

LOCAL GOVERNMENT AMENDMENT (COVID-19 RESPONSE) BILL 2020

Introduction and First Reading

Bill introduced, on motion by **Mr D.A. Templeman (Minister for Local Government)**, and read a first time.

Explanatory memorandum presented by the minister.

Second Reading

MR D.A. TEMPLEMAN (Mandurah — Minister for Local Government) [1.56 pm]: I move —

That the bill be now read a second time.

I rise to introduce the Local Government Amendment (COVID-19 Response) Bill 2020 to assist local governments to respond to the current emergency. This bill is designed to introduce provisions to streamline and support the operations of local governments for the purposes of responding to the direct and indirect impacts of COVID-19.

It is a challenging time for us all, and the impacts of COVID-19 are being felt by every member of our community, here and across the world. The state and federal governments are doing everything they can to take decisive action to support individuals, households and businesses. It is important that local governments can do the same for their communities.

This bill amends the Local Government Act 1995 to enable fit-for-purpose and agile responses by local governments during the COVID-19 pandemic. It allows the minister to issue an order to modify or suspend provisions in the act or regulations and provides local governments with the ability to suspend local laws.

Modification or suspension of provisions: This pandemic has shown that provisions in the Local Government Act severely limit the ability for local governments to respond quickly to the emerging and ongoing emergency. This can potentially put the health of the community at risk. This bill introduces the ability for the minister, by order, to modify or suspend provisions of the act or regulations when a state of emergency has been declared. The order can be made only while the COVID-19 emergency is in force and the minister must consider it necessary to deal with the consequences of the pandemic. The order can have effect immediately but cannot be for a period any longer than three months after the emergency declaration is revoked or ceases to have effect.

Matters that could be dealt with under this power include: deferring any election or modifying provisions relating to in-person elections; suspending the need for public meetings; making provisions regarding access to information for members of the public when council offices are closed; deferring action against people for unpaid rates or charges; and amending, extending or removing time periods specified in the act.

Section 9.65 of the Local Government Act 1995 provides for ministerial orders and requires their publication in the *Government Gazette*. Orders made under this provision will be treated as regulations for the purposes of the Interpretation Act 1984, which requires them to be tabled in Parliament, making them subject to disallowance. This power is similar to that enacted in South Australia in its Local Government (Public Health Emergency) Amendment Act 2020. Other Australian jurisdictions are enacting similar powers in relation to their local government acts.

Local Laws: Changes are also being introduced to allow local governments to suspend, by absolute majority, a local law or parts of a local law during a state of emergency. This is an important tool to enable local governments to remove local restrictions that may be beneficial to the district, or part of a district. Local governments must consider that the suspension is necessary to deal with the consequences of the COVID-19 pandemic. Following a resolution, it must be published on the local government website and a copy provided to the minister. The suspension takes effect from the date of publication or such later date as specified in the notice. It cannot apply for a period longer than six months after the state of emergency ceases. These provisions will enable local governments to make changes to local laws covering such areas as parking restrictions, activities on footpaths, restrictions on businesses' operations, cemeteries and health to reduce red tape and to quickly respond to the emergency.

Conclusion: It is vital that local governments can provide a response to not only the health emergency but also the economic emergency. Once this pandemic is beaten, all levels of governments, businesses and households will need to work together in the recovery process.

I commend the bill to the house.

MR W.R. MARMION (Nedlands — Deputy Leader of the Opposition) [2.02 pm]: I begin by pointing out that the Liberal Party supports the Local Government Amendment (COVID-19 Response) Bill 2020. We recognise the times we are in and the importance of being able to respond fairly quickly and effectively to issues that might eventuate in the sector of local government. I compliment the minister on the process, at a time when we do not have much time to consider legislation. As I mentioned a couple of weeks ago, when I was responding to some legislation having just read the second reading speech, I find myself in the same position. I have to say that, in my opinion, all the stops were pulled out by the Department of Local Government, Sport and Cultural Industries and

the minister's office in endeavouring to get to me as much information as possible in the limited time available while this legislation was being drafted. Specifically, late last week I received a summary of what the legislation would have in it, and when I got the second reading speech 20 minutes ago, it was pleasing to read that it was very similar to the summary. That was a pleasant surprise. That means that the genuine approach by the department to provide me with a summary last week was in line with the second reading speech. The protocol is that the minister could provide me with the second reading speech at the time he reads it, and I appreciate that I got the second reading speech before the minister read it out. That is probably a first.

Mr D.A. Templeman: It's a first.

Mr W.R. MARMION: It is probably a first, but I cannot guarantee that.

Yesterday, we had a briefing, and that was the first time we had an opportunity to go through the bill. Anyone in the Liberal Party had an opportunity to use Teams to get a briefing from the department. I must say that each clause was covered quite well. We went through the whole bill and could see that in the short time frame that has been allowed to put the bill together, the government had pretty well considered all the issues that were raised by our questions. That is a summary of that process. I thank the department's instructing officer, Sheryl Siekierka. She has been around for a while; I have seen her around for some years. I thank her very much for running the briefing on Teams at lunchtime yesterday.

The bill covers two aspects. Firstly, it gives the minister some powers to override, through orders, any section of the Local Government Act in relation to COVID-19. We were initially concerned about the minister using the opportunity to put orders through willy-nilly—I know he would not do that, of course—but the legislation specifically relates it to COVID-19. Indeed, the methodology used by this amendment bill is very simple and succinct, and it appeals to me as an engineer that a complete part 10 will be inserted into the current act. That is pretty simple. Amendments are not piecemeal throughout the whole act, and indeed there is a provision in part 10 —

Mr M. McGowan: It's a fine piece of engineering.

