



Special State Council Meeting

Agenda

27 March 2020

NOTICE OF MEETING

Special Meeting of the Western Australian Local Government Association State Council to be held via video / teleconference on Friday 27 March 2020 commencing at 3:30pm.

1. ATTENDANCE, APOLOGIES & ANNOUNCEMENTS

1.1 Attendance

Members	President of WALGA, Chair Deputy President of WALGA, Northern Country Zone Avon-Midland Country Zone Central Country Zone Central Metropolitan Zone Central Metropolitan Zone East Metropolitan Zone East Metropolitan Zone Goldfields Esperance Country Zone Gascoyne Country Zone Great Eastern Country Zone Great Southern Country Zone Kimberley Country Zone Murchison Country Zone North Metropolitan Zone North Metropolitan Zone North Metropolitan Zone Peel Country Zone Pilbara Country Zone South East Metropolitan Zone South East Metropolitan Zone South Metropolitan Zone South Metropolitan Zone South Metropolitan Zone South West Country Zone	Mayor Tracey Roberts JP President Cr Karen Chappel JP President Cr Ken Seymour President Cr Phillip Blight Cr Jenna Ledgerwood Cr Paul Kelly Cr Catherine Ehrhardt Cr Cate McCullough President Cr Malcolm Cullen President Cr Cheryl Cowell President Cr Stephen Strange Cr Ronnie Fleay Cr Chris Mitchell JP Cr Les Price Mayor Mark Irwin Vacant Cr Russ Fishwick JP President Cr Michelle Rich Mayor Peter Long Cr Julie Brown Mayor Ruth Butterfield Cr Doug Thompson Mayor Carol Adams OAM Mayor Logan Howlett JP President Cr Tony Dean
Ex Offiiios	Chair Commissioner, City of Perth Local Government Professionals WA	Mr Andrew Hammond Mr Jamie Parry
Secretariat	Chief Executive Officer EM Strategy, Policy & Planning EM Governance & Organisational Services EM Commercial & Communications EM Infrastructure Manager, Environment Policy Manager, Emergency Management Economics Policy Manager Manager Strategy & Association Governance Executive Officer Governance	Mr Nick Sloan Mr Mark Batty Mr Tony Brown Mr Zac Donovan Mr Ian Duncan Nicole Matthews Melissa Pexton Nebojsa Franich Mr Tim Lane Ms Margaret Degebrodt

1.2 Apologies

1.3 Announcements

1.3.1 WALGA acknowledges the Whadjuk Nyoongar people who are the Traditional Custodians of this land we meet on today and pays respects to their Elders past, present and future.

2. DECLARATIONS OF INTEREST

Pursuant to our Code of Conduct, State Councillors must declare to the Chair any potential conflict of interest they have in a matter before State Council as soon as they become aware of it.

3. MATTER FOR DECISION

3.1 Local Government Sector's Response to the COVID-19 Pandemic.

4. CLOSURE

3. MATTER FOR DECISION

3.1 Local Government Sector's Response to the COVID-19 Pandemic

By Nick Sloan, Chief Executive Officer

Recommendation

That WALGA:

1. **Notes the significant contribution of Local Governments in supporting their communities through the COVID-19 pandemic from a financial, economic, community and social perspective.**
2. **Recommends the following suite of actions to the Local Government sector to provide a coordinated and consistent response to the COVID-19 pandemic:**
 - a. **Freeze on residential rate increases for the 2020-21 financial year**
 - b. **Adoption of the WALGA template rates hardship policy by Local Governments that do not currently have a policy**
 - c. **Waive commercial rates for businesses affected by the COVID-19 pandemic**
 - d. **Review fees and charges considering whether fees can be reduced, waived or deferred during the COVID-19 pandemic**
 - e. **Bring forward capital works and infrastructure spending with aggressive application of reserves and borrowing**
 - f. **Prioritise Local Government spending with businesses and contractors located within the Local Government**
 - g. **Implement business friendly payment terms to support business cash flow**
 - h. **Consider the provision of financial grants for small and medium sized businesses to assist them as they make required adjustments to their operating models**
 - i. **Consider supporting Community sporting and cultural groups by either establishing grant programs or waiving fees and charges**
 - j. **Redeploy staff affected by facility closures to tasks that support the community**
3. **Notes the State Government is urgently drafting legislative and regulatory amendments to support the actions outlined in point 2 above.**

Executive Summary

- The world that we know and understand has changed dramatically with the COVID-19 virus spreading through our community at an unprecedented rate.
- A National Cabinet has been established to coordinate the national response and the Western Australian community is now looking to Local Government to show leadership and support.

- Anything short of an ambitious and courageous response from the sector and its leadership will have dire implications for the health, social and economic future of our State.

Attachments

- Letter from the WA Premier to WALGA President, Mayor Tracey Roberts, dated 17 March 2020 – attachment 1, via link below:
<https://walga.asn.au/getattachment/News,-Events-and-Publications/Media/COVID-19/Premier-Correspondence-17-March.pdf?lang=en-AU>
- Letter from WALGA President, Mayor Tracey Roberts, to the WA Premier dated 23 March 2020 – attachment 2.
- Letter from WALGA President, Mayor Tracey Roberts, to Local Government Mayors and Presidents dated 23 March 2020 – attachment 3.
- List of proposed Legislative and Regulatory Amendments – attachment 4.

