



Committee Secretary
Economics and Governance Committee
Parliament House
George Street
Brisbane Qld 4000
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Dear Committee Secretary

Inquiry into the Queensland Government's economic response to COVID-19

Please accept this submission made on behalf of the Local Government Managers Australia (LGMA).

Local Government Managers Australia is the peak body for council officers and provides local government advocacy, collaborative learning and professional development. LGMA represents the needs of local government officers to other spheres of government and to various stakeholders in order to create the most effective working environment for officers and to allow them to assist their communities to thrive.

During the COVID-19 pandemic, LGMA has maintained ongoing dialogue with members across the State, to obtain an understanding as to how each local government authority has been responding to the impacts of the pandemic. This has been primarily through weekly video/teleconferences with Chief Executive Officers and through special interest groups involving specialist staff. These interactions have demonstrated that there is not a singular approach for dealing with the diversity of issues resulting from COVID-19, however, they have also demonstrated the real need to share experiences as they arise and then collectively planning for the post-pandemic recovery.

Over the coming month, LGMA will collate examples of best practice in dealing with COVID-19, especially in relation to community consultation and staff management, so that learnings from the pandemic can be applied in future circumstances.

LGMA notes the following terms of reference, but also recognises that the pandemic is by no means completely controlled or concluded and it may be premature to comment on some aspects of the response at this stage;

1. *That the Economics and Governance Committee inquire into and report to the Legislative Assembly on the Queensland Government's response to COVID-19 in relation to the economic response only;*
2. *That in undertaking the inquiry, the Committee should take into account the Australian Government's response to COVID-19 and its impacts on the Queensland Government's response;*
3. *That in conducting the inquiry the Committee is to be conscious of any requests for witnesses or materials and ensure that any requests do not unreasonably divert resources from the immediate COVID-19 response; and*
4. *That the Committee report to the Legislative Assembly by no later than 3 months after the conclusion of the Public Health Emergency declared under the Public Health Act 2005 regarding COVID-19.*

Works for Queensland

LGMA strongly supports the additional Works for Queensland funding as well as the additional funding that was allocated to South East Queensland Councils. This level of funding will provide early stimulus for local jobs and local contractors. The flexibility of the funding has proven successful in allowing a mix of the construction of new infrastructure, as well as the renewal of existing assets. The government is to be commended on this early and well targeted economic stimulus.

Overall, feedback to our organisation was positive, although it would have been beneficial to have the projects from the first year of the capital works programme deemed eligible for inclusion for Works for Queensland funding. Additionally, it would be opportune to align Works for Queensland funding to larger projects by leveraging Federal Government funding. It is noted that, in most circumstances, the funding processes from the Commonwealth and State governments do not align from a timing perspective.

Whilst infrastructure spending is important, Committee members should be aware that many local government authorities are beginning to struggle to find “shovel ready” projects. This is due to a lack of funding for staff or consultants to undertake detailed design or feasibility studies. Funding from other levels of government focusses on infrastructure delivery, meaning that detailed design and feasibility studies need to be funded by local government - from ratepayer revenue. In many situations, those staff that should be preparing the detailed design or the relevant studies are directly supervising the contractors or day labour staff to undertake the infrastructure projects which have already been funded. Funding which includes provision for design or feasibility studies could be more readily applied to grow jobs and projects.

Perhaps there is merit in revisiting the processes outlined in the former Maturing the Infrastructure Pipeline Program (MIPP), which provided funding for business cases and feasibility studies. (<https://www.statedevelopment.qld.gov.au/infrastructure/infrastructure-planning-and-policy/state-infrastructure-fund/maturing-the-infrastructure-pipeline-program.html>)

Drought and Fire Funding

The delivery of “shovel ready” projects is more challenging as many local government authorities have received funding for the ongoing drought and the impact of the bushfires. Some Councils may begin to struggle with successfully managing multiple projects funded through drought, bushfire or Covid19 recovery programmes. The State may need to recognise the associated challenges of meeting individual grant timeframes due to the cumulative impact of grants.