Mr W.R. MARMION: It is a fine piece of engineering, Premier.

The bill has five clauses, with clause 5 being a simple method to delete part 10, which contains the working provisions of this amendment bill. Indeed, the bill provides the opportunity for the minister, through Executive Council, to delete part 10 when it is no longer required.

Further to that, the second good aspect of part 10, which covers the ability for the minister to make modifications to the current act, will allow local government, by resolution with an absolute majority, to make quick resolutions that may override current resolutions that might be enacted. It is quite a nice succinct piece of legislation, and indeed in both those parts—the ministerial part and the local government part—the wording makes it very clear that orders must be in relation to the COVID-19 emergency declaration.

The bill also has provisions to make sure that any order has a sunset clause. With the ministerial order, it is a three-month sunset clause, and, as we found out in the briefing, it is a six-month sunset clause for local government amendments, because some of the amendments by the local government authority itself may be of a nature that should continue on. Six months will allow local governments the time frame to seek normal community consultation and make sure that any local government rule that they want to keep in operation after the expiry of the COVID-19 pandemic can be kept.

The question that immediately comes to mind is: why would the minister need to bring in this legislation? Firstly, I asked a question about the ministerial power, and the second reading speech addressed this. Issues we have not thought of at this moment might come up, and this provision allows the minister the opportunity to react quickly to something we may not have thought of. That is my understanding of why this is quite a useful piece of legislation. Indeed, the powers that come to mind straightaway are mentioned in the second reading speech, which states —

deferring any election or modifying provisions relating to in-person elections;

Obviously, in the COVID-19 environment, in-person elections are problematic. During the briefing I asked whether the minister would have the power to make sure that all elections are held by postal ballot, and the answer was yes. That would be sensible, rather than deferring elections. The bill will give the minister the option to do that.

The second reading speech also states —

suspending the need for public meetings;

That is reasonable and something that the minister might do. The second reading also states —

making provisions regarding access to information for members of the public when council offices are closed;

It might be useful that the public gets information; and, if they are not getting it, the minister will have the power to work out a mechanism for that to happen.

The second reading speech continues —

deferring action against people for unpaid rates or charges;

That will be fairly important in this climate. Provisions in the act could require a time line, and it may be appropriate to change those time lines so that people are not penalised. There are reasons these amendments need to be put in place. They will allow the minister to intervene where necessary so that things work.

Some of my colleagues raised questions about ministerial powers and are concerned that the minister could use this opportunity to relax some of the rules around planning approvals. The representative from the Department of Local Government, Sport and Cultural Industries told me that those powers come under the Minister for Planning anyway, and I have that assurance, but I would like the minister to back that up in his second reading reply and delve into the area of planning approvals and whether they can be relaxed. In my electorate there is some concern about some large-scale developments. From an economic point of view, it could be argued that they would be useful in the current climate, but from a planning point of view, they may not comply with sensible planning. I will be interested to hear any comment about that.

It is fairly clear that the minister will have the power to intervene provided that it is a response to the COVID-19 emergency. One aspect of those powers is the need for a safeguard. Proposed section 10.3(5) provides that if the minister uses his power under proposed section 10.3(1), he must publish the order in the *Government Gazette*. The second reading speech, a copy of which I got only 20 minutes ago, states that that could be disallowed. However, that raises the question, which the minister might also like to clarify in his response, about the disallowance of an order by Parliament. For that to happen, I understand that the Parliament has to sit; therefore, that could be delayed if, let us assume, it happened during the five-week winter recess. I am not saying that that will happen, but it is possible that an order could be made and it could be some time before Parliament resumed for that order to be disallowed, if indeed someone wanted to do that, or debated.

That pretty well covers that issue. One other sensible thing the bill will do is give the minister power to not have to make an order that covers the whole sector. Proposed section 10.3(5) provides for the minister to make an order relating to a single local authority, a group of local authorities or the whole sector.

I now move on to proposed section 10.4, which relates to local laws. This is an important and practical part of the bill. I understand that the way a lot of businesses and local governments are operating right now would possibly contravene some local laws. This bill will allow, if required, individual local authorities, provided they have an absolute majority, to pass local laws that override or modify existing laws so that everything works in accordance with proper local law under the current COVID-19 emergency situation. They could be parking laws or laws concerning local business operations. Businesses could alter their business, which could be in contravention of current local laws. This provision will allow the local authority to make amendments so that they do not. Some local authorities have laws about businesses operating from home. This bill will give them an opportunity to cover that, because a lot of people are working online from home. Also a lot of local authorities run cemeteries, so this would provide exemptions for the opening and closing of cemeteries. For those sorts of things, they will be able to override existing local laws.

Again, any order that is overridden must be related to the COVID-19 emergency. A local government cannot just decide willy-nilly to use the current awkward situation to bring in any law; it must be related to an issue to do with the COVID-19 emergency. Indeed, the local government will have to publish the new law on its website and provide the minister with a copy. The minister will have oversight of a council that decides to use this power, in the same way that the Parliament, if it so chooses, can disallow a ministerial order that does not comply with the intent of the bill. Similarly, we were advised that under section 9.60 of the Local Government Act, the minister can, by regulation, override a local government order if the minister so chooses.

Basically, the Liberal Party supports the bill. One of our main concerns is whether the bill will impact on planning—that is, current structure schemes and planning issues—and whether it grew a bit bigger than just a COVID-19 response. I would be interested if the minister could mention that. Another question I raised was how an order by the minister that is published in the *Government Gazette* can be disallowed by the Parliament if it does not sit for some time. Of course, there is the winter recess, although it does seem at the moment that we are meeting every week anyway.