Background

The Premier wrote to WALGA President, Mayor Tracey Roberts, on 17 March 2020, requesting that all Local Governments freeze rates fees and charges, in order to provide much needed financial support to households and businesses during the COVID-19 crisis. WALGA President, Mayor Tracey Roberts, replied to the Premier on 23 March 2020 and informed him that:

- The Local Government sector is acutely aware of the added financial pressure and uncertainty facing households, small businesses and the self-employed as a result of COVID-19.
- In order to realise a net zero rates, fees and charges increase, the sector needs support from the State Government in relation to a range of financial, regulatory and governance considerations.

On 23 March 2020, WALGA President, Mayor Tracey Roberts, wrote to all Councils and informed them of the above correspondence.

On 24 March 2020, a State and Local Government Partnership Agreement meeting was held. At this meeting, the Premier informed attendees that the COVID-19 situation had escalated, with expectations that the economic impact would be without precedent. The Premier urged the sector to consider the immediate implementation of any initiatives that would provide relief and economic stimulus for local economies, including the provision of financial support and relief to households and businesses,

Priority regulatory and legislative amendments to give effect to freeing up sector capacity has been tested informally with a working group of Local Government CEOs. The State Government has indicated that these changes will be given legislative priority (see attachment).

Comment

Initially, the economic impacts of COVID-19 were expected to be restricted to the sectors that relied on exports and imports from Asia. This primarily included the education, tourism, hospitality and construction sectors.

Over the past days and weeks, however, it has become an accepted view that the economic impacts of COVID-19 on the Australian and Western Australian economies will be severe. This is primarily due to the social distancing and business operating restrictions imposed by the Commonwealth Government, and uncertainty surrounding how long these restrictions will be in place. In addition, there is an expectation that further restrictions will be imposed, and the majority of businesses and schools will have to close their doors. This is weighing considerably on economic expectations.

Forecasts that aim to predict the extent of the economic impact of COVID-19 are constantly changing due to the fluid nature of this event. This includes the extreme speed at which cases of COVID-19 transmission are occurring in Australia and the uncertain nature of any future Government response.

The most recent forecasts from Westpac expect job losses of over 800,000 across Australia by June and an unemployment rate of over 11% at this time. It is noted that only one week ago, the forecast from Westpac was that the unemployment rate would peak at 7%. The significant worsening of these forecasts was a result of widespread shutdowns announced by the Government.

The Bankwest Curtin Economics Centre has forecast similar job losses to Westpac in the immediate term, but expects the national unemployment rate will reach 12.7% in May 2021. This would mean an additional one million people will be unemployed across Australia as a result of COVID-19. In WA, job losses of more than 100,000 are expected in the immediate term.

When travel restrictions and shutdowns eventually ease, the economy will rebound. It will, however, take a significant amount of time for the hundreds and thousands of people who lost their jobs due to COVID-19 to gain employment once again.

Although the Commonwealth and WA Governments have already announced economic stimulus measures, their ability to deliver future necessary stimulus will be compromised by their record levels of debt.

Given the unprecedented circumstances, there is a critical need for the Local Government sector to supplement the economic stimulus packages provided by the State and Federal Governments. In the immediate term, this is in the form of local level economic relief and support that focuses on:

- Ensuring that all Local Government employees maintain their employment;
- Providing financial relief and cash flow support to households and businesses;
- Making it easier for businesses to instill necessary changes to their operating models;
- Supporting local businesses and suppliers through additional spending; and
- Maintaining household and business confidence in the community.

A coordinated and widespread introduction of initiatives will demonstrate significant leadership from the sector. It will also demonstrate the Local Government sector's commitment to work together and do everything in its capacity to support local households and business during these highly uncertain times.

To assist the sector in undertaking the above initiatives, WALGA is looking at what it can do to ease financial pressure on members. A number of regulatory reforms are being progressed, and discussions with the Valuer General and Office of the Auditor General on matters critical to the sector are advanced. Furthermore, a special meeting of the LGIS Board will be held shortly with the goal of finalising a strategy to re-assign funds held in reserve to provide immediate financial relief for member councils in their 2020-21 contributions.

Attachment 2 – Letter to Premier from WALGA President.

23 March 2020

Hon. Mark McGowan MLA
Premier; Minister for Public Sector Management;
State Development, Jobs and Trade; Federal-State Relations
1 Parliament Place
West Perth
Western Australia 6005

e-mail: WA-Government@dpc.wa.gov.au

Dear Premier

State and Local Government response to COVID-19

Thank you for your correspondence dated 17 March 2019 regarding COVID-19.

The Local Government sector is acutely aware of the added financial pressure and uncertainty facing households, small businesses and the self-employed as a result of COVID-19.

I have written to all Councils advising of your request for their support and action to unilaterally freeze all Local Government Household Rates, Fees and Charges in 2020-21.

