

Goldfields Voluntary Regional Organisation of Councils

Economic Policy Plan for the Region



September 2020



PREFACE

This Economic Policy Plan (Plan) has been developed by the GVROC to position, assist and drive growth for the region. It considers a number of key government policy settings, regulations and funding programs at a Federal and State level, that if reformed or addressed could enable the GVROC members to grow their communities in a sustainable way on par with the major capital cities, which will provide significant social and economic benefits to not only the region, but also for the State and Nation.

The Plan is targeted at the Western Australian Government and Australian Federal Government and will be used as a platform for discussions with both governments and also with all political parties in around upcoming government elections. The GVROC present this plan with a united regional voice from each of its nine local government authorities' members of what they would like to see delivered by the current and future State and Federal Governments.

The Plan also takes into consideration the current effect of the Covid-19 Pandemic and the future economic stimulus measures that the GVROC would like to see funded and implemented by State and Federal Governments in conjunction with the GVROC members to stimulate and grow these regional cities, towns and communities into thriving and strong economic communities.



THE GVROC

The Goldfields Voluntary Regional Organisation of Councils (GVROC) was formed in 2007, with the overarching principle to develop an alliance of Local Governments in the Goldfields, who contribute and work together to ensure the sustainability of its individual members.

It consists of the:

- Shire of Coolgardie
- Shire of Dundas
- Shire of Esperance
- City of Kalgoorlie-Boulder
- Shire of Laverton
- Shire of Leonora
- Shire of Menzies
- Shire of Ngaanyatjarraku
- Shire of Wiluna



OUR VISION

To form a strategic alliance for the development and retention of infrastructure and community services, acquiring funding from government grants, economic development initiatives and private sector funding

OUR MISSION

To enhance service delivery and infrastructure for our collective and individual communities and to achieve a sustainable, cost effective model for sharing of resources

OUR ACTIVITIES

GVROC uses its collective influence to generate positive outcomes for all Member Councils and Goldfields/Esperance communities. It does this by:

- Acting as a collective in advocating on behalf of Members Councils and the region as a whole, through lobbying on a State and Federal Level. This includes attendance at consultations and meetings with relevant stakeholders in the region and Perth.
- Identifying appropriate funding opportunities for projects and initiatives which benefit the Member Council communities.
- Taking a collaborative approach to resource management to ensure adoption of the most cost effective and sustainable model.
- Prioritising initiatives and projects which retain and develop infrastructure and economic development in the region.

OUR REGION

The GVROC region is vast, covering a land area of 953,431km² and comprising red deserts, expansive mineral wealth, the magnificent Great Western Woodlands and the iconic white, sandy beaches of the Southern Ocean. The region is renowned for its lifestyle, its friendly people, a great sense of community combined with excellent facilities and great opportunities.

As the largest region in Western Australia covering a third of the State, GVROC regional communities and economic activity is relatively isolated from the major urban centres and capital cities of Australia, however this drives an entrepreneurial and pioneering spirit amongst its people, strong and resilient communities and the freedom to live in one of the most beautiful, natural, safest and least populated areas of the world. Approximately 55,000 people live in the region.

The region generates over \$21.526 billion per annum in economic output, with around 32,600 employed people working in the region, and nearly 4,500 businesses, half of which are sole traders.

Major industries include mining; manufacturing; construction; rental, hiring and real estate services; transport and logistics; agriculture, forestry and fishing; education and social services and tourism. The region produces an array of resource and agricultural commodities, and imports and exports product across the globe, through the Southern Port facility in Esperance. Founded on mineral wealth and a strong mining heritage, the region is an important mining hub for Western Australia accounting for over 10% of the State's mineral and petroleum production.

Approximately 80 percent of the Region’s population, 70 percent of jobs and 87 percent of businesses are concentrated in the two most populous local government areas of the City of Kalgoorlie Boulder and the Shire of Esperance, with a significant portion of the region’s Indigenous population residing in more remote towns and communities across the Region. A further 23 percent of jobs in the Region are located in the minerals industry intensive Shires of Laverton, Leonora and Coolgardie.

Aboriginal and Torres Strait Islander people represent nearly ten percent of the region’s population. The character of the Goldfields-Esperance region reflects our unique Aboriginal culture, the legacies of early mining and agricultural pioneers, and a multi-cultural history of interstate and international migration.

The Region accounts for approximately 3 percent of State GDP, with its dominant minerals sector accounting for 80 percent of regional exports, one-third of all regional jobs and 45 percent of the Region’s total payroll.

Key Facts

- Largest region in Western Australia, nearly four times the size of Victoria.
- Esperance Port is the deepest port in the Southern Hemisphere.
- Between 14 and 16 distinct Aboriginal Languages in the region.
- Hosts the only regionally based WA School of Mines
- Kalgoorlie Super Pit – Australia’s largest open goldmine.

GVROC Region – Statistical Profile at a glance	
Population as of Dec 2019	55,047
Employed as of Dec 2019	32,605
Economic Output as of 2019	\$21.526 billion
Gross Regional Product 2019	\$8.41 billion
Per Capita Gross Regional Product 2019	\$152,780
Per Worker Gross Regional Product 2019	\$257,938
Mining output as of 2019	\$12.4 billion
Agriculture, Forestry & Fishing output as of 2019	\$637 million
Residential building as of 2018/19	\$55 million
Non-residential building as of 2018/19	\$64 million
Overnight visitors 2016-2018	680,500 pa

OUR ECONOMIC POLICY PLAN

1

Taxation reform from both Federal and State Governments to encourage the retainment and boosting of its regional populations, recognising the unique challenges of living outside of capital cities and urban centres.

