



ALGA MAIL

ITEM No:

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THE HON SIMON CREAN MP

**Minister for Regional Australia, Regional Development and Local Government
Minister for the Arts**

Reference: B12/11

Councillor Genia McCaffery
President
Australian Local Government Association
8 Geils Court
DEAKIN ACT 2600

21 FEB 2012

Genia
Dear Councillor

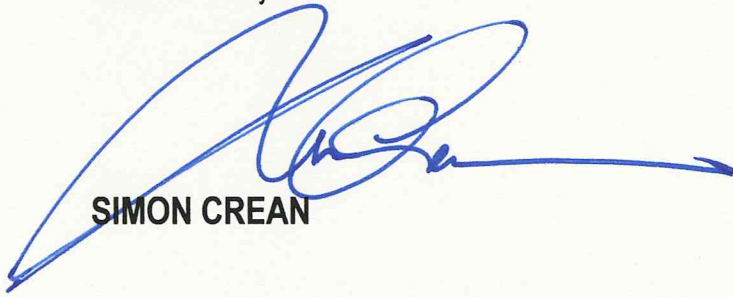
Thank you for your letter of 31 October 2011 concerning the resolutions arising from the Australian Local Government Association's 2011 National General Assembly for Local Government. I apologise for the delay in replying.

As you requested, my Department has consulted with all relevant portfolios to develop a consolidated response to these resolutions. The attachment includes input from:

- Attorney-General's Department
- Department of Broadband, Communications and the Digital Economy
- Department of Climate Change and Energy Efficiency
- Department of Education, Employment and Workplace Relations
- Department of Innovation, Industry, Science and Research
- Department of Health and Ageing
- Department of Infrastructure and Transport
- Department of the Prime Minister and Cabinet
- Department of Families, Housing, Community Services and Indigenous Affairs
- Department of Regional Australia, Local Government, Arts and Sport
- Department of Resources, Energy and Tourism
- Department of Sustainability, Environment, Water, Population and Communities
- The Treasury

The Australian Government welcomes the opportunity to continue increasing its understanding of local government issues, and I thank you for bringing this matter to my attention.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Simon Crean', with a long horizontal flourish extending to the right.

SIMON CREAN

Enc – Australian Government responses to Australian Local Government Association's 2011 National General Assembly of Local Government Resolutions

AUSTRALIAN GOVERNMENT RESPONSES TO THE AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION 2011 NATIONAL GENERAL ASSEMBLY OF LOCAL GOVERNMENT RESOLUTIONS

This response includes input from the following agencies:

- Attorney-General's Department
- Department of Broadband, Communications and the Digital Economy
- Department of Climate Change and Energy Efficiency
- Department of Education, Employment and Workplace Relations
- Department of Innovation, Industry, Science and Research
- Department of Health and Ageing
- Department of Infrastructure and Transport
- Department of the Prime Minister and Cabinet
- Department of Families, Housing, Community Services and Indigenous Affairs
- Department of Regional Australia, Local Government, Arts and Sport
- Department of Resources, Energy and Tourism
- Department of Sustainability, Environment, Water, Population and Communities
- The Treasury

Resolutions 1, 2 and 3 and a collective response

RESOLUTION 1

That the National General Assembly call on the Australian Government to ensure that future National Urban Policy takes a place based planning approach, which places citizen engagement at its core.

RESOLUTION 2

That this National General Assembly of Local Government call upon the Australian Government to adopt an effective model for the federal, state and local governments to effectively work together in developing plans for the capital and major cities. That the Australian Government involves itself in funding and assisting the coordinated development of best practice long-term local area plans (LAPs), which are then integrated into the strategic plans for the capital and major cities.

RESOLUTION 3

That the National General Assembly call on the Commonwealth Government to lead the preparation of a National Settlement and Infrastructure Strategy based upon a Governance Structure that engages strongly with the Governments of States and Territories and with representatives of Local Government.