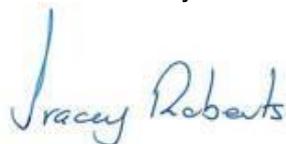
Many Councils are already demonstrating strong leadership and support for your initiative. However, in order to realise a net zero increase, we will need support from the State Government in relation to a range of financial, regulatory and governance considerations that need taking into account in complying with the request. Areas requiring resolution include, but are not limited to, the waste levy, electricity and street lighting tariffs and the planned revaluation of Gross Rental Values by the Valuer General in June 2020.

I have briefed the Local Government Minister on these measures, including options we have developed to further boost spending in our communities in the short to medium term. The team at WALGA are working carefully through the detail on these initiatives with your Ministerial colleagues and their agencies.

Please be assured that WALGA will continue to work with the State Government in support of WA's communities and households throughout this period of heightened uncertainty.

I am of the view that close collaboration between our two levels of Government is essential in ensuring that the State is in the best possible position to combat the economic and social impacts of COVID-19.

Yours sincerely



Mayor Tracey Roberts
President

Attachment 3 – Letter to all Councils from WALGA President

23/03/2020

Dear _____

COVID-19 and the Premiers request for a Local Government Rate Freeze

I am in receipt of a letter from the Premier requesting support and action to unilaterally freeze all Local Government Household Rates, Fees and Charges in 2020-21 (see attached).

As Local Government we are acutely aware of the negative impact COVID-19 is having on our communities. The added financial pressure and uncertainty facing households, small businesses and self-employers, as well as our individual Councils, is of significant concern.

I have responded to the Premier, advising that Local Government understands the hardship facing many households and local businesses, and are already demonstrating strong leadership.

However, in order to realise a net zero increase, we will need support from the State Government in relation to a range of financial, regulatory and governance considerations that need taking into account in complying with the request. Areas requiring resolution include, but are not limited to, the waste levy, electricity and street lighting tariffs and the planned revaluation of Gross Rental Values by the Valuer General in June 2020.

I can assure you that I, and the team at WALGA are working through these issues with the relevant Government Ministers, Departments and Agencies to have these addressed as expeditiously as possible.

I am of the view that close collaboration between our two levels of Government is essential in ensuring that the whole State is in the best possible position to combat the economic and social impacts of COVID-19. Consideration of a net zero increase to Council rates, fees and charges is an important element in reducing the pressure that our communities are facing.

I look forward to working with you in supporting WA's communities, businesses and households throughout this period of heightened uncertainty.

Should you or your staff require additional information on COVID-19, I refer you to the WALGA website: <https://walga.asn.au/News,-Events-and-Publications/Media/COVID-19>

Yours sincerely



**Mayor Tracey Roberts
President**

Attachment 4. – List of Proposed Legislative and Regulatory Amendments

The WA State Government are proposing the following legislative and regulatory amendments:

- Section 3.12 – Provide LGs the ability to suspend, by resolution, certain parts of a local law during a state of emergency or public health emergency.
- A power for the Minister to defer any election and extend the appointment of any Commissioners, notwithstanding the other provisions in the Act, for the duration of the State of Emergency.
- Power to be provided to Minister to waive requirement for absolute majority decision during a State of Emergency declared under the Emergency Management Act 2005
- All public meetings are suspended during a State of Emergency declared under the Emergency Management Act 2005.
- Where a state of emergency is declared under the Emergency Management Act 2005, all time periods specified in the Act are suspended and recommence after the time specified in the declaration has expired or it is revoked by the Minister.
- Minister (for Local Government) has power to waive requirements for giving public notice during a State of Emergency declared under the Emergency Management Act 2005.
- Purchasing/Tenders – Amendments to Local Government Function & General Regulations as per below;
 - Regulation 11(1) Tender Threshold: Increase the tender threshold to \$250,000 : This will permit Local Governments to extend the use their Purchasing Policy and apply local content provisions more readily to goods and services acquired via verbal and written quotations;
 - Regulation 11(2) Tender Exemptions: Introduce new tender exemption criteria for any goods or services associated with the state of emergency declaration (similar to purchases from expenditure authorised by Mayor / President in an emergency under s. 6.8(1)(c);
 - Regulation 21A(b) Varying a contract for the supply of goods or services: Currently limits renewal or extension of contracts where Regulation 11(2)(j) applies i.e. when renewal/extension clauses in contracts are exhausted. Recommend amending this Regulation to permit contract renewal or extension for an additional 12 months as a consequence of state of emergency, and for any existing contract at the discretion of the Local Government (that is, don't regulate rules such as 'essential services' as this proposal is more about business continuity and supporting existing suppliers esp. local)

WALGA has also requested consideration of the following two issues:

- Developer Contributions - Need ability to utilise Developer contributions funds set aside for emergency use in respect to COVID-19 - This will require an amendment to the Planning and Development Act 2005, Section 154: Money paid in lieu of open space
- Government Grants – Ability for Local Governments who have received Government Grants for projects (State and Commonwealth), for the funds be re-purposed to address COVID-19 issues. For example a LG has been provided grant funds to build a recreation centre, these funds could and the Councils own contribution could be re-purposed under State of Emergency provisions.