The GVROC would like to see urgent taxation reform at both the State and Federal Government level that provide benefits for business and communities (in general) in remote areas of the State which encourages growth in regional Western Australia. The GVROC is seeking from

1. State Government:
 - a. Payroll tax subsidies for business and companies that support residential workforces in regional and remote towns; and
 - b. Stamp Duty relief or subsidies for regional and remote areas.
2. Federal Government:
 - a. Federal Government Tax offset review;
 - b. FBT concessions to encourage regional residential workforces; and
 - c. Review of Zone allowance to regional and remote workers.

This urgent tax reform is needed to address the current issue being seen across Australian regional and remote towns that are getting less populated with businesses closing and residential workforces disintegrating. Without some form of recognition and assistance, many towns will not be able to economically survive with the majority moving and residing in the capital cities or major regional cities leading to further issues and costs to Government for providing government infrastructure and services to meet these major population centre demands.

Many of the existing taxation rebates and incentives are also outdated and don't reflect on the current cost of living in regional and remote areas providing no financial benefits or incentives in place for people living in regional and remote towns.

Western Australian State Government Tax Reforms

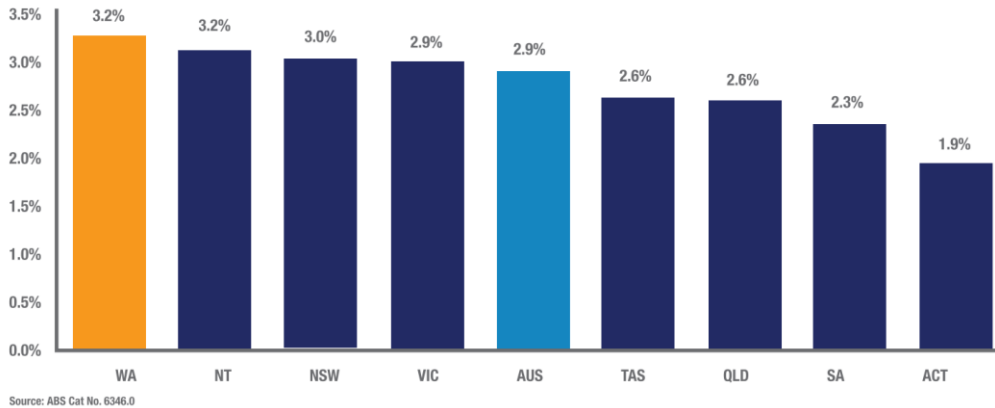
Payroll Tax

The GVROC is calling for the payroll tax threshold to be increased for regionally based businesses and companies by the State Government as a priority or alternatively for the State Government to provide a payroll tax subsidy for businesses and companies that support residential workforces in regional and remote towns.

WA has the highest payroll tax burden of any state (see below chart), which means it is more expensive to create a job in regional WA than anywhere else in the country. Payroll tax is a critical lever to boost jobs creation because it supports all industries across the economy from retail to construction to manufacturing.

WA HAS THE HIGHEST PAYROLL TAX BURDEN

Payroll Tax as a Proportion of Total Labour Costs



In addition to increasing the demand for workers, reducing payroll tax would also bolster incentives for businesses to invest in their workforces. The productivity and wages of workers in Western Australia would then be underpinned and driven higher by two powerful forces: the increased demand and investment in workers' skills; and an expected increase in investment in automation technology.

The Chamber of Commerce and Industry of WA in its 2019-20 State Pre Budget submission called for a \$100,000 increase in the payroll tax threshold, from \$850,000 to \$950,000, which they estimated would:

- Create 278 direct and 602 indirect jobs;
- Result in total economic benefit to the state of approximately \$283 million; and
- Reduce Budget revenue by \$47 million.

It is estimated that these impacts would be even greater in Regional Western Australia as establishing and retaining businesses in regional locations, that already have increased cost of living burdens could mean the difference between operating profitability or not.

Implementing this GVROC policy should result in thriving regional businesses, which will also create more local employment and thus retain and attract population to the region.

Stamp Duty

The GVROC would like the State Government to consider some form of stamp duty relief or subsidy for regional and remote areas of the State that encourage people to move and relocate to remote and regional towns.

This could be in the form of a regional first homebuyers stamp duty relief or grant for people that are moving to the regions and purchasing homes and/or stamp duty relief for businesses or companies that are purchasing houses for its workers to have them residentially based rather than using fly in fly out operations.



Stamp duties have traditionally been a significant revenue earner for state governments, accounting for around a quarter of their own-source taxation revenues (though a rather smaller share of their total funding, given reliance on grants distributions). However, they are also taxes which impose particularly high economic costs. Accordingly, the pursuit of an efficient tax system – coupled with the broader imperative to find sources of productivity gain in the Australian economy – has led to calls for their replacement with more efficient taxes.

Governments are starting to act on this advice, with both the ACT, NSW and South Australia moving to reduce or abolish stamp duties on property conveyances as key components of their tax reform agendas. According to a new report commissioned by the NSW Government, it calls for stamp duty to be axed and replaced by a broader smaller annual tax on all property owners. It states that Stamp duty on homes is “unfair and damaging” to the economy.

