



A Co-operative venture of the municipalities of:
Cockburn, East Fremantle, Fremantle, Kwinana, Melville & Rockingham

Friday, 17 April 2020

Enquiries: Tom Griffiths – (08) 9364 0631

The Hon. Scott Morrison, Senator the Hon Marise Payne,
The Hon Ken Wyatt AM MP, The Hon Greg Hunt MP,
The Hon Ben Morton MP
Department of Prime Minister and Cabinet
PO Box 6500 CANBERRA ACT 2600

The Hon. Michael McCormack MP, The Hon. David Littleproud MP
The Hon. Paul Fletcher MP, The Hon. Alan Tudge MP
The Hon. Mark Coulton MP, The Hon. Andrew Gee MP
The Hon. Scott Buchholz MP, The Hon. Kevin Hogan MP
The Hon. Nola Marino MP
Ministers for Infrastructure, Transport, Regional Development and Communications
GPO Box 594 CANBERRA ACT 2601

Letter sent by email

RE: LOCAL GOVERNMENT AS THE DELIVERY PARTNER FOR COVID-19 ECONOMIC STIMULUS MEASURES VIA THE FINANCIAL ASSISTANCE GRANT PROGRAM

The South West Group (SWG) congratulates the Federal Government on the effectiveness of its fiscal stimulus measures to date. The Government should be commended on the substantial financial package it developed, the third largest in the world as a percentage of GDP, to support the nation through these difficult times. The measures have been very well received by the near 450,000 residents within the SWG region and have provided much needed relief to businesses badly affected by the COVID-19 pandemic.

The purpose of this letter is to recommend the expanded use of the existing Financial Assistance Grants (FA Grants) Program as a further stimulus mechanism during the COVID-19 economic recovery phase. The FA Grants program is considered to be a highly effective and swift mechanism to directly stimulate Australia's economic recovery by engaging Local Government Authority's as the delivery partner.

It is the South West Group's understanding that it is the Federal Government's preference to use existing funding mechanisms where possible to support the COVID-19 economic recovery phase. The current calculations that underpin the allocation of FA Grants are reasonable, proportionate and can be applied simply to this context without the need for modification of criteria or new legislation.

This letter recommends trebling the amount of FA Grants funding delivered to all Local Governments across Australia via the Federal Department of Infrastructure, Transport, Regional Development and Communications (Department of ITRD&C) and Local Grants Commissions. Nationally, this would mean an increase of \$5.04 billion, from \$2.52 billion to \$7.56 billion per annum for the program. This letter recommends maintaining that increase for the 2021/22 financial year, before assessing the appropriateness of scaling back the increased grant funding to pre COVID-19 levels.

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In late 2019, the Federal Department of ITRD&C engaged Ernst and Young to prepare a review report titled *Drought Communities Programme Extension Review Main Report*. That report found that “Councils have wide networks and may provide the knowledge and understanding of the nuanced requirements of each region receiving a grant”. The findings of this report support the view that providing funding to Local Governments is the best way to ensure a rapid and targeted economic stimulus with lasting community benefits.

The FA Grants program should continue to operate on the principle that *“both components of the grant are untied in the hands of local government, allowing councils to spend the grants according to local priorities.”* This principle allows Local Governments to focus use of the funds in the most effective way based on their local context and challenges. Local Governments are best place to understand the areas of their communities most affected by COVID-19 and the FA Grants enable Local Governments to respond swiftly and effectively with the goal of stimulating local economic and employment activity.

LGAs have the capacity to reactivate local supply chains by utilising existing local procurement networks and tender panels. The flexibility of the program enables LGAs to utilise their local knowledge to divert funding where it is most needed. For example, most economists expect that the construction sector will severely constrict due to significant drops in investment and investor confidence. LGAs could compensate for this by investing in local construction projects (many of which have already been designed and costed as part of a ten-year financial plan) that will achieve lasting benefits for local communities (e.g. learning centres, youth hubs, sporting facilities).

Currently the FAGs are paid quarterly and consideration could be given to accelerating the timing of FAGs program payments. This may mean two payments, made at the beginning of quarter one and quarter three of the financial years, or one up-front payment at the start of the financial year.

If you require any further information, please contact the South West Group’s Director, Mr Tom Griffiths – his details are below.

Tom Griffiths | Director | South West Group

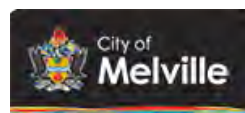
Email: director@southwestgroup.com.au | Tel: (08) 9364 0631 | Mob: 0406 420 854

Kind regards,



Mayor Logan Howlett

Chair of the South West Group in 2020, and representing the following LGAs



Cc: Josh Wilson, Federal Member for Fremantle
WA Premier and Cabinet
WA Department of Local government
WA Local Government Association

Enc: How South West Group member councils are supporting local communities & businesses



“South West Group member councils are stepping up in the fight against COVID-19 with a range of support measures for their local communities and businesses. Collectively this is tens of millions of dollars in immediate support packages and for economic stimulus measures during the recovery period”

Tom Griffiths, South West Group Director



HOW SOUTH WEST GROUP MEMBER COUNCILS ARE SUPPORTING LOCAL COMMUNITIES AND BUSINESSES

Local councils within the South West Region have reduced or placed a freeze on rates, fees and charges for 2020/21