Communication

The regular briefings from the Premier, responsible Ministers, the Chief Health Officer and senior government staff have been very informative and largely provided confidence and guidance to the elected members and staff in local government. The follow-up by the relevant Departments has generally been prompt and informative.

Perhaps the only issues are clarity and, in some cases, timing. Local government, in many circumstances, has been left to interpret the commentary of both State and Federal Government in relation to responding to the pandemic. During this pandemic, local government has not been provided with detailed directions, rather local government has been left to interpret and apply the observations and broad directions of State and Federal Government to their own environment. For example, some local governments chose to close community facilities earlier than others, whilst other local government authorities implemented modified work arrangements for outdoor staff and others did not. These actions were all based on how each local government authority interpreted the messages emanating from the other two levels of government.

It is noted, for example, that in interpreting the easing of restrictions, Liquor Licensing and PHUs have made differing interpretations of how to manage social distancing in the venues they oversee (pubs and hotels versus cafes and restaurants) and this has caused community confusion and frustration, some of which local government officers end up bearing the brunt of.

Similarly, in the lead up to Easter, mixed messages were coming from different State agencies about “beach closures” leading to scenarios where beaches were closed on the Gold Coast based on State advice but not on the Sunshine Coast based on State advice. Different local governments received different advice from separate regional health agencies. This was probably symptomatic of the tight timeframes everyone was working under at the time.

Regarding timing, with matters moving quickly, in some instances local government received notice of relaxations at the same time the public did. For example, when dams were reopened, Councils had to scramble to reinstate staff to manage these facilities which were then inundated the following day as a result of the announcement.

LGMA believes that there is the potential to improve communication through more detailed directives from both State and Federal Government and that earlier notice would have assist in transitions between phases of restrictions.

Department of Health

Queensland Health has clearly struggled with resources during the pandemic which is understandable given the scale of the issues. Many Local Disaster Management Groups (LDMGs) have not had representation from the Department at LDMG meetings on a consistent basis. This has proven to be challenging as the majority of the questions and queries from the community relate directly to information held by the Department of Health. Feedback received suggests that that all decision making and communications from the Department of Health came out of Brisbane, making it difficult for local issues to be clarified in short timeframes.

While many local governments have excellent working relationships with their PHUs and were able to seamlessly move staff between the council and the health unit to meet needs, Head Office did not appear to be across these arrangement and had expectations of local government beyond their capacity to deliver. This feedback was provided via the Department of Local Government to Queensland Health and later adjustments to expectations were made.

In regard to the Cape and the bio-security provisions implemented, the management of this was highly stressful for local government officers with mixed messaging received from different departments and a lack of clarity around expectations of local governments. Also, the over-estimation of local government capacity to implement and monitor the provisions (including by Queensland Police Service and Queensland Health) meant that either gaps in delivery occurred or that other service delivery to communities suffered.

Disaster Classification

The pandemic has not been classified as a “disaster,” noting that should this classification be approved, key components of the Natural Disaster Relief and Recovery Arrangements (NDRRA) would apply. The majority of local government authorities have and will continue to incur costs associated with the pandemic, including actions such as the closure of community facilities, the cleansing of public areas, the quarantining of recreation and playgrounds and managing the LDMG process. All of these actions come at a cost to each local government and these costs ideally should be quantified across the State and core disaster response activities such as LDMG management process should be recovered.

Throughout the pandemic, every local government has utilised their Local Disaster Management Group to direct resources and respond to specific issues. This has been encouraged and supported by the State Government. The utilisation of these groups has proven to be most effective.

It is LGMA's view that the pandemic should be recognised as a "disaster" and the appropriate cost recovery processes be approved to support the financial sustainability of Councils.