This call has been supported by the Real Estate Institute of Western Australia as they match findings from a Deloitte Access Economics in 2015 that showed the removal of stamp duty would boost the number of home sales 60 per cent — or 30,000 homes on WA’s long-term average. The Deloitte research also claimed the removal of the transfer duty would add \$1 billion to the local Western Australian economy.

The latest report also showed it was damaging the broader economy by creating a disincentive to sales. An unrestrained market would help stimulate the broader economy, with buyers and sellers typically spending money on renovations and furniture when they moved.

Of importance to the GVROC the new report, called the NSW Review of Federal Financial Relations, said stamp duty created worker immobility, preventing people from moving to where the jobs were. This is particularly relevant for regional locations that may be trying to attract workers and build their populations and economies.

The report states that for every \$1 it provides the government; it costs the economy \$1.20. By introducing a broad-based tax system, payments will be made over a longer period, allowing those who need to move, the ability to do so.

Most states and territories now offer schemes for first home buyers whereby, depending on the type of property and price, they pay no stamp duty on purchases. However, it is not just first home buyers that are disadvantaged by stamp duty. The additional up-front cost discourages existing owners from moving and reduces the amount they can potentially spend on a home when they do choose to move. So many existing reports and reviews state that it makes sense to remove stamp duty for everybody not just those that are trying to enter into home ownership for the first time.

Grattan Institute’s Household Finances Program Director, Brendan Coates, agreed saying one of the biggest economic costs of stamp duty is that it stops people from moving to a new house or a new job, and in order to remove that impediment Australia has to get rid of stamp duty itself.

But given the states and territories rely so heavily on stamp duty to pay for things like roads, education and hospitals, abolishing it could be detrimental to the health of their economies.

Transitioning from stamp duty to land tax (in a revenue neutral way) would better enable people to move closer to preferred jobs, family networks and schools. Insofar as people with lower incomes are more likely to live in an area with fewer work opportunities, such reform would make for a more equitable society. Reducing the costs of moving would also remove a barrier to many older Western Australians downsizing, and bolster the residential construction sector. Greater reliance on land tax would also provide for a more stable revenue base.

These examples from around the globe show how stamp duty can be abolished or applied differently without leaving a gaping hole in the economy.

New Zealand – no stamp duty

Australia's closest neighbour imposes no stamp duty, but instead raises its revenue through GST and income tax. While the income rates aren't too dissimilar to rates in Australia, New Zealand's GST is a flat rate of 15% compared to 10% in Australia.

United Kingdom – reduced stamp duty

Like Australia, the UK charges stamp duty at different rates according to a property's price. For homes under £125K (approx. \$AU236K), no stamp duty is paid. The cost of stamp duty rises as the value of a property increases therefore homes valued between £125,001 and £250K (\$AU469K) will attract a stamp duty rate of between 1-2%. Homes valued between £250,001 – £925,000 (\$AU1.7m) will attract up to 5% in stamp duty. Those buying a home priced between £925,001 – £1,500,000 (\$AU2.8m) will pay up to 10% in stamp duty. From 2015 those buying a second (or third) property also pay an additional tax of between 3-15% depending on the value of the property.

Sweden – a flat rate of stamp duty

Sweden, a country that is known for its progressive stance on government does impose stamp duty on property transactions. It's charged at a rate of 1.5% for individuals or 4.25% for 'legal persons' which generally means a company or corporation.

Canada – no stamp duty

Canada has no stamp duty, instead, the country imposes a tax on the occupation of properties. This system is similar to what some experts are suggesting be adopted in Australia, with occupants paying tax over a number of years while they reside in the property, rather than paying it upfront at the time of transaction.

The GVROC understands that there has been a lot of talk about removing stamp duty in Australia, but the move would be politically challenging because stamp duty revenue is going to have to be replaced by some other form of taxation by the state government.

However based on research, which is documented above, and the impediment that stamp duty has on the economy, particularly in the regions, GVROC believe the initial type of relief it has requested for the regions in the form of stamp duty relief would not significantly impact State Revenue and will assist in building economic prosperity in regional areas, while the State Government considers the bigger tax reform policy of potentially transitioning from stamp duty to some form of alternative land tax.

Federal Government Tax Reforms
Zone Tax Offset Rebate and FBT Remote Area Concessions

In September 2019, the Productivity Commission released its findings following a report into Remote Area Tax Concessions and Payments, which investigated the appropriate ongoing form and function of the zone tax offset, FBT remote area concessions, and Remote Area Allowance.

Many of the recommendations in the report seem to be premised on the Commission's view that the objective of the Remote Area Tax Concessions is not to promote regional development, but is to deal with inequities in the FBT regime where employers have operational reasons to provide these benefits to employees.



The report stated that it is the Commission's view that it is the role of State and local governments to support and promote regional development, not the tax system. If you accept the Commission's view that regional development should not be an objective, it follows that FIFO benefits are more important than residential employee benefits. However, the GVROC is of the view that the issue, is more about intent and the objectives of the tax concessions and less about their complexity or interpretation.

The GVROC challenged the Commission's view that the 'policy objective' is to deal with FBT inequality when in reality operational reasons require employers to provide such things as housing etc. to employees in many remote and regional towns. In that respect the GVROC requested the Commission to reinstate regional development as an objective and not just deal with the perceived FBT inequalities.

Overall the GVROC request the following in regard to Federal Government tax reforms:

1. The GVROC is of the opinion that a review of the current tax offset zones is required with ongoing reviews conducted after each Census release. The existing taxation rebates and incentives are outdated and don't reflect on the current cost of living in regional and remote areas.