Response

The National Urban Policy (NUP) was released on 18 May 2011.¹ The NUP recognises the critical roles that the Australian, state, territory and local governments, the private sector and individuals play in planning, managing and investing in cities. The NUP is a significant component of the Sustainable Australia² framework, applying the principles of the *Sustainable Australia – Sustainable Communities: A Sustainable Population Strategy for Australia* (Sustainable Population Strategy)³

¹ See <http://www.infrastructure.gov.au/infrastructure/mcu/urbanpolicy/index.aspx>

² See <http://www.environment.gov.au/sustainability/population/index.html>

³ See <http://www.environment.gov.au/sustainability/population/publications/strategy.html>

specifically to the urban context. It complements the Regional Policy Agenda⁴ which aims to empower regional communities and ensure a fair balance of investment and access to services for regional Australia.

The NUP establishes, for the first time, an overall framework to guide national policy development and investment to achieve better outcomes in our cities. It articulates a set of goals, objectives and principles that the Government has committed to and will apply in determining future actions in Australia's major cities.

The NUP complements the national objective and criteria for future strategic planning of capital cities, developed by the Council of Australian Governments (COAG).⁵ The criteria set a framework for intergovernmental cooperation so that Australian cities have robust, transparent and long term planning systems in place to address population and economic growth, climate change, housing affordability and urban congestion. The Australian Government is working with the state and territory governments to support improvements in strategic planning and to share best practice planning approaches, an exchange that will not only benefit capital cities but all Australian cities. The COAG Reform Council's report on the review of capital city strategic planning systems against the national criteria will be submitted to COAG in December 2011 and published in February 2012. Future Government infrastructure funding will be linked to requirements for states and territories to meet the national criteria.

RESOLUTION 4

That the National General Assembly call on the Australian Government to explore the viability of expanding the population and economic base of regional cities in regard to catering for the nation's sustainable population growth targets.

Response

The Australian Government is making the most substantial investment in regional Australia for decades to lift living standards outside the major capital cities, provide the best services, and help regional communities develop strategies and reach their potential. In the 2011-2012 Budget, the Government announced over \$4 billion of investments in regional hospitals, health care, affordable housing, universities, roads, and improved planning to support regions to become more attractive places to live, work and build a future. This funding includes almost \$1 billion over five years through the Regional Development Australia Fund⁶ to finance infrastructure projects that best fit regional economic and community needs.

The *Sustainable Australia – Sustainable Communities: A Sustainable Population Strategy for Australia* (Sustainable Population Strategy) outlines the Government's commitment to improving the liveability of urban areas and building stronger regions. Relevant measures include the *Sustainable Regional Development* initiative and the *Promoting Regional Living Program*⁷, which aims to build on the success of the *Evocities* initiative⁸ to support regional cities and towns in implementing targeted marketing strategies that promote the benefits and opportunities of living and working in those regions.

⁴ See http://www.budget.gov.au/2011-12/content/ministerial_statements/urban/html/ms_urban-04.htm

⁵ See <http://www.coagreformcouncil.gov.au/agenda/cities.cfm>

⁶ See <http://www.regional.gov.au/regional/programs/rdaf.aspx>

⁷ See <http://www.regional.gov.au/regional/programs/prlp.aspx>

⁸ See <http://www.evocities.com.au/?gclid=CLCVh6X-8KwCFWdLpgodwUaNKQ>

RESOLUTION 7

That the National General Assembly call on the Australian Government to review the impact of government policies, including the National Competition Policy, on the drift of population and services away from rural and regional areas.

Response

The Australian Government is committed to the ongoing review of its policies to support sustainability, service delivery and infrastructure in regional communities. In the 2011-2012 Budget, the Government provided \$10.1 million for the *Measuring Sustainability program*⁹ to develop sustainability indicators to assist in better informing decision makers, and assist in monitoring the performance and impacts of the Government's policy decisions.

The Government is also introducing a number of initiatives to encourage increased skilled migration to regional areas, including specifying for the first time 16,000 Regional Sponsored Migration Scheme places, fast tracking permanent residency for 457 visa holders who have spent two years in regional Australia, introducing Regional Migration Agreements, and providing priority processing for regional visa categories.¹⁰

In 2004, the Australian Government referred the National Competition Policy (NCP) reforms to the Productivity Commission (PC) for an independent assessment of their effects.¹¹ The terms of reference for that review explicitly required consideration of the distributional impacts of those reforms, including on rural and regional Australia.