I consulted the Western Australian Local Government Association. Although WALGA supports the bill, it would have liked it to go a little further to address the gross rental value issue that members of Parliament probably get emails about. WALGA was pushing for current gross rental values to remain in place and to not be altered as per the recent review.

Mr B.S. Wyatt: Go to a general.

Mr W.R. MARMION: Yes, go to a general.

I think WALGA was keen for that. I know the government did not want that in the bill, and that is probably reasonable. The question was asked about whether, although it is not in the bill, the minister might be able to use the powers he

will have when we pass this bill to amend the process in the act regarding gross rental values. I would be interested in the minister's comment on whether there was any intention to amend that. I note that the Treasurer might have an interest in that as well. I understand that the process of calculating rates using gross rental value is set out in the Local Government Act, but will the minister, using his new powers, entertain the possibility of having a new methodology for that?

Mr B.S. Wyatt: The Valuation of Land Act sets out the current GRV.

Mr W.R. MARMION: Yes, that is right.

Mr B.S. Wyatt: The Valuation of Land Act sets out how the GRV is done. The Valuer-General does that every three years in the metropolitan area, and has done that ever since 1978, so that it is up for review now. I think it is fair to say that there is a lot of expectation in the community of what an updated GRV between 2015 and 2018 is going to look like.

Mr W.R. MARMION: My understanding was that it was automatic, but someone suggested to me —

The SPEAKER: Minister for Tourism, welcome. Acknowledge the Chair each time you come in.

Mr W.R. MARMION: Thank you, minister. I appreciate that interjection by the Treasurer; Minister for Lands.

The SPEAKER: It is quite all right!

Mr W.R. MARMION: It is beneficial to the current debate. My understanding is that it was automatic, but someone made the suggestion that under the Local Government Act, the minister might be able to influence the process.

Mr B.S. Wyatt: The Valuer-General is an independent person under the act and will defer or delay —

Mr W.R. MARMION: Right, so that is the Valuer-General himself?

Mr B.S. Wyatt: Yes, that is the Valuer-General. He will do it only if he is of the view—I might get the wording slightly wrong, because I do not have the act in front of me—that there is not likely to be a significant change in value, whereas what we are clearly seeing is that there has been between 2015 and 2018.

Mr W.R. MARMION: With that in place, it sets the scene, and then it is up to each individual local government to set the rate accordingly. That is how I understood it, but this has clarified it nicely.

The Liberal Party supports the bill. If I get those questions answered, we may not have to go into consideration in detail, unless the Nationals WA would like to do that.

MR R.S. LOVE (Moore — Deputy Leader of the Nationals WA) [2.23 pm]: I am speaking today on behalf of the Nationals WA on the Local Government Amendment (COVID-19 Response) Bill 2020. At the outset, I would like to say that the Nationals will support the legislation that has been put forward to the house. We think it clearly addresses the current COVID-19 situation. It contains a sunset clause so that its operation is simultaneous with the emergency period and the transition period thereafter. I note that both of the active proposed sections, 10.3 and 10.4, contain their own sunset provisions. There seems to be a plethora of sunset provisions in this legislation, so there is no doubt that the bill is meant to have relevance only during the COVID-19 period. I understand that the purpose of the bill is to grant power to the minister to waive or suspend the operation of any provision of the act during the current state of emergency and allow local governments to continue to operate and make critical decisions, in particular by allowing the minister to modify or suspend provisions in the act and local governments to suspend their relevant local laws. None of that is particularly contentious to us. We had briefings on the matter not long before we had to consider the matter in Parliament, but that is rather the nature of what is going on, and I know cabinet itself considered these matters only very recently.

One issue that appears to be somewhat contentious is the one that the shadow Minister for Local Government finished on, which was that the local government sector, or its peak body, the Western Australian Local Government Association, had expressed the view that it had hoped to have some statement on rate rises and some provisions in this legislation to deal with rate rises. I guess the reason for that goes back to the letter that the leader of that organisation, Mayor Tracy Roberts, received from the Premier on 17 March this year. One sentence in that letter from the Premier reads —

I am requesting that you seek your members support and action to unilaterally freeze all Local Government Household Rates, Fees and Charges in 2020–21.

I do not think there is any doubt that local governments are willing to consider that request, but they have indicated to me that there will be some difficulty because of the revaluation of gross rental values that are in train for the metropolitan local governments. I do not believe there are any at the moment for country local governments, although I could be wrong on that, but having read a list, I think they would have all been enacted last year or are on a different schedule. They are on a pattern that runs for a number of years, whereas metropolitan local governments are done in a group in one particular year. Although the valuations are done in a year, the valuation itself is not necessarily put into effect immediately. I think there is something like a 22-month lag for local governments in

Extract from Hansard

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Mr David Templeman; Mr Bill Marmion; Mr Shane Love; Mr Ben Wyatt; Mr Dean Nalder

country areas and an 11-month lag between the completion of that process and instigation of the rate revaluation. I understand that the government had considered including a provision in this legislation to address that very matter. The aim would have been to ensure that the ability of local governments to guarantee that they would not increase anyone's household rates would not be impeded by changing valuations in land. As I said, those land valuations are due to be applied from 1 July this year, so local government budgets will pick up those revaluations. Because of that, even with a total rate take being frozen at a particular level, individuals within the rate-paying group may be paying more or less than they would have paid in another year, assuming that the local government sets its rate in the dollar to receive the same total rate take as it took in the previous year. That leaves something of a conundrum for local governments in trying to explain to their householders why, although they have given a commitment to hold household rate increases to zero, some householders under that scenario will have an increase in their rates from last year while others will have a fall.