The GVROC requests that the Federal government consider the socio-economic issues and labour shortages in the regions and increase the tax offset or bring it into line with other very remote or remote areas in Australia such as Northern Queensland.

2. The GVROC also requests the State and Federal Governments consider adopting and implementing Queensland's Strong and Sustainable Resource Communities Act 2017 which ensures that residents of communities near large resource projects benefit from construction and operation of large projects. The Act prevents the use of "100 percent FIFO workforce arrangements on operational large resource policies."

The implementation of a similar program to Queensland's Strong and Sustainable Resource Communities Act 2017, would encourage companies to demonstrate local workforce recruitment efforts bringing positive outcomes in the community such as sustainability and reduced mental health issues.

3. Given the critical labour shortage in the regions, the GVROC also requests that the Federal Government consider providing a fringe benefit tax (FBT) concession to encourage drive in drive out and residential employment in the Goldfields region. It is proposed that the FBT concession would be applied to the provision of living and housing expenses paid by mining companies, commercial businesses and local governments.
4. The GVROC also support a no FBT payable by companies or contractors that support residential workforces in regional and remote towns.
5. The GVROC also support individuals living in regional and remote towns being eligible for incentives, such as an increase in the zone allowance – with a different rate depending on where you live.

Expected Outcomes from State and Federal Tax Reforms

The GVROC believes the following outcomes would result if State and Federal Governments undertook the suggested tax reforms:

- Improved Economic Opportunities and Financial Benefits to all levels of Government (Local, State and Federal);
- Less pressure to build new subdivisions and associated infrastructure services to cater for urban metropolitan growth in capital and regional cities
- Better utilised established regional and remote town's infrastructure and services by increasing their population; and
- Benefits for regional and remote residents such as;
 - Keeping families together
 - Improved quality of life through social engagements, activities and programmes
 - Improved mental health of employees.

However, if Governments choose to keep the status quo, the GVROC believe:

- Regional and remote towns will continue to decline in population and sustainability;
- Cost of city living will increase due to pressure on essential services (water/power) and high demand for residential development;
- Cost of providing government services and personnel will increase as the population in regional and remote towns decrease (per capita);
- Financial benefits derived from tourism and other industry will disintegrate in regional WA; and
- Government debt will increase due to the constant demand of urban development.

2

A dedicated State Government funding allocation towards implementing key infrastructure projects in the Goldfields Esperance Region that assist with potential for economic and industry growth.

The GVROC acknowledges and welcomes that the State Government currently has funding available through the Regional Economic Development Grants (RED Grants) program which allocates \$28.8 million over five years across all of the nine regional areas of WA to invest in local projects to stimulate economic growth and development in regional Western Australia.

However, these grants are small scale in nature, more allocated to businesses and organisations rather than assisting local government with key infrastructure that assists in maintaining and ensuring that industry competitiveness and community wellbeing is unlocked towards economic opportunities for the region.

Therefore, the GVROC would like to see an annual dedicated Goldfields Esperance funding allocation that is focused and assists in ensuring that industry competitiveness and community wellbeing is maintained across the Region. This key infrastructure fund would be similar to the previous Goldfields Revitalisation Fund that the State Government provided \$186 million in funding towards regionally agreed key infrastructure projects.

In this context, the local governments within GVROC in partnership with Regional Development Australia – Goldfields Esperance recently completed a Goldfields-Esperance Region of WA – Towards an infrastructure strategy for industry growth study to identify key infrastructure priorities for the region.

The strategy opportunities identification study was commissioned in recognition of the fact that use of shared key infrastructure by the Region’s expanding gold, battery minerals and other technology minerals production sectors is both increasing and changing in nature, and that this is occurring in an environment where other sectors such as agriculture and tourism are also increasing their usage of certain aspects of that infrastructure.

This study identifies opportunities and challenges with respect to ensuring the Region’s infrastructure remains fit-for-purpose as the first step in ensuring that industry competitiveness and community wellbeing is maintained across the Region.

This study has built on a range of existing economic development plans and infrastructure assessments pertaining to the GVROC region and was developed in consultation with owners, managers and users of a various categories of shared hard and soft infrastructure across the Region.

The GVROC have identified a number of key issues around key infrastructure for the region as outlined below and are developing a staged action plan for each issue as appropriate. Funding allocations from this dedicated State Government funding allocation would enable these key issues to be addressed.

Transport and Logistics Infrastructure

Road network (also connects with Item 3)

Funding towards the region's road network to:

- Maintain the standard of main arterial roads;
- Improve the standard of key non-arterial roads;
- Improvements for heavy vehicle traffic through Esperance into the Esperance Port;
- Address the increased heavy vehicle traffic through townships; and
- Manage the activation of isolated communities and economies

Rail network

Funding towards the rail network to address:

- Potentially increasing rail freight;
- High network costs;
- Potential congestion at the Aurizon Kalgoorlie Yard and Esperance;
- Kalgoorlie-rail realignment and multi-modal capability; and
- An upgrade to the rail infrastructure in the Northern Goldfields and Esperance lines to accommodate resource sector development.

Aviation facilities

Funding towards the regions LGA controlled airports to:

- Address maintenance and expansion of the Kalgoorlie Airport;
- Upgrades to Laverton and Kambalda airports; and
- Airstrip upgrades to Wiluna and Eucla airports.

Maritime facilities

Funding towards the Esperance Port to:

- Investigate the Esperance Port land constraints and options for expansion; and
- Maintain and invest in new capital infrastructure at the Esperance Port.

