	City of Perth
Cr S Jenkinson	City of Stirling

**Leave of Absence**

Nil

**Absent**

Nil

**MRC Officers**

Mr G Hoppe (A/Chief Executive Officer)  
Ms A Slater (A/Director Corporate Services)  
Ms L Nyssen (Executive Support)

**MRC Observers**

Mr A Griffiths (Manager Projects and Procurement)

**Member Council Observers**

Mr N Ahern (City of Perth)  
Mr J Buckley (Town of Cambridge)  
Mr S Cairn (City of Wanneroo)  
Mr G Chettleburgh (City of Wanneroo)  
Mr N Claassen (City of Joondalup)  
Mr C Colyer (Town of Cambridge)  
Mr S Jardine (City of Stirling)  
Mr L Kosova (City of Vincent)  
Mr A Murphy (City of Stirling)  
Mr D Simms (City of Wanneroo)  
Mr J Wong (Town of Victoria Park)

**Visitors**

John King – Talis Consultants (Technical Consultant)  
Kevin Donnelly – Stantons International (Probity Advisor)

---

---

**Members of the Public**

Nil

**Press**

Nil

**3 DECLARATION OF INTERESTS**

<b>Interest Type</b>	May affect impartiality
<b>Name and Position of Person</b>	Cr David Boothman JP
<b>Report Item No. and Topic</b>	7.1 – Energy from Waste Tender Consideration
<b>Nature of Interest</b>	SUEZ Recycling contract with the City of Stirling for waste services

<b>Interest Type</b>	May affect impartiality
<b>Name and Position of Person</b>	Cr Andrew Guilfoyle
<b>Report Item No. and Topic</b>	7.1 – Energy from Waste Tender Consideration
<b>Nature of Interest</b>	SUEZ Recycling contract with the City of Stirling for waste services

<b>Interest Type</b>	May affect impartiality
<b>Name and Position of Person</b>	Cr Stephanie Proud JP
<b>Report Item No. and Topic</b>	7.1 – Energy from Waste Tender Consideration
<b>Nature of Interest</b>	SUEZ Recycling contract with the City of Stirling for waste services

**4 PUBLIC QUESTION TIME**

Nil

**5 ANNOUNCEMENTS BY THE PRESIDING PERSON**

Nil

**6 APPLICATIONS FOR LEAVE OF ABSENCE**

Nil

The Chairperson requested that in accordance with clause 7.9 of the *Mindarie Regional Council Standing Orders Local Law 2010* and s5.23(2) of the *Local Government Act 1995*, Council proceed to meet “behind closed doors” to allow the Council to consider Item 7.1 as it was of a confidential nature.

**Cr Fishwick moved, Cr Boothman seconded**

*CARRIED UNANIMOUSLY (10 /0)*

*There were no members of the public in attendance. Member Council Officers, MRC staff that have signed the RRF Project Confidentiality Agreement, Mr John King and Mr Kevin Donnelly were invited to stay. Doors were closed at 7.34pm.*

---

**7 CONFIDENTIAL REPORT**

This report is **Confidential** in accordance with Section 5.23 (2)(c) of the Local Government Act 1995 as it is a matter that may result in a contract being entered into.

**7.1 ENERGY FROM WASTE TENDER CONSIDERATION**

<b>File No:</b>	<b>WST/209-02</b>
<b>Attachments(s):</b>	<ol style="list-style-type: none"><li><b>1. Tender Evaluation Criteria</b></li><li><b>2. An investigation into the performance (Environmental and Health) of Waste to Energy technologies internationally (for the WA DEC) - 2013</b></li><li><b>3. The impact on health of emissions to air from municipal waste incinerators - 2009</b></li><li><b>4. Environmental and Health performance of Waste to Energy technologies (EPA/Waste authority report to the Minister) - 2013</b></li><li><b>5. Member council approval conditions</b></li><li><b>6. Probity Advisors Report</b></li></ol>
<b>Date:</b>	<b>11 May 2017</b>
<b>Responsible Officer:</b>	<b>Acting Chief Executive Officer</b>

**VOTING REQUIREMENT**

Simple Majority

**RESPONSIBLE OFFICER RECOMMENDATION**

That Council:

1. Notes the Tender Evaluation Panel's report
2. Endorses the Energy from Waste technology being proposed in the officer's report
3. Nominates Tenderer A as the first preferred bidder for the Energy from Waste Tender
4. Nominates Tenderer B as the second preferred bidder for the Energy from Waste Tender
5. Subject to consents to proceed being received from all of the MRC's member councils, gives approval for the Chief Executive Officer to progress commercial discussions with the preferred bidders identified in 3. and 4. above with a view to being able to recommend who, if anyone, should be awarded the Energy from Waste Tender
6. Requests the Chief Executive Officer to present a further report to Council recommending who, if anyone, should be awarded the Energy from Waste Tender

**Cr Boothman moved, Cr Maxwell seconded that the responsible officer recommendation be adopted.**

---

---

Cr Cole moved and Cr Guilfoyle seconded an amendment to the recommendation to add a new part 7:-

“Prior to the CEO recommending who if anyone should be awarded the energy from waste tender, request the CEO to present a further report to council with an assessment of Tenderers A and B against the 21 recommendations of the EPA and Waste Authority as presented in attachment 4”.

*LOST (4/6)*

### **SUBSTANTIVE MOTION**

**That Council:**

- 1. Notes the Tender Evaluation Panel’s report**
- 2. Endorses the Energy from Waste technology being proposed in the officer’s report**
- 3. Nominates Tenderer A as the first preferred bidder for the Energy from Waste Tender**
- 4. Nominates Tenderer B as the second preferred bidder for the Energy from Waste Tender**
- 5. Subject to consents to proceed being received from all of the MRC’s member councils, gives approval for the Chief Executive Officer to progress commercial discussions with the preferred bidders identified in 3. and 4. above with a view to being able to recommend who, if anyone, should be awarded the Energy from Waste Tender**
- 6. Requests the Chief Executive Officer to present a further report to Council recommending who, if anyone, should be awarded the Energy from Waste Tender**

*CARRIED (9/1)*

The Chairperson, Cr Fishwick moved to have the meeting reopened.

### **RESOLVED**

**Cr Fishwick moved, Cr Boothman seconded  
That the meeting be reopened**

*CARRIED UNANIMOUSLY (10/0)*

*The meeting was reopened at 9.31pm.*

As no public entered the chamber on the reopening of the meeting, the resolution and the votes made behind closed doors of the Council Item 7.1 as detailed above were taken as having been read.

NOTE: The A/Chief Executive Officer has NOT released Report 7.1 for Public information as council’s decision may result in a contract being entered into.

---

**8 NEXT MEETING**

*Next meeting to be held on Thursday 6 July 2017 in the Council Chambers at City of Stirling commencing at 5.30pm.*

**9 CLOSURE**

*The Chairman closed the meeting at 9.32pm and thanked Town of Victoria Park for their hospitality and use of their meeting facilities.*

*These Minutes were confirmed by the Council as a true and accurate record of the Special Meeting of the Council held on 18 May 2017.*

*Signed ..... Chairman*

*Dated this ..... day of ..... 2017*

---