The two will average out, but there will be some aggrieved householders within that group, because they will have a rate rise. Even if there is a negative overall trend for gross rental values, local governments will presumably compensate for that by increasing the rate in the dollar so that their rate take remains at the same level. As I said, it is very complex to explain to ratepayers, especially when a local government might have a fall of around 10 per cent in its general rate valuation but an individual who has a fall of, say, five per cent will actually have a rate increase even though their GRV level has fallen. That would be very hard to explain to that ratepayer. That is why local government requested that the state government hold over those revaluations. I understand that the Treasurer; Minister for Lands received a letter from the Western Australian Local Government Association asking for that. Given that the Premier had written to WALGA seeking a freeze on local government rates, there was significant concern that even the existing rate burden may cause financial distress for some households. WALGA did not want any particular households to experience a rise.

Accordingly, the sector sought a commitment from the state government for a deferment for a period of 12 months of both land valuations assessed by gross rental valuation—that is, those done by city councils—and unimproved valuations, which affects all local governments because that is done on a continual basis as provided for in the Valuation of Land Act 1978. WALGA added that it would add significantly to the complexity of preparing and then amending rate records to achieve the objective of delivering a nil rate increase. Local government made that request to the Treasurer; Minister for Lands on 23 March and explained, as I have outlined, that it might not be possible for local governments to freeze rates for all householders because of the rise and fall that will take place because of a revaluation, even if local governments take the very reasonable position of holding their total rate take increase at zero. I understand that those provisions were in the bill that was first mooted, but they disappeared last week, and so did the possibility of local governments having that very reasonable request granted. I would like the minister to perhaps explain to local governments throughout the state why that request was not considered by government. Although the minister probably thought that it could be achieved at some stage, why was it not given consideration in the final outcome? It will lead to a problem for local government in addressing its commitment to prevent those imposts from causing further distress for householders.

I do not know whether there was a view in government that if there was a general downward trend in gross rental values, it would somehow lead to a general rate reduction in gross rental values throughout the metropolitan area and perhaps even unimproved rates throughout the state. That would show a lack of understanding of the rate-setting process, which is set out in the Local Government Act. That process involves understanding the deficit that a local government faces in setting the rate in the dollar, given its valuations in total to balance its budget. As I say, local governments have already committed to having no net increase in the total value, but at this point they have not committed to allowing for a fall in the rates that they levy. If they were to do so, there would be some quite serious consequences for them as employers. In many cases, they have already had to lay off workers, mainly those who are involved in the face-to-face business units—the swimming pools, gymnasiums, libraries et cetera that councils have had to close. We know that councils are not eligible for support under the JobKeeper program, so that means that their only alternative is to find other activities for those workers, which is not always possible. It is pretty hard to re-task a librarian to drive a grader—that is not going to happen. There has been some level of lay-offs already and I believe that there will be continuous lay-offs in local government as the effects of this current crisis continue to bite.

Given that local governments are not eligible for JobKeeper payments, cannot increase their revenue through their rates and have already lost income from their business enterprises that bring in money that they have had to shut down, is there an expectation that they will dip into their reserve funds to keep their day-to-day operations going? Has the minister or the Premier told local governments to do that? I have a set of minutes from a special meeting of the Morawa council that was held on 2 April to discuss the COVID-19 situation. At page 13 of its report, it details —

The Premier and Minister of Local Government have urged Local Government Authorities to consider all financial measures to provide ongoing support to local communities.

The Shire of Morawa has multiple reserves in accordance with s.6.11 of the *Local Government Act 1995* which have a dedicated spending profile adding up to —

A figure is then provided. The minutes continue —

Set up a ... *COVID-19 Emergency Support Reserve* which is up to \$190,000 ...

Those reserves are coming from the very necessary funds that they have to call upon in the future. Will there be an expectation of state government support for those local governments that have had to run down those very necessary reserves, which have been put aside largely as a result of state government requirements that they plan responsibly for capital asset replacement and for the future of their communities? Otherwise, ultimately, the burden will again fall on ratepayers. In the long term, future commitments and future calls on ratepayers are racking up. What assistance might be provided to local governments to address both their current issue of meeting shortfalls in funding and the long-term issues that running down their reserves will create, given that when we get to the recovery phase of this COVID-19 emergency, local governments will not be able to participate in and stimulate their local economies if they are flat-strap broke? They will need to have some support to participate in the future. I point the government in the direction of the Nationals WA's program, the country local government fund, which, in its early days, gave local governments a lot of support to spend money locally to ensure that the backlog, if you like, in community assets that had been neglected for many years could be overcome and also stimulated growth within local areas. I suggest that that would be a very suitable program to institute in the future.

I will wrap up at this point, but I ask the minister whether he could respond to why the government has refused WALGA's requests to hold over that gross rental value change this year. Are there technical reasons why that cannot happen? My understanding is that the government can make a decision to hold that over and that there was draft legislation that would have done that, but, for some reason, that legislation was not brought to the chamber. I would like to know why that quite reasonable request from local government was denied, given that local government has committed to standing with the state government in addressing the issues that we all face in responding to COVID-19. Why was such a fundamental request denied? It would not have altered local government's commitment to a zero rate increase but would have reduced the complexity to meet that commitment and ensure that no individual householders would get a nasty shock when they got their rate bill this year, after hearing that there would be a commitment to not increase rates from local government. Undoubtedly, that will cause community anger and reflect negatively on local government. We all know that it is not local government's fault. In fact, it is the failure of the state government to accede to that reasonable request that has led to this situation.