Service Infrastructure

Digital and telecommunications infrastructure

Improve the digital and telecommunications infrastructure in the region by:

- Continuing to eliminate Mobile 'Blackspots';
- Facilitation of real-time data intensive services; and
- Partnering with the WA SuperNet plan which involves running 4000km of optic fibre, buried within the easements of the regional rail network stretching from Northampton to Esperance.

Utilities

Maintain and upgrade utilities to the region by:

- Improved natural gas distribution and pipeline access;
- Increasing electricity generation and distribution including support for the development of alternative power sources, i.e. Solar and / or wind:
 - Ensuring energy security on the SWIS;
 - Upgrading electricity supply;
- Improving water supply to address potable water scarcity and cost including:
 - Drought proofing infrastructure, particularly in the Rangelands area of GVROC;
 - possible support for development of a water pipeline from Argyle to Kalgoorlie via inland towns; and/or
 - desalination plant in Esperance and piping though the Goldfields rather than a reliance on water solely from Perth.
- Increasing capacity of water for agriculture/ commercial activities; and
- Potential deregulation of water supply to allow commercial suppliers to enter the market.

Waste management

Funding towards development of a regional waste solution that includes processing problematic waste.

Industrial Land, Housing and Labour

Funding towards:

- Development and access of suitable industrial land across the region;
- Improvement of housing stock across the region; and
- Growing a local fit-for-purpose labour market.

Soft Infrastructure

Primary and Secondary Education

Funding towards addressing the:

- Limited childcare supply; and
- Decreasing secondary school retention.

Higher Education and Vocational Training Education

Funding towards:

- Optimisation of the education and training precinct in Kalgoorlie-Boulder;
- Infrastructure that allows better integration of Regional specific training; and
- Implementation and integration of new curriculums to meet regional needs.

Health Care

Funding in health infrastructure that:

- Meets the needs of aged care in the regions;
- Meets the increasing demand for mental health services;
- Retains general practitioners in the region;
- Delivers upgrades to Laverton, Leonora and Norseman Hospitals;
- Sustains culturally secure health care delivery;

- Delivers aging in place housing and health care;
- Ensures adequate paramedic capability; and
- Maintains critical mass of demand for local health care services.

The GVROC is also aware of the State Government, through Infrastructure Western Australia (IWA), is developing its State Infrastructure Strategy. This will be the State's first Infrastructure Strategy, which will provide important advice to government and will identify Western Australia's key infrastructure needs and priorities over the next 20 years.

The GVROC is keen to work with IWA to ensure that any key infrastructure projects for the region align with the proposed State Infrastructure Strategy. Currently IWA, in its recent discussion paper for development of the State Infrastructure Strategy, has highlighted the following key challenges and opportunities for the Goldfields Esperance region:

- Improving resilience of key east-west and north-south transport links.
- Capitalising on potential investment in existing and new resource projects.
- Addressing the high costs of operating in a remote area and the challenge of attracting and retaining skilled workers across industry sectors.
- Combating the challenges associated with road, rail and air infrastructure, including connectivity, cost and rail congestion.
- Improving communications and digital connectivity for the delivery of key health and education services by addressing matters such as slow broadband speeds, access limitations and a lack of local technical support and training.
- Addressing the maintenance, productivity and safety requirements of key supply chains which intersect with road infrastructure used by the local community and tourists.

These challenges and opportunities align closely with the issues and opportunities identified by the GVROC in developing its infrastructure strategy for industry growth study, for which it is requesting an annual allocation of State Government funding to address and deliver key infrastructure for the region.

3

A dedicated road funding allocation from the Federal and State Governments towards implementing key roads of strategic importance in the region that unlock the economic potential for growth.

The Goldfields-Esperance Regional road network is the main facilitator of hinterland logistics and intra-region, inter-region and interstate transport connectivity.

The main arterial routes in the Region are Western Australian Government roads, managed under the jurisdiction of Main Roads WA. The Great Eastern Highway is the principal interstate road connection between Perth and the Goldfields-Esperance Region, and via the Coolgardie-Esperance and Eyre Highways, the Eastern States.

Given its critical importance to interstate road freight, the roads comprising this interstate logistic connectivity are the subject of regular assessment with respect to capacity, safety and amenity.

The Goldfields Highway provides critical logistics connectivity between the mining industry in the northern Goldfields, the City of Kalgoorlie-Boulder population centre, Perth and the eastern states. The Coolgardie-Esperance Highway provides hinterland connection for the Goldfields Region, Perth and eastern states with Esperance Port and the South Coast Highway connects areas to the west of Esperance, including significant agricultural areas, with Esperance Port.

These main arterial routes are critical for hinterland movements of minerals and agricultural produce for export to Esperance Port, as well as the delivery of inputs such as fuel, reagents and fertiliser to mineral and agricultural operations across the Region. They are also the main routes through which driving tourists access the Region and key tourism assets within the Region.

The Main Roads arterial network is supported by approximately 30 additional significant roads that are managed under the jurisdiction of the local governments of the Goldfields-Esperance Region. A number of these roads traverse multiple LGAs and are thus the responsibility of two or more local governments.

