



Flying Minute - 2021-22 State Budget Submission Approach (05-001-03-0006 DM)

By Dana Mason, Principal – Economics and Strategic Projects

That the State Council endorse WALGA's proposed approach for the 2021-22 State Budget Submission.

RESOLUTION 201.FM/2021

CARRIED

Executive Summary

- Each year, WALGA prepares a submission to the State Government outlining the sector's priorities for the upcoming budget.
- The attached presentation outlines WALGA's proposed approach to this submission, based on the current economic and political environment.
- It is proposed that WALGA has the best chance of achieving funding by putting forward a targeted list of initiatives that are aligned with Government priorities, and deliver a demonstrated return for the State and Community.
- The Association is seeking State Council's endorsement of the proposed approach and priorities via Flying Minute. The final submission will be provided to State Council for endorsement in mid-June.

Attachment

- *Attachment 1: 2021-22 State Budget Submission – Proposed Approach*

Policy Implications

The submission reflects related WALGA policy positions.

Background

Each year, WALGA prepares a submission to the State Government outlining the sector's priorities for the upcoming budget. Given the recent State Election and delays to the 2020-21 Budget, this year's budget will now be handed down in September.

The stronger than expected recovery in the WA economy and the record iron ore price has meant that there will be a substantial budget surplus (expected to be in the order of \$4 billion) in 2020-21, with further surpluses expected across the forward estimates. However, net debt is also at record levels. WALGA has received feedback that focus of the Budget will be to deliver on existing election commitments.

There is significant competition for funding from the State Budget. WALGA's submission will be one of many put forward by industry associations, advocacy groups, Government agencies and individuals.

WALGA policy staff recently met to consider the economic and political environment and the implications for the State Budget Submission. It is proposed that WALGA has the best chance of success and standing out from the crowd by putting forward a submission that is:

- Targeted and succinct – An extended list of priorities is not likely to be considered by Government given they already have a full agenda of election commitments and other emerging priorities.
- Aligned to Government priorities – The Government is more likely to fund requests that align with their agenda or that address a pressing or emerging issue.
- Infrastructure-focussed – The windfall nature of the surplus means that there is a better chance of receiving funding for capital, rather than recurrent programs.
- Return for the State and the Community – A strong evidence base is needed to demonstrate the value that the initiatives will deliver for the community. Those which already have a demonstrated track record, or where there is a co-funding arrangement are likely to have a greater chance of success.

On this basis, WALGA has identified 10 initiatives that it is proposed will form the basis of the 2021-22 State Budget Submission. These include

- Funding to fill existing gaps in **FOGO processing infrastructure** needed to turn the collected FOGO into high quality compost.
- Evolution of the **State Underground Power Program**, with State Government funding prioritized to project areas where the benefits to the households are less (lower property values) and the financial capacity to contribute is less.
- Investment in **climate change adaptation**, including funding for managing urgent **coastal erosion** hotspots, and enhancing the **urban tree canopy**.
- Funding to repurpose, upgrade and build new **cultural and social infrastructure** at a local level and as part of joint initiatives between the State and Local Governments and community organisations.
- Additional investment in **telecommunications infrastructure**, to unlock further opportunities to work in partnership with the Commonwealth and other key players to reduce communications gaps in regional areas.
- Extending the election commitment for funding for **homelessness outreach services** for an additional financial year.
- Extending funding for the **Small Business Friendly Approvals Program** to allow a greater number of Local Governments to participate.
- **Support for the Local Government sector to transition to the State Industrial Relations System.**
- Funding to WALGA for a service level agreement with the Department of Local Government, Sport and Cultural Industries to provide **capacity building support to assist Local Governments with good governance, financial management and process.**



Comment

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

Given the change to the Budget date, the timeframe to prepare WALGA's submission is tighter than normal.

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

The final submission is being developed in the coming month and will be provided to State Council for endorsement in mid to late June.

Once the State Budget Submission has been provided to the State Government, WALGA will engage with Government officials and Members of Parliament to discuss the issues set out in the Submission.

FLYING MINUTE OUTCOME

Total invited to survey: 24

Total finished survey: 17

That the State Council endorse WALGA's proposed approach for the 2021-22 State Budget Submission.