MR B.S. WYATT (Victoria Park — Treasurer) [2.41 pm]: I rise to make a couple of comments on the Local Government Amendment (COVID-19 Response) Bill 2020 because the member for Moore and the Deputy Leader of the Opposition, and perhaps others—I was not in the chamber for the entire debate—made some comments on the issues of the gross rental value and rates. To be fair to the Minister for Local Government, the issue of GRV falls to me as Minister for Lands under the Valuation of Land Act. I will make a couple of points and hopefully answer a couple of the questions that were asked. The Minister for Local Government can deal with the other components of the legislation.

The member for Moore is correct that the Western Australian Local Government Association, under Mayor Tracey Roberts, wrote to me requesting that the government delay or defer the GRV process that has been ongoing for some time. As members are aware, every three years in the metropolitan area, the Valuer-General updates the gross rental values. That information is used for not only the purposes of setting the rates, but also how the Water Corporation bills its customers, how the emergency services levy is calculated and land tax et cetera. The GRV feeds into a range of things. WALGA wrote asking for that valuation to be deferred. Local governments are engaged with the Valuer-General as the Valuer-General goes about this process. They know what the Valuer-General is up to and they are given preliminary data highlighting where the valuations are heading. Generally, April is when the Valuer-General notifies local governments of the GRV that is set. I make the point that the GRV is then fed into the rates process. It is up to the local governments what they do with that; it is not up to the Valuer-General. The Valuer-General provides the data that goes into setting the rates, but it is up to each local government to take that information and multiply it by a certain number of cents in the dollar and come up with whatever rate it decides to set. I wrote back to WALGA saying that the government will not delay that process. There are a couple of reasons for that, which I want to put on the record.

This has been the process since 1978. We all know the process. Local governments are good at this process. They know how to set a rate and issue rates notices to their constituents. What is problematic for local governments is that this is probably the first time since 1978 when there will be a decline in the GRV. Let me be very clear that that is not news to Western Australians. Everyone knows what has happened to property prices since 2015. The member for Bateman and I had an exchange about this a couple of weeks ago. The updated GRV will take into account the period between August 2015 and August 2018. The Minister for Local Government had a lot of conversations around whether the valuation should be deferred. In the end, my view is that it should not be, because, ultimately, if councils want to pass on the benefit of a lower GRV, that is up to them. If they want to increase the cents in the dollar to get to a frozen rate base, that is up to them also. It is not up to the state government to set that rate. As an aside, all members would appreciate that if there were another scenario in which the state government tried to

intervene and set a rate for a local government, we would be crucified by WALGA. One of the reasons it is asking the state to legislate a freeze is to avoid the impact of a reduced GRV, although perhaps I am being cynical. The state government decided not to legislate to freeze the GRV. I wanted to make that point because I note a media statement put out by WALGA that it will result in increased rates. On average, there has been a 13 per cent reduction in GRVs across metropolitan Perth.

Mr Z.R.F. Kirkup: Does that include commercial investments as well?

Mr B.S. WYATT: Both rates have reduced, but I think the 13 per cent is the reduction in residential property values. Commercial property values have largely reduced, too. It is around that figure, although it may not be 13 per cent. I will give the member an idea. The volumes of decrease in GRV in local government areas are all in the 90 per cent range, except for Mosman Park, which has a decrease of 77 per cent. Some 18 per cent have an increase, for whatever reason, but, by and large, the overwhelming majority—94 per cent-plus—in every local government in metropolitan Perth will see a reduction in its GRV. Suffice to say that the state government was not going to get in the way by passing legislation so that could not be passed on. I fully appreciate that the revenue base of local governments will be under pressure. If they decide to increase the number of cents in the dollar to get to the freeze, if that makes sense—it is slightly complicated, but members are all nodding their heads and have a vague understanding of how it works—then so be it. The Town of Victoria Park will have a 97 per cent decrease but, as a ratepayer, I would support the local government if it wanted to increase that to get to a freeze, provided it did not get to that point by laying off staff. I want to see it support its workforce. I understand the pressures.

Mr R.S. Love: Can you clarify: is it the position of the state government that local government should have a total rate income form commensurate with the full GRV?

Mr B.S. WYATT: No. That is up to the local governments. The point I am making is that WALGA and councils want to ask this place to make that call for them. That is not for us to do. Would they ever ask for this if property prices continued to increase? No way in the world. This is an unusual circumstance, although everyone has known that a reduction in GRVs has been coming for at least three years. I would have thought that every good local government and CEO would have been preparing for a reduction in the GRV. No-one should be surprised. There should not be one person in local government who is surprised by the reduction in GRV. I get that it will cause pressure. As the state Treasurer, I have to deal with that because the reduction in the GRV will impact on my budget. These are the realities of having a system built around property values. Every now and then we learn that property values do not go up every year forever, and this is a scenario in which it has not. I put on the record that that is why we are not legislating to defer the GRV. The Valuer-General has the capacity to defer it—I will confirm my memory of it—if after 12 months there is not some change in the GRV, which is not the case in this scenario. The Valuer-General is doing what the Valuer-General must do under the legislation. The Valuer-General is independent. If I said to the Valuer-General, “I would really like you to delay it”, he would just tell me that he was not interested in what I had to say and that he does what he is obliged to do under the act. All local councils have to manage this. They have all known for a long time where property prices have been heading. There has been a reaction to the GRV and local governments will have to react accordingly. One thing I am confident about is that local governments are good at setting and know how to set rates and they will respond to the updated GRV.