Comprised of a series of sealed and unsealed roads connecting Laverton to the Central Desert, Alice Springs and Queensland, the longest multi-jurisdiction road in the Region is the Outback Way, also known as the Great Central Road. At approximately 2,800 kilometres in total length, the Outback Way is considered the Goldfields-Esperance Region's second and Western Australia's third interstate link. It is used by logistics and mining operations as well as tourists travelling through central Australia to reduce transit time by up to 2 days depending on the eastern state terminus, and in the case of tourists, to access central Australian tourism experiences and assets, including the road itself. It also performs a key function in enabling the provision of essential services, food, fuel, health and education to the Central Desert Aboriginal communities from Perth, Kalgoorlie and Alice Springs service centres.

Given these important functions, increasing the capacity of the Outback Way is identified as a key project in the Developing Northern Australia Whitepaper and is currently the subject of upgrading investment.

The intensity of smaller, local government managed regional roads is relatively significant in the agricultural areas of the southern Goldfields-Esperance Region, connecting individual crop and livestock operations with Esperance Port. Indeed, the Shire of Esperance manages the longest total length of roads in the State.

While the GVROC is aware and acknowledges recent and ongoing funding being provided by the State and Commonwealth Governments into upgrading, sealing and maintaining key transport routes in the region, local government authorities still have to meet and maintain the standard of key non-arterial roads within its region at significant cost.

The GVROC would like to leverage \$20m or \$30m per annum from the State Government with matching funding from the Commonwealth Government's Roads to Recovery Program into a dedicated Goldfields Regional Road Group Funding Pool, which would be allocated based on a GVROC prioritised list of roads of strategic importance. This would provide all GVROC Local Governments a guaranteed funding stream for their annual road maintenance and upgrade programmes and ensure that the regions roads do not impede the ability for the region's potential economic growth.

As part of this process each of the GVROC Local Government Authorities has identified key roads of strategic importance within their local government boundaries, which they wish to seek funding towards. To date the following roads have been highlighted:

Road	Description	LGA
Trans Access Road	Is critical for use with agricultural pursuits, mining, its link to aboriginal communities and its strategic importance to the east west rail service	City of Kalgoorlie Boulder
Coolgardie North Road	The route provides access for tourism, pastoral operations and mineral resource exploration and development. It is a convenient alternative route into the mining region for supplies and equipment sourced from Perth. It forms part of the Golden Quest Heritage Trail.	Shire of Coolgardie
Bayley Street		Shire of Coolgardie
Jaurdi Hill		Shire of Coolgardie
Carins Road	Provides heavy mining access from Coolgardie North Road to Great Eastern Highway. This road acts as a northern bypass for heavy traffic around Coolgardie townsite.	Shire of Coolgardie
Durkin Road	Runs from the Goldfields Highway through to the Kambalda mill and out to the industrial area. It provides for a high proportion of large RAV combinations that require access to and from the mill and the industrial area. Is a RAV Network 10 road.	Shire of Coolgardie
Binneringie Road		Shire of Coolgardie
Cave Hill Road	The road provides access to the Cave Hill and Burra Rock Nature Reserves.	Shire of Coolgardie



Road	Description	LGA
Lady Loch Road	Is the major industrial route in Coolgardie town site. It functions and is promoted as a southern bypass for heavy vehicle around the town site. There currently are large scale mining operations using this route, which include all of the service and workforce type traffic for these mines and the area. Road Network RAV 8 conditional.	Shire of Coolgardie
Victoria Rocks Road	This road forms part of a regional link to the South West from the Coolgardie area. It is mainly a tourist link which offers an alternative route into the South West via Queen Victoria Rock Nature Reserve and Lake Johnston. The first section to Queen Victoria Rock provides access to a number of tourist sites along the way. Is a RAV Network 8 road (conditional).	Shire of Coolgardie
Cocklebiddy Road	To the Shire Boundary and all the way to the Trans Access Road	Shire of Dundas
Hyden Norseman Road	The route provides a shorter east-west link into Hyden for tourists. The first section, to Lake Johnston, also provides access for RAV combinations to the Maggie Hays and Emily Ann nickel projects and tourist access to nearby McDermid Rock, an increasingly popular attraction. Is a RAV Network 7 road (conditional).	Shire of Dundas
Eyre Highway		Shire of Dundas
Esperance to Coolgardie Highway		Shire of Esperance Shire of Dundas Shire of Coolgardie
South Coast Highway		Shire of Esperance
Fisheries Road	Within the Esperance Shire, this road is the major access for all development and agricultural activity in the eastern region of the Shire. It is an important route for grain cartage and tourism. With Parmango Road and Balladonia Road it has the potential to provide an alternative link between Esperance and Balladonia on Eyre Highway for east- west interstate travellers. This is also a school bus route. Is a RAV Network 7 road (conditional).	Shire of Esperance
Cascades Road	The road provides a major grain and livestock transport service to the agricultural areas north-west of Esperance. It also serves as a tourist route and short-cut between Lake King and Esperance as well as a school bus route. This road was utilised as a detour in recent major flooding that closed South Coast Highway. Is a RAV Network 7 road (conditional).	Shire of Esperance
Merivale Road	This road provides access to farming properties east of Esperance. It is also important for tourism as it links two major National Parks and numerous coastal beaches and reserves used for recreation. This is also used by school buses. It is an important link for livestock and timber cartage. Is a RAV Network 7 road (conditional).	Shire of Esperance

