



28 March 2019

Department of Communities



*Transmitted via email - [actreview@dlgsc.wa.gov.au](mailto:actreview@dlgsc.wa.gov.au)*

Dear Review team,

## **Re: Review of Local Government Act 1995**

The purpose of this submission is to provide Community Employers WA's (CEWA) brief comments on the review of the Local Government Act 1995.

CEWA is a registered Employer Organisation with the Industrial Relations Commission of Western Australia, and represents non-government, not-for-profit employers in the community services sector of Western Australia. CEWA has 144 members comprising many of the largest and smaller Community Services Sector employers in WA, and continues to grow in numbers and influence. Our members employ in excess of 25,000 staff and are supported by over 10,000 volunteers. A list of our members is attached in Appendix 1.

The Western Australian Charity sector is a significant contributor to the WA community. Charities provide support across all levels of communities across the State, and are often the keystone, which facilitate social capital and assist communities to thrive. Charities are established to pursue mission based purposes that benefit society for which its members often do not receive a pecuniary reward. According to the 2017 WACOSS NFP Landscape report, the sector employs over 92,000 people, the majority of whom are female. Additionally, 56% of WA charities employ no full time staff, and operate on very minimal budgets. NFPs provide a sound basis for social connectedness, social cohesion and social capital and are integral to the wellbeing of communities. Every day our member organisations are helping to make a positive difference in the lives of individuals and families in their communities, which is why the Review of the Local Government Act can have important ramifications.



## Rates, Fees and Charges

Our focus with the review is on the question of Local Governments imposing rates on land owners. **Currently charities are exempt from the payment of rates, and we are supportive of this position remaining in place.** Our rationale for this is essentially as follows:

- Charities provide key services to communities across Western Australia, generally to people who are marginalised and vulnerable, and of limited resources
- Charities also often have very limited funding, and if rates were imposed on charities, this would further reduce their capacity to support people in need. In 2013/14, 25% of charities operated at a loss and a further 20% achieved a break even result. We believe that this position has deteriorated further since then, given that government indexation of funding has been minimal, and the costs of delivering services has continued to increase
- Increasingly, local communities expect charities to be efficient, to have minimal overheads and to maximise the funds, which are used to directly support people in need. If the costs of providing services are to increase as a result of the levying of rates, this will further erode their capacity to support people and vulnerable communities
- If charities are not sustainably supported and not financially viable, there will be an increased risk that Local and State Governments will need to step up and provide the services and support currently provided by charities
- Current Commonwealth and State systems recognise and respond to the important work of charities e.g. the Federal tax office provides much needed tax relief for workers in the sector, many of whom are not well paid and are part time or casual. The waiving of rates is consistent with this well accepted approach
- The loss of rates exemptions on social housing, for example, will significantly reduce the amount of money available to our members to provide low cost housing and support services to those in most in need in WA. In some cases, the cost of paying rates will place further pressure on already stretched funded contracts potentially diverting funds that could have been used for the direct benefit of vulnerable clients into the accounts of Local Governments. If rates exemptions are lost, either these services will be lost, or other parts of government will need to step in and fund them, the latter being an extremely unlikely scenario in the current fiscal climate
- Charitable organisations already contribute funds and services beyond the funds provided by government, and the removal of rate exemptions will force charities to cut back on these important activities. This might result in those charitable and reputable bodies having to make public statements about the reasons for their charitable contributions being reduced as arising from the actions of Local Governments and the failure of the State Government to recognize this risk
- Charities have operated fairly and reasonably in response to claiming exemptions. They have and will continue to act with integrity in respecting the need for Local Governments to raise revenue. We ask that Local Governments also respect the integrity and decision making of charities in claiming these exemptions



- **CEWA seeks the retention of the rates exemption on social housing**, that is properties used to house people in emergency/crisis care, refuges, transitional housing, social housing (i.e. within the same income brackets as people eligible for public housing)
- We believe the measure of a civil society is how it treats its most vulnerable, and the removal of rates exemption will be seen as clear disregard for that vulnerability by Local and State Governments. We ask that the Local and State Governments adopt a more measured approach to addressing this issue and work in partnership with those who work with the marginalized to ensure a fair outcome is achieved
- We appreciate that there may be concern that a small segment of quasi NFPs, who aren't charities, are availing of rates exemptions. Our view is that if there is a desire to change this, it should be implemented without any impact on the vast majority of charitable social services organisations
- We are very mindful of the risk of unintended consequences of any change to the rating approach of Local Governments, and would ask that if there are to be changes, reasonable consultation of any proposals be undertaken with all relevant stakeholders before they are implemented
- Such clarity will, hopefully, result in consistency of approach from all Local Governments. The current regime is applied differentially across Local Governments, which creates uncertainty for our members. **CEWA supports a clear and consistent approach to the issue of rates exemptions.**

We understand that there is a proposition being discussed, that the State Government should reimburse Local Governments for foregone rates revenue from Charities who receive exemptions. Whilst not totally opposed to this, **we are very cautious of the risks of this approach, and would seek a high level of assurance that this wouldn't lead to charities being disadvantaged in any way.** We are also conscious that this could have increased compliance and reporting implications for charities, Local Governments and the State Government.