MR D.C. NALDER (Bateman) [2.49 pm]: I want to quickly comment on the gross rental value issue, given that there has just been an explanation about it. It is the transparency that we have been seeking, so we applaud the government for its thinking around the GRV. We do not believe that it should be a state government altering thing; we believe that it is the responsibility of the councils to be transparent with their ratepayers and to justify to their ratepayers the charges that they pass through. Therefore, I think it is the right approach. We have been concerned about the push by the Western Australian Local Government Association and what looked a little bit like media spin last week justifying that it wants to halt that process when the actual valuation process was completed back in August 2018 and will be implemented on 1 July 2020. We are appreciative that there will not be any hold-ups. We were a little bit concerned that this legislation might have given a bit of wiggle room for that to be played with, and we did not think that that was the right step for a state government to be doing, so we thank the Treasurer for that clarification. It is definitely something that he and I had been chatting about a couple of weeks ago, and it is great to get clarity on that issue.

MR D.A. TEMPLEMAN (Mandurah — Minister for Local Government) [2.50 pm] — in reply: First, I thank all the members who have spoken on this bill: the Deputy Leader of the Opposition, the member for Moore and the Treasurer, who, I think, gave very clear reasoning behind the government’s position on the impending gross rental value issue. Also, I thank the member for Bateman for his brief but curt response. It was a good response because it supports our position.

I will alert the house on the preparation of this bill, and allay any concerns of its intent. I want to also highlight the involvement that I have had with local governments during the COVID-19 crisis as it has unfolded. I still find it amazing that just over four weeks ago we were celebrating on the Canning Highway the *Highway to Hell* event.

It was a great event with mass numbers. Then, just over a month later, we have had a period of several weeks of people being confined to their homes if they are particularly vulnerable, the tragedy of so many businesses being lost almost overnight and hundreds of thousands of people across the nation finding themselves unemployed. It was unthinkable even a month ago, yet that is what has transpired in the last four or five weeks.

I want to address a couple of issues that have been highlighted. The Treasurer has very effectively dealt with the land value issue and its economic-related impacts; that is why he is the Treasurer and I am not! I want to allay the member for Moore's concerns regarding ongoing conversations and the reported comments by both the Premier and me about local governments. I think we have done five webinars with the Western Australian Local Government Association, which has reached out to all local governments across Western Australia. I think that, on average, we have had 190 to 220 participants in those webinars, usually on a Friday. The webinars have been an opportunity for me as the Minister for Local Government, and indeed other ministers, including the Minister for Environment last Thursday, to take questions and articulate messaging around what the government's intentions are and what we are asking of local governments. Those actions have been part of the purpose of those webinars. Of course, through the department and my office, we have ongoing conversations with individual local governments, as well as WALGA and Local Government Professionals.

The messaging was very clear right from the beginning, and we do not stand back from it, and that was to highlight to local government, as an important level of government in Western Australia, the significant role that it will need to play in not only the response to the COVID-19 challenge or crisis, but also the recovery. The message was very clear: this is a time to look at every resource that they have to see how it can contribute to the response and the recovery. One of the comments that I think I made was, "If you thought you had put aside money for a rainy day, the rainy day has come. It's here now. It's with us now." The federal government acknowledges that. Our state government has acknowledged that. There have been almost unheard of commitments by the federal government and the state government in terms of response. The latest collective amount from the state government—the Treasurer will correct me if I am wrong—is over \$1 billion.

Mr B.S. Wyatt: One point seven.

Mr D.A. TEMPLEMAN: We have a \$1.7 billion commitment by the state government to this crisis that faces our community, and we are not through it yet at all. The federal government has committed an unprecedented trillion dollars—whatever the amount was. It was a huge amount and that is unprecedented. The great thing we saw, and I think why Australia is in the position it is and why our state is in the position it is, is that people recognised very early on how serious the situation was and that it called for, and calls for, unprecedented responses. Who would have thought that a federal conservative government would be praising the union movement? Who would have thought? But it did! The union movement and other important sectors of our broader community understand the severity of the situation we face. We believe, very strongly, that the local governments across the nation and, of course, across Western Australia need to play their part. Therefore, now is the time to step up.

I want to say that, quite frankly, I am very pleased that a vast number of local governments already have stepped up. Every day I ask local governments to continually tell their communities, the government and the broader community about some of the initiatives they are involved in. Many of them have business continuity planning strategies; are focused on supporting local business both now and when the recovery commences; and have looked at how they can redistribute some of their funds, whether they be reserve funds or project funds that have been allocated to projects that need reprioritising. The message from the Premier, me and the state government to local government is very clear: look at all the resources that you have at your disposal and look at how you can prioritise them to benefit your community, so that when your community comes out of this, collectively as a broader Western Australian community, as a nation and indeed as a localised community, you are in the best possible shape. If it means that you have a look at some of your reserve funds and you re-prioritise them, for goodness sake do it! That is what we are saying to local governments. Some councils are leading by example, and I applaud them. They are saying, "Yes, we understand the challenge." Some of them are doing a range of things in different ways; for example, my local government is doing some great community-based stuff, talking to vulnerable people and supporting vulnerable people in our community. A number of councils are doing that. Other councils have looked at how they support local businesses under their buy local policies with their current projects.

The member for Moore mentioned some of the services that local governments provide. The easy option is to sack people. The easy option is to put them off. I dispute that. That is not the option that we have asked local governments to look at.