Economic Recovery

It is important to recognise that the full extent of the economic impact of the pandemic will not be known for some time and funding programmes that are put in place now may require significant revision in the medium term. It is encouraging to see that many businesses have taken up the different grants that have been provided by State and Federal Government and in some cases by local government. These grants perhaps need to be supported by the appropriate human resources, perhaps in the form of business advisors, who can undertake business planning with each of the impacted businesses.

Feedback to LGMA suggests that there have been too many individual departments sending information about grants and support resulting in information overload and duplication. There may be a role here for Chambers of Commerce and economic development officers to better articulate the real needs of business to all three levels of government.

Local government can waive, discount or defer charges applicable to businesses, but these are only short-term measures. Once a charge is waived, discounted or deferred, it is often difficult to reinstate.

Where there is the capacity to identify import replacement manufacturing in essential industries this should be further investigated and where possible these businesses should be encouraged to expand or establish in regional areas, noting that across Australia the number of COVID-19 cases in regional areas has been far smaller than in metropolitan areas.

Remote Queensland

Feedback from our members working in remote local governments was that much of the messaging and focus of the State response was centred on major population centres. Certainly, it is recognised that major population centres had risks that need to be addressed. However, nearly 20% of Queensland local governments were operating in enforced lockdown - primarily indigenous local governments and Cook Shire Council. There was a perception that public messaging and government communication via the media did not address this section of our State. Perhaps future messaging could be more targeted to individual sections of the State to overcome this perception.

Unemployment

The pandemic has had a disproportionate impact on young people and women in many communities, especially those in part time or casual roles in hospitality, tourism and retail. It may be appropriate for additional training programmes to be considered provide these workers with a higher level of skills and training in areas other than hospitality and retail. This is especially the case in regard to the retail sector which was already struggling due to on line competition, noting that the pandemic has increased on line turnover, meaning that some people are unlikely to return to purchasing from traditional retail outlets.

Queensland Treasury Corporation

LGMA believes that there is an increased role for the Queensland Treasury Corporation to play in providing financial advice to local government authorities. Already a number of Councils have frozen rates or deferred charges. It would be useful to understand how many of these Council's have

forecasted the impact of the rate freeze on future rate increases and the medium-term financial capacity of the organisation. LGMA submits that Queensland Treasury Corporation should be actively engaging with local governments across Queensland to provide immediate financial advice in relation to appropriate rating levels and where assistance in relation to borrowings. QTC have been readily available for advice when requested and are to be commended accordingly.

Urban Planning and Regional Development

The impact of the pandemic thus far has indicated that high density residential areas appear to be more susceptible to outbreaks than regional areas. It may be opportune to consider the role urban planning plays in managing pandemics into the future and whether there is a higher degree of protection for people living in medium to low density areas. Additionally, it may be appropriate to consider the marketing of rural and regional areas as places to move to that are less likely to be impacted by future pandemics, thereby addressing population decline in regional areas and potentially increasing investment. There may be renewed interest in this discussion across corporate Australia as the practise of remote work has been tried during the pandemic and found to be successful in many sectors.

JobKeeper

LGMA was disappointed with the Federal Government's failure to apply the JobKeeper programme to local government employees. There have been a number of local government authorities that have had to implement redundancies and it is likely that there will be further job losses particularly if there is a further wave of the pandemic. LGMA would welcome further advocacy on this aspect to be pursued by the State Government with the Federal Government.

Mental Health

LGMA is concerned at the level of mental health resources that can be accessed by small business operators. It is important that any economic recovery includes a mental health recovery, especially for those businesses that have suffered significantly financially. This is a State-wide issue that will need a State-wide response.

Conclusion

Overall, the State Government has provided an effective response to the pandemic. Support was generally well timed given all of the circumstances and an intent to communicate effectively was clear. There are many "unknowns" ahead but having effective and clear communication between all three levels of government will ensure that issues can be addressed and solutions determined.

Local Government Managers Australia appreciates the opportunity to provide a submission to the Economics and Governance Committee and please do not hesitate to make contact if you require any further information.

Yours sincerely



Peta Irvine
Chief Executive Officer