

Submission

Inquiry into Microeconomic Reform
in Western Australia - Draft Report

Shire of Dardanup (the Shire) is a Local Government Authority situated in the south west of Western Australia, 185km south of Perth and covering 518sq km.

With a blend of rural and fast-growing urban areas, the attention of Council is keenly focused on encouraging balanced growth and development while recognising the diverse needs of each unique community within its boundaries.

The townsite of Eaton forms the largest part of the Shire's population base and commercial hub with a population of about 10,000. The Shire's main administration building is located here.

The townsites of Dardanup and Burekup form the Shire's two smaller rural townsites that form the hub of approximately 2,000 residents living in rural areas of the shire.

Active development points to a bright future while natural assets plus a commitment to lifestyle, create harmony. This has attracted a diverse population made up of young people, couples, retirees, families and seniors.

Our community is vibrant, active and engaged. People who live here care about each other, their environment and their future. Beautifully maintained parks, picnic facilities, reserves and public open spaces plus a variety of picturesque natural wonders like the Collie River Valley, draw people to the outdoors.

The seeds of the Shire were sewn in its picturesque agricultural hinterland where traditional farming enterprises like beef and dairy production have been joined in more recent times by a now thriving tourism industry based on local draw cards like Gnomesville, a network of wineries, restaurants and boutique accommodation.

The Shire is well placed to meet the future urban and industrial expansion of the greater Bunbury region as identified in the Western Australian Planning Commissions Greater Bunbury Strategy 2013.

The Shire's submission is to the Draft Report's recommendation on Royalties for Regions (R4R):

ERA recommendation:

4. Repeal the Royalties for Regions legislation, or restrict regional funding to an amount determined annually as part of the Budget process and guided by appropriate cost benefit analysis on a project-by-project basis.

The Shire does not support the ERA recommendation.

1. The ERA recommendation appears not to have considered the importance R4R funding has on meeting the purpose and objectives of the State Government's Regional Development Commissions (RDCs):
 - a. *maximise job creation and improve career opportunities in the region;*
 - b. *develop and broaden the economic base of the region;*
 - c. *identify infrastructure services needed to promote economic and social development within the region;*
 - d. *provide information and advice to promote business development within the region;*
 - e. *seek to ensure that the general standard of government services and access to those services in the region is comparable to that which applies in the metropolitan area;*
and
 - f. *generally take steps to encourage, promote, facilitate and monitor the economic development in the region.*

The removal of this broad based taxation distribution model for regional areas will be to the detriment of the RDC objectives.

Broad based, ongoing, dedicated funding for regional communities is necessary to meet the State's objectives for regional development.

Strong regional communities will reduce population growth pressures on the Perth metropolitan area.

2. It is arguable that the draft report recommendation heightens the ability for expenditure allocation to political priorities in the Perth metropolitan area over higher needs based priorities that are of lesser public profile.
3. The Shire supports the retention of the Country Local Government Fund (CLGF) to address regional Local Government infrastructure backlog.

Research by the WA Local Government Association *The journey - sustainability into the future WALGA 2008* reports an assessed Western Australia Local Government infrastructure backlog at that time of \$1.75 billion.

The Shire of Dardanup has invested the majority of its CLGF individual allocation into road asset renewal.

It is the position of the Shire that respective local governments are best placed to identify local priority infrastructure needs of their communities. Much of the road network in the Shire of Dardanup that has been improved with this funding is used by the broader regional community to access tourism businesses and state assets, the Wellington Dam and Wellington National Park, as examples.

4. The draft report (item 2.1) refers to the need to increase productivity.

An advantage of the individual council pool is that the funds are allocated providing the project/s are identified in the local governments Strategic Plan. An application is completed then the funds are allocated without the need for a business plan or cost benefit analysis.

The advantage to the community and local government for locally prioritises projects, is that the resources that would be used to develop a business cases under the recommended state wide competitive funding model, would be able to be used in other demanding areas, thus avoiding unproductive use of resources.

5. The CLGF fund has been divided into several programs. An allocation has been set aside to regional groups of Councils, with the collective group having the power to allocate the funds how they saw fit into one or a number of worthy projects. Second pool is allocated to individual local governments, untied.

Individual local governments had the authority to apply the funds as leverage for large projects or to invest in projects within their own budget, supported by their identification of the project through their strategic planning for asset renewal and new assets.

As an example, from the group pool of funds, the Shire of Dardanup group included the City of Bunbury and the Shires of Boyup Brook, Capel, Collie, Dardanup, Donnybrook-Balingup and Harvey. These funds have been allocated to facilities such as the Leschenault Sports Pavilion in the Shire of Harvey and the expansion of the Regional Entertainment Centre in Bunbury.

Summary

Royalties for Regions provides regional areas with the funding to create a lifestyle and business opportunities in regional areas, the funds distributed through mining royalties are a fair way to distribute the state and national wealth to benefit all Western Australians, the Shire of Dardanup commends the continuation of this funding for the benefit of all.

Shire of Dardanup Recommendation

- 1. The Shire supports the retention of Royalties for Regions legislation and the current funding pool model for the purpose of;**
 - a. Funding infrastructure, economic and social development in regional areas.**
 - b. Individual annual CLGF Council allocations with sufficient funds to meet regional local government infrastructure backlog.**
 - c. Groups of Councils annual CLGF allocations for joint regional infrastructure projects.**

- 2. Competitive funding for significant regional infrastructure projects only is conditionally supported. The condition being that the investment in projects by this methodology also apply to the allocation of infrastructure funds to state government projects.**



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