I will tell members about libraries. Libraries are very powerful places. Even though libraries may be closed, it does not mean they cannot continue to support services. A number of cultural institutions like that are reinventing themselves or repurposing. Member for Moore, there are opportunities and options. It might not be that the librarian drives the grader, but it might be that the librarian is part of a concerted effort by local community to be the centre point for community support—using online and other methods of communication. Maintaining contacts

and communication can be absolutely critical at this time. I do not agree with the view that it is as simple as saying, “How can you repurpose a librarian into a grader driver?” Mind you, a very famous Western Australian comedian, who is a member of the arts community, was in a high-profile interview this morning on national television. Peter Rowsthorn highlighted the impact that it has had on people in the arts. In the days when the COVID-19 issue was starting to ramp up, he told the story of flying into Perth and within a few minutes he had lost \$40 000 worth of gigs, if you like; now he has retrained as a truck driver.

Dr A.D. Buti: Is he a member of the TWU?

Mr D.A. TEMPLEMAN: I reckon he would be. I think he might support us, actually. I sense that he would!

That was the call on local governments. I am not trying to be critical of the member for Moore, but that was the call. In terms of the request to freeze rates, charges and fees, we already know that something like 98 per cent of councils have already made a commitment to do that. A number have already moved to lock that in. I think that is a great thing. Indeed, I encourage that tiny two per cent to seriously consider that as well. We have seen them respond in that respect.

I will highlight some of the important changes. As members know, the Local Government Act is under review. The Local Government Act is clunky. It is an old piece of legislation for another time; we want a new piece. We do not have the capacity. We do not have a new act to work with, so we have to work with the existing act. There are elements within that act, in a situation such as the one we face, that impede us in making decisions that need to be made quickly, allowing local governments to make decisions quickly.

The first aspect of this bill relates to powers that are given to me. They relate to waiving or suspending the operation or any provision of the act during a declared state of emergency. I thank opposition members who have highlighted the real reference to COVID-19 in this; that that is the protection in terms of the context that these amendments would be called upon to be enacted. Then of course we talk about empowering local governments, through a democratic process of an absolute majority, to suspend local laws in whole or in part. A few examples were given. Some examples may come up that we have not thought of, but that is the nature of the environment we are now working within. We have given a few examples of when ministerial order powers might be used or modified. It might be deferring elections or modifying provisions relating to in-person elections. I was quite astounded when Queensland went to their local government elections when the whole COVID-19 process was ramping up. They had in-person local government elections across the whole state. I found it quite remarkable that the minister of the day, and indeed the government, decided that that was appropriate. I think that would have been a time to say, “Wait a second.” With all the social distancing issues and all of the issues about the spread of this disease, that would have been a no-brainer for me. I would have suspended that process at that point.

The next local government elections are due in 2021, so there is some time to go. There are examples in which extraordinary elections might take place—an elected councillor may die or resign and there may be a need to relax the constraints of an election period or an election process to cater for that. It might be sensible, if a vacancy became apparent later in the year, that the question was asked, “Should we defer the filling of that position until the next local government election?” Those considerations might be considered.

Local governments have myriad local laws, but a process is required for decision-making to be made regarding those local laws, particularly any modification or suspension of them. This simply allows a quick process—still a democratic principle of an absolute majority—to allow local governments to say, “We need to relax this one or suspend this particular local law to allow certain things to happen in the best interests of the community in the context of the COVID-19 circumstance.” That is what that aspect of the local law issue seeks to do.

For members’ information, I will talk about some of the things we have already been able to do through the regulation process. I have already authorised electronic meetings to be held during emergencies. In other words, the in-person issue has been dealt with. This Parliament has effectively done that already, but to a less extent. A lot of workplaces and operational mechanisms throughout government and non-government areas have already done those sorts of things. We have already made that provision and that is in place. We have removed the need for local governments to give public notices if they need to repurpose money in reserve accounts. Again, it has focused on allowing them to free up money. We have increased the tender threshold to \$250 000 in line with our state government limits. In other words, we have upped the tender threshold to make it easier for councils to continue to do important business. We have removed the need for the formal tender process when sourcing and securing essential goods and services is required to respond to the state of emergency. Again, they are sensible regulatory decisions. We have given local governments discretion to renew or extend a contract that expires when a state of emergency is in force. For example, if there is an important contract, it is not appropriate to go through the whole process again. Given this situation, there is now discretion to allow local governments to renew or extend that while a state of emergency is in force. We have also allowed local government employees to use accrued long service leave if they have completed at least seven years’ continuous service, and other elements.

The Treasurer clarified issues around gross rental values and the reasoning behind the state government's view about that. The member for Bateman highlighted his support. As the Treasurer highlighted, these processes have been in place since 1978. Decisions have already been made by local governments to commit to that. If they have capacity within the modelling, I hope that they would do that. As Minister for Local Government, I will continue to have a whole range of discussions with the sector. I recognise that some local governments' capacity is limited. I do not disagree with that.

We have known that for a long time. Two Thursdays ago, I had a phone meeting with the federal Minister for Regional Health, Regional Communications and Local Government, other state ministers for local government, and ministers responsible from the territories. As ministers for local government we collectively lobbied the federal minister. This was before the considerations were made about the JobKeeper and JobSeeker proposals. We argued that a number of local governments were strongly seeking for their casual workforce to be covered by JobKeeper. The Prime Minister —

Mr R.S. Love: Do you mean JobKeeper or JobSeeker? It's a bit hard to hear.

Mr D.A. TEMPLEMAN: It is JobKeeper. The pay of a number of employees who work for local governments is directly related to revenue received by the entity for which they work.

Mr R.S. Love: Which is the point I made!

Mr D.A. TEMPLEMAN: Yes. I am saying to the member that we put that case to the federal minister for local government, but the national cabinet, the Prime Minister and the commonwealth were not supportive of including local government in that frame. Members will note also that there were strong requests for other casual staff to be included in that.