The PC concluded that when assessing the social and regional impacts of NCP, it was important to recognise that NCP operated against the backdrop of major ongoing economic, social and regional pressures; for example, the longer-term structural changes influencing rural economic activity and causing population shifts away from smaller regional communities over the years. The PC observed that failure to acknowledge the role of these broader factors would give rise to false impressions or misrepresentations about the influence of NCP.

The PC's modelling suggested that the impacts of NCP on overall income distribution had been small relative to other influences, and that NCP had increased household incomes across the board and GDP by 2.5 per cent (\$20 billion). The PC also stated that while there had been adverse impacts on some regional areas — especially in smaller communities — many producers, consumers and communities in country Australia benefited from the NCP reforms, and that while there were problems in disentangling the impacts of NCP from other factors that had contributed to these outcomes, it would be hard to sustain a case that the social, regional or environmental impacts of NCP had been generally detrimental.

RESOLUTION 9

That this National General Assembly of Local Government call upon the Australian Government to impose a statutory obligation for private lessee operators of federal airports to contribute to the upgrade and maintenance of surrounding local infrastructure network needed to service large scale, traffic generating commercial developments in leased airports, rather than leaving it to the local and state governments to pay for the infrastructure required.

⁹ See <http://www.environment.gov.au/sustainability/population/index.html#measures>

¹⁰ See <http://www.immi.gov.au/skilled/skilled-workers/rsms/>

¹¹ See <http://www.pc.gov.au/projects/inquiry/ncp/docs/finalreport>

Response

Since privatisation, airport-lessee companies and local and state governments have negotiated arrangements for contributions to infrastructure development around leased federal airports on a case-by-case basis. Consequently airports have contributed to infrastructure development through direct financial payments, land transfers and rate payments to local councils. The Australian Government supports engagement between airports and local and state governments and has mandated the establishment of Planning Coordination Forums at key airports to facilitate this.¹²

RESOLUTION 10

That the National General Assembly express its strong concern to the Australian Government at its redirection of regional development engagement and infrastructure funding allocation from the current "direct to Local Government" Regional and Local Community Infrastructure Program (RLCIP) model to a process that requires submission through and priority allocation by Regional Development Australia Boards; and request that the current RLCIP model be retained as the adopted model for distribution of Regional Development Australia Fund (RDAF) allocations.

Response

The difference in funding allocation processes between the *Regional Development Australia Fund (RDAF)* and the *Regional and Local Community Infrastructure Program (RLCIP)* is in part due to the different objectives of the two programs.

The RLCIP was announced as part of the Nation Building Economic Stimulus Plan; it was designed to support local jobs and provide long-term benefits to communities by assisting councils to build and modernise local infrastructure. The selection of projects for funding under the RLCIP Rounds 1, 2 and 3 had both a strategic competitive and a non-competitive allocation process.

The RDAF is designed to leverage Commonwealth, State, local government, private and not-for-profit investments for the long-term benefit of communities. To ensure relevance to the specific needs of each region, project funding under the RDAF must align with the strategic priorities set out in the relevant Regional Development Australia (RDA) committee's Regional Plan, which is a living document revised regularly to reflect the needs of the community. To fund a wider range of projects, the RDAF is open to applications from eligible local governments and not-for-profit organisations. The selection of projects for funding under the RDAF is based on a competitive, round-based process founded on transparent selection criteria and independent merit-based assessment.

Resolutions 11 and 13 and a combined response

RESOLUTION 11

That the National General Assembly calls for ALGA to renegotiate the cost shifting intergovernmental agreement between the three tiers of government.

RESOLUTION 13

That the National General Assembly call on the Federal and State and Territory Governments to address the continuing incidences of cost shifting on to Local Government.

¹²

See <http://www.infrastructure.gov.au/aviation/airport/planning/index.aspx>

Response

The *Intergovernmental Agreement Establishing Principles to Guide Intergovernmental Relations on Local Government Matters* ('the IGA') provides a framework to improve the way the three tiers of government – federal, state and local – relate to each other, including to minimise cost-shifting between levels of government. A review of the IGA was recently conducted through an officials' working group to support the Local Government Ministers' Forum, and members renewed their commitment to the IGA. They will now investigate regular performance measurement and a reporting framework at all three levels of government.