Road	Description	LGA
Parmango Road	This road is ultimately utilised to service the farming community in the region north-east of Esperance, which is the south-east corner of the wheat-belt. There is some tourism, however this is minimal. With a possible link between this road and Balladonia Road there could be additional traffic as it would represent an alternative, shorter route from the border to Esperance. School buses use this road. Is a RAV Network 7 road (conditional).	Shire of Esperance
Lake Wells Road	Subject to increased traffic due to proposed mining activities	Shire of Laverton
Bandya Road	Subject to increased traffic due to proposed mining activities	Shire of Laverton
Merolia Road	Subject to increased traffic due to proposed mining activities	Shire of Laverton
Wildara/Weebo/Darlot Road	This is a major access route to the Barrick-Darlot Gold mine. The route forms part of the Leonora Loop Trails. Local pastoralists from Yandal, Wonganoo, Banjawarn, and Melrose utilise this route to access Goldfields Highway for Leinster, Wiluna and Mt Magnet. Is a RAV Network 10.	Shire of Leonora
Leonora-Nambi Road	This road provides access for mining freight, tourism and general transport needs within the area. There are a number of operational mines that rely on this road to provide access, such as Mertondale. The predominant activity in this area is gold mining, however, there is also some pastoral activity and tourist interest.	Shire of Leonora
Northern by-pass around Leonora	To allow movement of over height and width vehicles around the town	Shire of Leonora
Menzies NW Road	Major tourist road and alternative route for Sandstone to Goldfields Highway at Menzies	Shire of Menzies
Connie Sue Highway	The route from the Trans Access Road to Tjuntjuntjarra Community	Shire of Menzies
Yarri Road	Link road to Laverton	Shire of Menzies
Kurnalpi Road	Link road to Kalgoorlie and mine sites	Shire of Menzies
Menzies Everston Road	Mining and Pastoral road and a link to Southern Cross for pastoralists	Shire of Menzies
Jameson – Wanarn Road	The road services the Jameson Aboriginal Community and allows interaction with neighbouring communities along the Great Central Road. This road is also the main route to be used by the OzMinerals, West Musgrave mine project to road transport product to Leonora to rail to Fremantle port.	Shire of Ngaanyatjaraku
Goldfields Highway	Road sealing of the highway from Wiluna to Meekatharra and onto the Pilbara that is currently unsealed. Upgrading this road would provide competent direct road connection between the Goldfields- Esperance Region and the Pilbara Region.	Shire of Wiluna
Wiluna North Road	Is the link between Wiluna and the Great Northern Highway, which meets above Meekatharra and around 50km south of Kumarina. This also is a link to Kutkabubba Aboriginal Community.	Shire of Wiluna
Gunbarrel Highway	Upgrade to the Gunbarrel Highway	Shire of Wiluna

As mentioned in Item 2 of this paper increased funding towards the region's road network, through a dedicated road funding allocation will:

- Maintain the standard of main arterial roads;
- Improve the standard of key non-arterial roads;
- Address the increased heavy vehicle traffic through townships; and
- Manage the activation of isolated communities and economies.

4***A Federal and State Government economic stimulus package to GVROC local government authorities to support recovery in the region.***

Local Governments have many legislated responsibilities and in regional and remote areas this can be challenging.

Local governments have a critical role in the State's emergency management arrangements and provide expert knowledge about their communities and environments. It is their role to ensure that local emergency management arrangements are prepared and maintained, as well as to manage recovery after an emergency.

Local governments are prescribed responsibilities under the Emergency Management Act (2005) in recognition noting that they are the closest level of government to their communities and have access to specialised knowledge about the local environment and demographic features of their communities. Recent responses to issues like Climate change and its affect with drought seasons and bushfires, or Covid-19 have recognised that there is a greater focus on adaptation and mitigation at the community level.

Adaptation requires concerted effort beyond government. Complex problems requiring input from many stakeholders. Local knowledge and experience can ensure adaptation responses are relevant, appropriate, and sustainable (e.g. partnering with local government). For example, following the recent devastating bushfires, which isolated many communities, the Shires of Dundas and Coolgardie along with the City of Kalgoorlie Boulder are establishing Bush Fire Mitigation Strategies with assistance from the State Government through DFES. However, for these strategies to be effective they also need to include Community Resilience Planning and address the economic impacts when these communities are isolated. This is something that the GVROC would like the State and Federal Government to consider in looking at when providing economic stimulus or emergency/disaster assistance.

While the GVROC strongly supports and commends the Federal and State Governments in their actions to date with the already announced financial stimulus packages to address climate change and Covid-19. The measures have been very well received by the near 55,000 residents within the GVROC region and have provided much needed relief to businesses badly affected by the COVID-19 pandemic.

However, these current financial stimulus measures do not address the issues and burdens already being felt by regional and remote local governments in Australia, including the GVROC LGAs in dealing with the expectations being placed on it, especially with a significant fall in employment and the resultant increase in unemployed people in the region.

Current Remplan Modelling on the impact of the Covid-19 pandemic on employment in the Goldfields Esperance region has predicted that employment has fallen from approximately 32,000 people in February 2020 to around 27,000 people in May 2020.

This is a significant fall of just over 15 percent, with the biggest reduction of employees found in the mining sector. This is having a significant impact on the towns of the GVROC with flow on affects to many parts of the local GVROC economy. Businesses have been forced to close their doors or change their methods of working, and ratepayers have come under considerable financial stress.

GVROC Local Governments have responded by providing financial support via hardship policies, waived fees and charges and committed to freeze rates in the next financial year. This has not been without a heavy cost to the sector which will be felt for some time in our region.

GVROC Local Governments have been on the frontline of these impacts, both in terms of operational changes and support for local businesses and communities. The GVROC LGAs have found new ways to deliver community services to keep their local spirit and amenity in changed times, in particular for those more vulnerable members of the community who may have experienced a greater impact from risk of the virus and mitigation measures.