Endorse recommendation: 11

Do not endorse recommendation: 0

Endorse recommendation subject to comment below: 6

First Name	Last Name	Completed Date
Carol	Adams OAM	21/05/2021 at 12:08
Phillip	Blight	21/05/2021 at 15:44
Julie	Brown	17/05/2021 at 6:39
Ruth	Butterfield	21/05/2021 at 16:16
Karen	Chappel	16/05/2021 at 13:30
Cheryl	Cowell	21/05/2021 at 14:56
Malcolm	Cullen	21/05/2021 at 16:54
Frank	Cvitan	24/05/2021 at 13:42
Tony	Dean	13/05/2021 at 13:01
Catherine	Ehrhardt	Not Completed
Russ	Fishwick	17/05/2021 at 10:23
Ronnie	Fleay	22/05/2021 at 7:54
Logan	Howlett JP	13/05/2021 at 15:57
Mark	Irwin	Not Completed
Paul	Kelly	16/05/2021 at 22:40
Jenna	Ledgerwood	21/05/2021 at 10:46
Peter	Long	Not Completed
Cate	McCullough	Not Completed
Chris	Mitchell JP	21/05/2021 at 11:29

Les	Price	20/05/2021 at 7:56
Michelle	Rich	21/05/2021 at 14:34
Ken	Seymour	Not Completed
Stephen	Strange	Not Completed
Doug	Thompson	Not Completed

Responses

Poll created: 13/05/2021 at 12:24

(10) Endorse the Recommendation Malcolm Cullen (on: 21/05/2021 at 16:54), Cheryl Cowell (on: 21/05/2021 at 14:56), Chris Mitchell JP (on: 21/05/2021 at 11:29), Russ Fishwick JP (on: 17/05/2021 at 10:23), Michelle Rich (on: 21/05/2021 at 14:34), Julie Brown (on: 17/05/2021 at 6:39), Carol Adams OAM (on: 21/05/2021 at 12:08), Logan Howlett JP (on: 13/05/2021 at 15:57), Tony Dean (on: 13/05/2021 at 13:01), Ruth Butterfield (on: 21/05/2021 at 16:16), Frank Cvitan (on: 24/05/2021 at 13:42)

(6) Endorse the Recommendation subject to comment below Phillip Blight (on: 21/05/2021 at 15:44), Jenna Ledgerwood (on: 21/05/2021 at 10:46), Paul Kelly (on: 16/05/2021 at 22:40), Les Price (on: 20/05/2021 at 7:56), Karen Chappel (on: 16/05/2021 at 13:30), Ronnie Fleay (on: 22/05/2021 at 7:54)

(0) Do Not Endorse

Comments

Karen Chappel on 16/05/2021 at 13:30

The submission is comprehensive, I particularly like the inclusion of the Cultural and Social Infrastructure inclusion, it covers so much more than Sport and Recreation and addresses Local Governments wider responsibilities.

Paul Kelly on 16/05/2021 at 22:40

I think we should separate those areas that we see a role for local government or are currently local government functions and those generally supported for the community. For example public housing ... yes support but not local governments doing it. My view is we only submit those areas we see as necessary for better local governments.... \$\$ for UGP, for supporting governance within the sector etc.

Les Price on 20/05/2021 at 7:56

I support WALGA's Budget Submission Approach but would like to have seen a reference to support for increased health services in country WA which rarely gets any serious support when it comes to \$\$\$ spend. With an abundance of surplus funds resulting from mining and agriculture it would have been a great opportunity to consider future capital projects in the regions across WA. I don't mean Geraldton, Albany, Bunbury etc. Our regions will never fully open up and be the jobs and growth areas all Governments want to see. With current levels of funding being rather limited Local Governments simply cannot go it alone.

Jenna Ledgerwood on 21/05/2021 at 10:46

A very comprehensive document and well done. I wish to comment on three issues.