Under the IGA, all governments are committed in principle that 'where local government is asked or required by the Commonwealth Government or a State or Territory Government to provide a service or function to the people of Australia, any consequential financial impact is to be considered within the context of the capacity of local government'.

RESOLUTION 14

That the National General Assembly call on the Federal and State and Territory Governments to ensure that the processes associated with obtaining funding be commensurate with the level of funding requested.

Response

The Australian Government is committed to ensuring the administrative processes around the provision of funding are as easy, simple and straight-forward as possible while complying with the relevant laws, policies, and guidelines. The Government must demonstrate compliance with all legislative and policy requirements for the expenditure of the public money, maximise value for money in achieving the stated policy objectives for each program, and promote public confidence that the program has been administered in an ethical and equitable fashion, with due regard for probity, transparency and accountability.

RESOLUTION 15

That this National General Assembly support an urgent review by the Australian Tax Office of the current ceiling of \$1,000 for election expenses that can be claimed by candidates for Council Elections.

Response

The election expenses ceiling is prescribed in tax legislation and falls within the portfolio responsibilities of the Federal Treasurer. The Commissioner of Taxation has responsibility for the administration of the tax laws, but not their design or development, and therefore would be inappropriate to conduct any review.

The Government considers the existing \$1,000 ceiling for election expenses of local government candidates to be appropriate and is not inclined to support a review of these arrangements at this time.

By way of background, the income tax law generally only allows deductions where there is an essential connection between the expense incurred and the individual's income producing activities. This means that the expenditure must be incurred by the taxpayer in the course of earning assessable income. In the case of costs incurred in seeking election to public office, such expenses are incurred at a point too soon to be regarded as incurred in gaining or producing assessable income.

However, as a concession to candidates for election to local government, the Government allows a deduction of up to \$1,000 for expenditure incurred on contesting an election for membership of a local governing body. While the election expenses of candidates for local government elections do not receive the same level of concessional treatment as candidates for State and Commonwealth elections, the concession provided is still significant.

RESOLUTION 18

That this National General Assembly call on the Australian Government to acknowledge that the Roads to Recovery program is an effective model whereby Federal Funding is provided directly to Local Government for road infrastructure improvements, and examine options for similar funding arrangements in other areas of local government operations where Federal funding is provided.

Response

By the end of 2013-14, over \$4.4 billion will have been provided to local councils through the Roads to Recovery (R2R) Program¹³ since its inception. The Government strongly supports the R2R Program as a way of assisting local councils with the cost of maintaining and upgrading their local roads, and there are no plans to withdraw this financial support.

Funding for the majority of local government programs delivered through the Department of Regional Australia, Local Government, Arts and Sport is provided directly to local government, with the exception of funding through the Financial Assistance Grants program which is delivered to local government via the states and territories.

RESOLUTION 20

That the National General Assembly calls on the Australian Government to substantially increase the current level of funding provided to councils for the sustainable asset management of local roads and infrastructure.

Response

Funding local government assets and infrastructure is primarily the responsibility of the states and territories. Local councils are also responsible for generating revenue.

The Australian Government is committed to supporting local governments in managing their assets. For example, through the Financial Assistance Grants program, the Commonwealth has provided around \$35 billion (since 1974-1975 and including 2010-11) in regular funding to the states and Territories for distribution to local governments. This untied funding was made available to be used by local governments in accordance with their priorities, including on the management of local roads and infrastructure assets.

The Government has also established the \$22.2 million Local Government Reform Fund¹⁴ to fund state governments and the Australian Centre of Excellence for Local Government¹⁵ for projects which seek to support the accelerated implementation of the Nationally Consistent Frameworks for local government asset and financial management and improve the collection and analysis of nationally consistent data on local government assets and finances.

¹³ See <http://www.nationbuildingprogram.gov.au/funding/r2r/>

¹⁴ See <http://www.regional.gov.au/local/LGRF.aspx>

¹⁵ See <http://www.acelg.org.au/>

The Department of Regional Australia, Local Government, Arts and Sport has commissioned work to examine options for improvement in the financing of local infrastructure, with a report due in March 2012.