City of Cockburn

- » Removal of interest and other fees and charges on rates for the remainder of this financial year
- » Freeze on rates for 2020/21
- » Freeze on all fees and charges for 2020/21
- » Sporting Clubs support package – short term hire fee relief or reduction when the City's facilities are reopened
- » Rent relief options to tenants of City owned or controlled premises
- » Accelerated supplier payments - paying suppliers within 15 days

City of Fremantle

- » Continuing to invest in major capital works program in Fremantle including the Kings Square renewal project
- » Rent postponements for City-owned or operated buildings a period of 180 days
- » Flexible payment terms for rates
- » Statutory fees may be deferred for a period of 6 months
- » Free on-street parking in Fremantle for the next 3 months
- » Exemptions from planning approvals for many changes of land use and fast tracking other approvals for business
- » Accelerated supplier payments

Town of East Fremantle

- » Lease payments and fees and charges on Town-owned buildings and assets are suspended for the next three months
- » Freeze on rates for 2020/21
- » Freeze on all fees and charges for 2020/21
- » Freeze on increase in wages and salaries for staff for 2020/21
- » Faster terms of payment for creditors
- » Free access to business advisory services

City of Kwinana

- » Activated its Local Recovery Coordination Group that includes representation from the City of Kwinana, Department of Communities, Department of Education, South Metropolitan Health Services, Kwinana Police and the Offices of Roger Cook MLA and Madeleine King MP.
- » The key objectives for the Group include:
 - » ensuring information is available through the formation of local networks on the impact of the pandemic on the local community and enables the identification of any emerging gaps in services or supports
 - » government/community structures are able to continue to support community health and wellbeing
 - » measures are in place to combat social isolation, loneliness and community disconnection
 - » communication remains timely and consistent across the different agencies involved
 - » local initiatives are being developed to complement Federal and State stimulus and support measures to keep local businesses operating and employing local people, and
 - » coordination of local recovery efforts.

City of Melville

- » Community Stimulus Package valued at \$15 million.
- » Flat \$200 rates concession for households (an average reduction of 11%)
- » Freeze on all fees and charges for 2020/21
- » 10% reduction for commercial rates
- » One hour free parking will be rolled out across the City
- » Some licensing fees, leasing and loan arrangements may be waived
- » Financial grant support payments for clubs and associations up to a total of no more than \$750,000.

City of Rockingham

- » Freeze on rates for 2020/21
- » Freeze on all fees and charges for 2020/21
- » Free one-on-one emergency advisory sessions delivered by Business Foundations
- » Emergency Relief Fund grants of up to \$15,000
- » Subsidies are available to adults and seniors on low-income to assist them to feel safer, more secure and connected.

Many local council owned buildings within the South West Region have postponed rent or lease payments for their existing tenants.





THE HON BEN MORTON MP
ASSISTANT MINISTER TO THE PRIME MINISTER AND CABINET

Reference: MC20-071048

Mayor Logan Howlett
Chair
South West Group
Locked Bag 1
BOORAGOON WA 6954

Dear Mayor

Thank you for your letter dated 17 April 2020 regarding financial assistance for local government. I note you also wrote to the Prime Minister, the Hon Scott Morrison MP. The Prime Minister has asked me to respond on his behalf.

The priority for the Commonwealth Government is the health and wellbeing of Australians, their livelihoods, their jobs and ensuring Australia is positioned to emerge from the coronavirus (COVID-19) pandemic strong and resilient.

We recognise that as we all change the way we live and work, Australian businesses and workers will be affected. That is why we are taking action to keep Australians in jobs and businesses in business. Already we have announced \$260 billion in measures to protect the economy – that is around 13 per cent of the size of the economy.

The Government recognises the critical role local governments are playing in responding to the impacts of COVID-19.

The Government is providing \$2.5 billion in untied Financial Assistance Grant funding in 2019-20. On 22 May 2020, the Government announced it would bring forward the payment of \$1.3 billion from the 2020-21 Financial Assistance Grant funding allocation. This will enable the immediate use of these funds on locally-determined priorities and projects to help in the COVID-19 recovery.

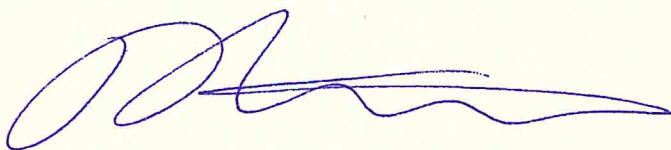
We also announced a new \$500 million Australian Government Local Roads and Community Infrastructure Program. The Program will inject further funds into local economies and enable local governments to fast-track 'shovel-ready' infrastructure projects. It will build on our existing investments in infrastructure, which are set to play an important role supporting economic recovery.

Both the Financial Assistance Grant payment bring forward and the new Local Roads and Community Infrastructure Program are in addition to the \$1.2 billion the Government is providing in 2019-20 to support local governments deliver local infrastructure, and provide relief from the drought and bushfires.

On 3 April 2020, the National Cabinet agreed states and territories are best placed to address issues related to the impacts of COVID-19 and local governments. The Commonwealth will continue to engage strongly with local governments noting several states and territories are acting to secure the local government workforce to ensure they can continue to provide essential services and help our communities prepare for the recovery.

Thank you for writing to the Prime Minister on these important matters. I have referred your correspondence to the responsible Minister, the Minister for Regional Health, Regional Communications and Local Government, the Hon Mark Coulton MP.

Yours sincerely



BEN MORTON

3 / 6 / 2020