All GVROC Local Government staff have been retained and redeployed, community services have been delivered in innovative and safe ways and each LGA has provided significant financial relief and economic support totalling over \$36 million to all its businesses and residents as is listed in the below table.

Rates freeze or reduction in 2020-21 (\$)	Fees and charges freeze or reduction (\$)	Reduction in rent on Council owned properties (\$)	Financial grants to businesses and community sector organisations (\$)	Bringing forward / undertaking additional maintenance works on Council owned assets (\$)	Bringing forward / undertaking additional infrastructure spending on new capital projects (\$)	Total
\$2,363,028	\$1,278,901	\$388,550	\$1,215,000	\$2,943,238	\$27,920,000	\$36,108,717

Sourced from WALGA Data form its "Rebooting Local Economies Report – June 2020

These contributions are made even more noteworthy, given it has been made in the face of hugely diminished revenues resulting from the closure of many local government facilities in order to limit the spread of the Covid-19 virus.

The GVROC Council has discussed ways that may alleviate this financial burden whilst still assisting in the response to this economic and health crisis, and all the LGAs were unanimous in agreeing on the need for some form of a financial economic stimulus package for regional and remote LGAs from the Federal and State Governments.

Many other LGAs across Australia have also called for a stimulus package or relief of varying kinds but the type of relief and support varies for each area. It is imperative that where possible that any type of financial economic stimulus package that is considered by the Federal and State Governments, provides the LGAs and their communities flexibility to make local decisions on where help is most needed.

Additionally, the GVROC Local Governments have advised that they could bring forward /undertake maintenance and additional infrastructure projects within the next 12 months, if they received 50 per cent funding through a stimulus package from the State Government for projects totalling approximately \$51 million (see below table).

Maintenance works Roads and bridges (\$)	Maintenance works Parks and footpaths (\$)	Maintenance works Buildings (\$)	Maintenance works Other (\$)	Capital projects Roads and bridges (\$)	Capital projects - Parks and footpaths (\$)	Capital projects Buildings (\$)	Capital projects - Other (\$)
\$790,000	\$90,000	\$205,000	\$2,600,000	\$5,950,000	\$850,000	\$14,395,000	\$26,240,000

Sourced from WALGA Data form its "Rebooting Local Economies Report – June 2020

Bringing forward and undertaking these works could ensure continuity of employment and sustainability for many local GVROC businesses, with the majority of expenditure to be spent in the local economy. The focus is on programs and projects that will quickly support local jobs, while also providing long-lasting and widespread benefits to the GVROC local communities.

The GVROC stand ready to provide further support to its communities but will require financial assistance by partnering with the State and Federal Governments. Through financial partnerships the GVROC will be able to deliver further much needed support to local businesses and contractors and achieve a fast, efficient, and effective mechanism towards our local economies recovering.

As part of this assistance the GVROC recommend the expanded use of the existing Financial Assistance Grants (FAG) Program as a further stimulus mechanism during the economic recovery phase. The FAG 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 GVROC’s understanding that it is the Federal Government’s preference to use existing funding mechanisms where possible to support the economic recovery phase. The current calculations that underpin the allocation of FAGs are reasonable, proportionate and can be applied simply to this context without the need for modification of criteria or new legislation.

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 FAGs 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 FAGs enable Local Governments to respond swiftly and effectively with the goal of stimulating local economic and employment activity.

The GVROC LGAs have the capacity to reactivate local supply chains by utilising existing local procurement networks and tender panels. The flexibility of the program enables GVROC 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. GVROC 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).

Further to these suggestions the GVROC Council would like the following areas to be considered as part of any financial economic stimulus package for LGAs by the State and Federal Governments:

1. Federal Government to provide the GVROC LGAs an additional FAGs payment equal to that received last year by each LGA for two years and then increase future FAGS payments by one per cent per annum. This could lead to additional local council led projects being implemented to speed the recovery of the local economies.
2. Priority access to existing funding programs of the WA State Government and the Federal Government to assist regional GVROC LGAs with guaranteed financial assistance grants. This funding could be used to support the 50 per cent of the cost of the \$51 million in maintenance and capital works projects that have been identified to be brought forward within the regional towns in the next 12 months to stimulate the economy.
3. A reduction in the State Government Guarantee Fee to 0.01% on all new and outstanding Local Government loans and allowing Local Governments to defer repayments on new, long-term borrowings
4. Additional assistance and financial support for the many regional and remote LGAs that fund Primary Health initiatives in their communities, to cover the additional costs in fighting the pandemic.
5. A payment equivalent to 50% of the Centrelink unemployment benefit paid to LGAs to keep potentially vulnerable employees who may need to be stood down, gainfully employed.

The GVROC believe that if all of the above suggestions were considered and implemented through a financial economic stimulus package it would go a long way to assisting the Federal and State Governments objectives in the recovery of the local, state and Australian economies.

The Western Australian Government has done very well to contain the current pandemic, and the GVROC now stands ready to provide further support to the State Government and its local communities by partnering for the longer-term recovery of the regions.

In summary the GVROC local governments are well placed to deliver economic stimulus and recovery in partnership with the State and Federal Governments as they:

- already have a significant economic footprint as one of the biggest employers and annual spends in the region.
- know their communities and can deliver tailored, targeted, and impactful economic stimulus.
- can distribute funding in a rapid manner, given their wide-reaching local networks.
- have an established, successful track record in managing recovery in local communities.