RESOLUTION 21

That this National Assembly calls upon the Federal Government to continue with the Roads to Recovery (R2R) programme and to further expand the R2R programme to establish a specific funding pool for bridge and hydraulic infrastructure.

Response

Under the R2R Program, a broad definition is afforded to the term 'road', so that councils are able to use their Program funding for the construction or maintenance of bridge infrastructure.

RESOLUTION 23

That the National General Assembly call on the Federal and State and Territory Governments to ensure that there is greater recognition of the role of Local Government in the provision of infrastructure, management of environmental concerns and economic and cultural impacts of population increases. The recognition of this role includes appropriate funding models, supportive statutory legislation and genuine partnerships and negotiation with Local Government.

Response

In developing the *Sustainable Australia – Sustainable Communities: A Sustainable Population Strategy for Australia* (Sustainable Population Strategy) (see also the response to Resolution 4), the Australian Government consulted with a wide range of stakeholders, including local government representatives. Many local governments also made written submissions to the development of the Sustainable Population Strategy which recognises explicitly that Commonwealth, state, territory and local governments all have particular responsibilities and must collaborate in order to support a sustainable Australia.

Through the \$100 million Building Better Regional Cities Program¹⁶, the Government will support the supply of affordable homes in growing regional cities and help relieve pressure on Australia's major capitals by investing in local infrastructure projects that support new housing developments in regional cities. Local governments in 47 regional cities around Australia were eligible to apply for funding of up to \$15 million each. The awarding of funding is based on a competitive selection process. Successful projects are expected to be announced in the first half of 2012.

In September 2010, the Government made a commitment to hold a referendum on the recognition of local government in the Australian Constitution. In June 2011, the Government established an Expert Panel on Constitutional Recognition of Local Government¹⁷, which was tasked with consulting with stakeholder groups and the community on the level of support for constitutional recognition of local government and with identifying possible forms that recognition could take. The Expert Panel reported to Government on 23 December 2011.¹⁸

RESOLUTION 24

That the National General Assembly call on the Australian Government to recognise that since some councils/groupings of councils are better placed than others to take service delivery initiatives, these

¹⁶ See <http://www.environment.gov.au/housing/bbrc/>

¹⁷ See <http://www.localgovrecognition.gov.au/>

¹⁸ See <http://www.localgovrecognition.gov.au/content/final-report>

entities be financially assisted to enable early implementation of such initiatives. Further, that the financial assistance includes funding for personnel whose role would be to ensure that the program could be rapidly replicated among other Councils, once proven beneficial.

Response

The Australian Government recognises the diversity of Australia's local governments, including in their capacity and resources. The Government supports initiatives to build capacity in local government, including through an \$8 million contribution to establish the Australian Centre of Excellence for Local Government (see also the response to Resolution 20) which is working to promote improvements in the capacity of local government through research, showcasing innovation and promoting examples of better practice, and developing leadership in the sector.

Through a network of 55 Regional Development Australia committees across the country, the Government encourages local governments to build partnerships to develop strategies and deliver sustainable infrastructure and services to their regions, including by working with other levels of government, industry, community leaders, not-for-profit organisations, and other local stakeholders.

Through the *Financial Assistance Grants* program, the Government has provided around \$35 billion (since 1974-1975 and including 2010-11) in regular funding to the states and Territories for distribution to local governments. This untied funding was made available to be used by local governments as they see fit.

RESOLUTION 25

That the National General Assembly call on the Australian Government to establish, through co-operative partnerships between all levels of government, a clear vision and that sets a social economic and environmental vision for Australia, and to deliver effective services and infrastructure to support the projected growth.

Response

Key policy areas of the *Sustainable Australia – Sustainable Communities: A Sustainable Population Strategy for Australia* include:

- Water for the Future¹⁹;
- building the National Broadband Network²⁰;
- protecting the environment through the *Environment Protection and Biodiversity Conservation Act 1999*²¹;
- infrastructure reform and investment;
- health reform;
- skills education and training; and
- reform of the skilled migration system.

This agenda also incorporates partnerships across state, territory and local governments as appropriate.