We thank you for the opportunity to provide our comments on the review.

Yours sincerely,

John Bouffler  
Executive Director



**Appendix 1**

**CEWA MEMBERSHIP AS AT 28 FEBRUARY 2019**

Aboriginal Legal Services of WA Inc	Employment Law Centre of WA
Accessibility WA	Enable WA
Accordwest	Escare Inc
Activ Foundation Inc	Ethnic Communities Council of WA
Advocacy South West Inc	Ethnic Disability Advocacy Centre
Advocare	Family Inclusion Network (WA)
Albany Youth Support Association	Family Support WA Inc
Alzhemier's Australia WA	Financial Counsellors Association of WA Inc
Anglicare WA Inc	Foodbank WA
Armadale Community Family Centre	55 Central
Association for Services to Torture & Trauma Survivors (ASeTTS)	Fremantle Multicultural Centre Inc
Asthma Foundation WA Inc	Fremantle Women's Health Centre
Australian Red Cross WA	Goldfields Individual and Family support Association
Avivo	Good Samaritan Industries
Baptistcare	Gosnells Women's Health Service
Black Swan Health Ltd	Headwest
Bladder and Bowel Health WA	Health Consumers Council (WA) Inc
Bluesky Community Group	Helping Minds
Brightwater Care Group	Holyoake The Australian Institute For Alcohol & Drug Addiction Resolutions
Burdekin – Youth in Action	Hope Community Services
Cahoots Org	Identity WA
Calvary Youth Services Mandurah Inc	Independent Living Centre
Cancer Council WA	Indigo Junction
Centacare Employment and Training	Interchange WA
Centacare Family Services	Ishar Multicultural Women's Health Centre Inc
Centrecare Inc	Juniper
Child Inclusive Learning and Development Australia Inc (CHILD Australia)	Key Assets WA Inc
Chorus	Koolkuna (The Eastern Region Domestic Violence Services Network Inc)
Coeliac Western Australia	LAMP Inc
Communicare	Lifeline WA
Community Legal Centres Association (WA)	Life Without Barriers
Community Vision Inc	Linkwest
ConnectGroups	Margaret River Community Resource Centre
Consumer Credit Legal Service WA Inc	Meath Care Inc
Consumers of Mental Health WA	Melville Cares Inc
Cyrenian House	MercyCare
Derbarl Yerrigan Health Services Inc	
Desert Blue Connect	
Diversity South	



Metropolitan Migrant Resource Centre  
MIFWA  
Mission Australia  
Mosaic Community Care Inc  
Multicultural Services Centre of Western  
Australia Inc  
National Disability Services WA  
Ngala Family Resource Centre  
Nulsen  
Outcare  
Palmerston Association Inc  
Parkerville Children Youth Care Inc  
Pathways Southwest  
Pat Thomas Memorial Community House  
Inc.  
Patricia Giles Centre  
Peel Volunteer Resource Centres  
People with Disabilities (WA)  
Perth Inner City Youth Service  
Pivot Support Services  
Relationships Australia (Western  
Australia) Inc  
Richmond Wellbeing  
Rise Network  
Rocky Bay Inc  
Ruah Community Services  
Scales Community Legal Centre  
SECCA  
Sexual Health Quarters  
Shelter WA  
Silver Chain  
SMP Personnel  
South Coastal Women's Health Services  
Southwest Community Legal Centre  
South West Refuge Inc  
Southcare Inc  
Southern Cross Care (WA) Inc  
Southside Care  
Starick Support Services  
St Bartholomew's House  
St John of God Outreach Services  
St Patrick's Community Support Centre  
St Vincent de Paul Society  
Sudbury Community House Association  
Swan City Youth Service  
Technology Assisting Disability WA  
Tenancy WA  
The Gowrie (WA) Inc  
The Salvation Army  
The Spiers Centre Inc  
The WA Aids Council

Therapy Focus Inc  
360 Health & Community  
Uniting Aid  
UnitingCare West  
Uniting Church in the City  
Victoria Park Youth Accommodation  
Visability  
Volunteering WA  
WA Blue Sky Inc  
WANADA  
Wanslea Family Services Inc  
Westcare Inc  
Western Australian Association for Mental  
Health  
Western Australian Council of Social  
Service  
Women's Council for DFV Services (WA)  
Women's Health and Family Services  
Yaandina Family Centre  
YACWA  
YMCA Perth  
Youth Focus  
Youth Futures WA