- 1. I do not see transfer and money spent on moving from Federal to State Industrial Relations Systems. This State has far more pressing issues.*
- 2. The PWC document on the first 1000 days of a child's life are the most important. The requirement for stable housing in the first 1000 days produces better income and job stability. To ensure a good future for our children we must advocate for far more housing to give stability to families in need. We have a surplus to do this.*
- 3. Underground power for the smaller Councils should be a priority given the ongoing pressures of new governance and transparency that will not let up in the near future.*

Carol Adams OAM on 21/05/2021 at 12:08

We do appear to have a two speed economy (not just in the City of Kwinana) where some individuals and company have fared well from the government COVID stimulus packages and have managed to retain ongoing employment through COVID-19 - or have secured jobs as a result of the expansions that have flowed from the pandemic. However there remain many in our communities who are not receiving the benefit of the economic growth for several reasons, but primarily they are to work ready and there does not appear any funds in the budget that focuses on these social issues. I would ask that there be an inclusion of some funding to assist people become more work ready to support them into sustainable employment thereby relieving the government of ongoing pressure going forward.

Phillip Blight on 21/05/2021 at 15:44

Increased funds to roads should be highlighted. We still should be asking for a return to 27% of licensing as per the original agreement

Ronnie Fleay on 22/05/2021 at 7:54

Apologies I did respond however internet had dropped & it appears didn't submit. My comment is in relation to in-ground infrastructure. Second dot point could include funding to cover headworks cost for power, water & sewage as these are serious impediments to growth in regional towns where a return on dollar spent cannot be realised even though there is demand for more housing.

Secretariat Comment

In response to Paul Kelly's comment:

Noted. The distinction between Local Government functions and those generally supported for the community is important. The submission will make clear the areas where funding is required to support Local Government functions versus community initiatives.

In response to Les Prices' comment:

Noted. Health services in regional areas remains a priority area for WALGA, and further work will be undertaken in coming months to develop the evidence base to support a more detailed funding request for inclusion in the 2022-23 budget process.

It is recognised that the windfall nature of the surplus provides scope to fund much needed capital projects. WALGA will be undertaking further work to identify priority capital projects across WA (including in the regions) as part of its upcoming work and advocacy on Local Government Economic Development.

In response to comment by Jenna Ledgerwood:

The shift to the State Industrial Relations system is an important issue for the Local Government sector and member Local Governments have requested WALGA to advocate for transitional funding. State Council endorsed the following at the May 2021 meeting;

“If the State Government reintroduces legislation to require all Local Governments to operate within the State Industrial Relations System, continue to advocate for the State Government to:

- a. Amend the Industrial Relations Act 1979 (WA) to include additional provisions to modernise the State IR system; and*
- b. Provide adequate funding and resourcing to ensure Local Governments are equipped with the appropriate tools and training to enable a smooth transition.”*

Noted. There are a number of issues related to housing that are relevant to Local Governments and the communities they represent which require further investigation and the development of appropriate policy solutions. WALGA is currently establishing a working group focused on housing issues. This group will consider issues related to housing for families in need, amongst other issues.

In relation to underground power, in almost all previous projects this is paid for by the ratepayers in the project area. There are several examples where smaller Councils have identified areas for underground power.

In response to Carol Adams OAM's comments:

Noted. It is recognised that while the economic recovery from COVID-19 is under way, this is not even and there are pockets of the economy and community that are continuing to feel these pressures. Labour and skills issues are emerging as a key issue for the WA economy going forward. WALGA President Mayor Tracey Roberts has been invited to participate in the State Government's Skills Summit on 30 June 2021. This will provide an important opportunity to provide sector input on the issues of work readiness and sustainable employment.



In response to Phillip Blight's comments:

Returning road funding to 27% of vehicle licence fee revenue remains a key advocacy priority for WALGA. This is a critical issue for Local Governments and needs to be resolved before the current road funding agreement concludes in June 2023. WALGA is developing a stronger case for increased funding for inclusion in the 2022-23 budget process.

In response to Ronnie Fleay's comments:

Noted. There are a number of issues related to housing that are relevant to Local Governments and the communities they represent which require further investigation and the development of appropriate policy solutions. WALGA is currently establishing a working group focused on housing issues. This group will consider issues related to headworks costs for power, water and sewerage amongst other issues.