The Commonwealth is also leading a number of place-based initiatives designed to support economies in transition, in collaboration with all tiers of government and community organisations. These include Tasmania, the Latrobe Valley, the Murray-Darling Basin and Northern Australia.

Refer also to the responses to Resolutions 1, 2, 3, 4, and 7 above.

¹⁹ See <http://www.environment.gov.au/water/australia/index.html>

²⁰ See <http://www.nbn.gov.au/>

²¹ See <http://www.environment.gov.au/epbc/>

RESOLUTION 26

That the National General Assembly calls on Federal, State and Territory Governments to establish a sports and recreational facilities infrastructure funding program for local councils.

Response

Sports and recreational facilities infrastructure projects are eligible for funding under existing programs.

For example, the *Regional and Local Community Infrastructure Program* (RLCIP) funded a wide range of community infrastructure projects, including projects related to the establishment and upgrade of sports and recreational facilities. The RLCIP was not, however, targeted specifically at sports and recreational facilities.

Projects for consideration under the Regional Development Australia Fund include sporting facilities (particularly those that will be used as a regional hub or host regional sporting tournaments).

RESOLUTION 27

That the National General Assembly calls on the Australian Government to implement a national strategy towards integrated transport with additional funding programs to improve the productivity, liveability and sustainability of major cities.

Response

Infrastructure Australia (IA) has developed the *National Ports Strategy*²² and *National Land Freight Strategy*²³ for consideration by the Council of Australian Governments. Since 2007 the Australian Government has made unprecedented investment in public transport in our cities. IA is currently developing a national public transport strategy and has further recommended targeted investment in innovative public transport systems that drive productivity and urban renewal in major cities to maintain their economic success and environmental sustainability.

The Government will also continue to work with states and territories to implement the *National Charter of Integrated Land Use and Transport Planning*.²⁴

RESOLUTION 29

That the National General Assembly calls upon the Australian Government to provide funding and resources in order to modify existing and/or establish new infrastructure to assist local councils with their obligations under the Disability Discrimination Act (DDA) to comply with the Disability Standards for Accessible Public Transport (DSAPT) requirements so that the necessary infrastructure can be transformed to meet the required standards.

Response

The Australian Government's *National Disability Strategy*²⁵ outlines a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. The *National Disability Strategy* will guide public policy across governments to ensure that people with disability have the same opportunities as other Australians. Supporting the *National Disability Strategy* are the *Disability Discrimination Act 1992*, which prohibits both direct

²² See <http://www.ntc.gov.au/viewpage.aspx?documentid=1967>

²³ See <http://www.infrastructureaustralia.gov.au/publications.aspx>

²⁴ See <http://www.infrastructureaustralia.gov.au/publications/>

²⁵ See <http://www.facs.gov.au/sa/disability/progserv/govtint/Pages/nds.aspx>

and indirect discrimination on the grounds of disability, and the *Disability Standards for Accessible Public Transport 2002*²⁶ (Transport Standards), which seek to provide certainty about responsibilities under the Act.

A review of the first five years of operation of the Transport Standards has been undertaken, and the final review report and Government response were publically released in June 2011.²⁷ The review report included a recommendation about Government funding for projects in regional and rural areas where local governments are unable to resource upgrades of public transport infrastructure (Recommendation 7).

As indicated in the Government response to the review report, the provision of funding for projects is a matter for each state government to consider, including in the context of existing regional infrastructure programs and budget deliberations. The Government will give consideration to the eligibility criteria for existing regional and rural transport and infrastructure programs to ensure no inappropriate exclusions apply to projects that would support compliance with the Transport Standards.

RESOLUTION 29.1

That the National General Assembly of Local Government call on the Australian Government to recognise the cost implications of the Disability Discrimination (Access to premises/buildings) Standards 2010 and to defer the new requirements until a comprehensive nationwide review by the Federal Government.

Response

The *Disability (Access to Premises – Buildings) Standards 2010* (Premises Standards) commenced on 1 May 2011. This followed an extensive process of public consultation by the House of Representatives Legal and Constitutional Affairs Committee, culminating in the release of the report *Access All Areas* in June 2009.²⁸

A regulation impact statement examining the cost implications of implementing the Premises Standards was prepared at the time of its tabling in Parliament. In recognition of these cost implications, the Premises Standards provide a number of concessions, exemptions and exceptions. The details of the regulation impact statement can be found in pp 13-17 of the report.