Mr R.R. Whitby: Certain visa holders too.

Mr D.A. TEMPLEMAN: There are a range of people. The argument was put, but the ultimate decision was made. I want to be very clear that we put that, collectively, as local government ministers across the country. The other thing that came up in that conversation with the federal minister was bringing forward financial assistance grant payments, which has happened previously. That is still being considered. Some local governments would appreciate that. Some do not support that. In that conversation, David O'Loughlin, the president of the Australian Local Government Association, highlighted some of the pitfalls, from his and the sector's perspective, of bringing forward financial assistance grants. That argument was put. On Thursday, I think, I will have another phone hook-up meeting with all the local government ministers and the federal local government minister. No doubt, the FAGs issue will probably be an item for discussion.

I thank everyone. I appreciate the nature of the two key components of this bill. It grants powers to the minister, but it has very clear clauses that are specific about the environs in which those powers might be enacted. Of course, there is the disallowance issue, which we might —

Mr W.R. Marmion: Can I just cover this, so that we do not have to go into consideration in detail?

Mr D.A. TEMPLEMAN: It depends, I think.

Mr R.S. Love: I can't hear what you are saying.

Mr W.R. Marmion: Just on that point, in his second reading speech, the minister covered that there can be a disallowance of an order, which will cover any overreach that might happen. There is a safeguard, and I am comfortable with that. It would be handy if the minister could make a comment for *Hansard*.

Mr D.A. TEMPLEMAN: As the member knows, a formal committee of Parliament, the Joint Standing Committee on Delegated Legislation, is responsible for making recommendations to Parliament on local laws.

Mr W.R. Marmion: The concern expressed by one of our members is that it meets only when Parliament is sitting, so there could be a delay.

Mr D.A. TEMPLEMAN: I am happy to explore that very briefly in the consideration in detail stage. Does the member for Moore want to go into consideration in detail?

Mr R.S. Love: I think you clarified his point.

Mr D.A. TEMPLEMAN: Okay. We might just convene the consideration stage and, hopefully, deal with that matter. Again, I conclude by thanking members of both opposition parties for their support of these amendments and I look forward to these going to the upper house.

Question put and passed.

Bill read a second time.

Leave denied to proceed forthwith to third reading.

Consideration in Detail

Clauses 1 to 3 put and passed.

Clause 4: Part 10 inserted —

Mr W.R. MARMION: My question is about proposed section 10.3(4), which relates to the Interpretation Act 1984. I understand that when a minister gives an order to modify or suspend the operation of any part of the current Local Government Act, it will need to be gazetted. It will be like a regulation and can be disallowed by Parliament. I think that was quite clear and well defined in the second reading speech. One issue that arises from that is that if there is an overreach and someone wants to disallow an order but Parliament is not sitting, there may be quite a long delay. Is there a mechanism for it to be brought forward?

Mr D.A. TEMPLEMAN: Once an order has been gazetted, it is submitted to the Joint Standing Committee on Delegated Legislation. The standing committee will examine the exercise of the power and make a recommendation to the Parliament about disallowance of the order. If it came to light that there was a move to disallow the order, the Clerk of the Parliament would provide a copy of the order to members of the committee. If there were a move to disallow the order, there is a mechanism that allows for a petition to the Premier to recall Parliament. If it became really serious, that is the process that would allow it to formally come before the house for a motion. It would be pretty serious. Now that I know that, I will be very careful about determinations of that nature.

Mr W.R. MARMION: Thank you, minister, for that clarification. Some people have raised that the committee may not be able to meet until Parliament sits, so there could be a five-week delay. Is there a mechanism for the committee to meet earlier—once the minister makes the order? Also, someone has advised me that there is the possibility that it does not necessarily have to go to that committee and that any member of Parliament can move to disallow an order. There are two questions in that.

Mr D.A. TEMPLEMAN: Let me go through this. Orders made are gazetted within 10 days. There is a 10-day period from gazettal to the provision of the order to Parliament. If Parliament is sitting, the order would be subject to a normal disallowance process and a member of the house could move to disallow the order. If Parliament is not sitting and it is not likely to be sitting for a number of weeks, and a member of the committee is concerned about the disallowance, that would be reported to the Clerk. The member would be in a position to petition the Premier for Parliament to be recalled. I do not know that that has happened in the history of Parliament, but we are living in interesting times. Who would have thought we would be meeting under these circumstances?

Mr R.S. LOVE: I seek clarification. When the minister responded to this issue earlier, he referred to the making of local laws and changes to local laws going to the Joint Standing Committee on Delegated Legislation. I understand that proposed section 10.3(4) refers to the orders made by the minister, not changes to local laws. The changes to local laws are not subject to disallowance because they need only to go on the local government's website. I do not see anywhere in this legislation where a change to the local laws made under this bill could be held to account. If an order made by the minister does go to the Joint Standing Committee on Delegated Legislation, I would not have thought that the committee would necessarily look at that, whereas the local law definitely has to have that authority in the first place. Perhaps we can go back to basics and understand that this applies to orders made by the minister himself.

Mr D.A. Templeman: That is correct.

Mr R.S. LOVE: It applies only to orders made by the minister. There are no disallowance provisions for any changes made by the local government under proposed section 10.3(4) further down the track.

Mr D.A. Templeman: That is correct.

Clause put and passed.

Clause 5 put and passed.

Title put and passed.

Third Reading

Bill read a third time, on motion by **Mr D.A. Templeman (Minister for Local Government)**, and transmitted to the Council.