There is a requirement to review the Premises Standards within five years of commencement, and every five years thereafter. The first review is scheduled for 2015-2016.

RESOLUTION 30

That the delegates to this National General Assembly request the Federal Government to:

- *encourage state, territory and local governments to recognise cycling as a legitimate transport mode;*
- *establish a national funding program to build a network of cycling tracks and end-of-trip facilities to encourage commuter cyclists; and*
- *develop marketing and education programs that promote the benefits of cycling.*

²⁶ See <http://www.pdcnsw.org.au/index.php/2011-News/review-of-disability-standards-for-accessible-public-transport-released.html>

²⁷ See www.infrastructure.gov.au/transport/disabilities/review/index.aspx

²⁸ See <http://www.aph.gov.au/house/committee/laca/disabilitystandards/report/prelims.htm>

Response

The National Urban Policy has identified active transport, which incorporates cycling and walking, as a key policy priority for the Government. The Australian Government has supported construction of local cycling infrastructure through the National Bike Paths Program²⁹ (administered through the Department of Regional Australia, Regional Development and Local Government). In addition, the Australian Bicycle Council, which is funded by the Australian Government, has published the National Cycling Strategy 2011-2016.³⁰ It aims to double the number of people riding bicycles within five years.

RESOLUTION 31

That the National General Assembly call on the Commonwealth Government to ensure funding opportunities and support is provided to initiatives such as Evocities and PORTS, which relieve growth stress on major centres and support growth in regional areas where capacity is available.

Response

The Australian Government has supported the *Evocities* initiative with a total of \$1.7 million and will continue to follow developments in the *Promote Our Regional Towns and Shires* (PORTS) campaign. The Government is also examining its options for delivering its *Promoting Regional Living Program*.

See also the response to Resolution 4.

RESOLUTION 32

That the National General Assembly calls on the Australian Government to modify the National Disaster Relief & Recovery Arrangements (NDRRA) guidelines to:

- 1. Allow for the payment of Council's day labour costs;*
- 2. Allow for the payment to include aerodromes, sewerage and water supply and waste management;*
- 3. Allow for the approval process to be expedited.*

Response

The ordinary wage and salary (day labour) costs for permanent staff undertaking recovery activities in normal working hours are not eligible under the Natural Disaster Relief and Recovery Arrangements (NDRRA). Some components of State and Territory government costs for normal wages and salaries may be considered eligible expenditure for partial reimbursement under the NDRRA where the costs relate to an eligible event, are incurred while undertaking an eligible measure, and are extraordinary—that is, not routinely incurred budget expenditure.

The Australian Government will continue to engage the states and territories in consideration of reforms to current relief and recovery arrangements, in particular through the lens of the new National Strategy for Disaster Resilience. This may involve future work to develop and undertake longer term reforms to the NDRRA, including the payment of day labour costs.

Assistance is available to local government to restore or replace certain essential public assets damaged as a direct result of a natural disaster. Essential public assets may include aerodromes,

²⁹ See http://www.regional.gov.au/regional/national_bike_path.aspx

³⁰ See <http://www.austroads.com.au/abc/national-cycling-strategy>

sewerage, water supply and waste management, provided they are considered to be eligible undertakings under clauses 3.6.1 and 3.6.2 of the NDRRA.³¹

Each State or Territory government is responsible for determining the approval process for work undertaken by Councils within its jurisdiction, as well as the type and level of assistance available following disasters.

RESOLUTION 33

That this National Assembly call upon the Federal Government to review the determination which includes new requirements for Local Governments for the provisioning of insurance costs for Local Government accessing Natural Disaster Relief and Recovery arrangements.

Response

The Australian Government is committed to creating a more disaster resilient Australia that is better prepared for floods and other natural disasters. Insurance is one of a number of ways that governments can manage the risk of natural disasters and increase resilience.

As part of the Government's disaster resilience work, the Government amended the NDRRA Determination in March 2011 to require each State and Territory government to submit an independent assessment of the adequacy of its insurance and reinsurance arrangements. As claims for reimbursement under the NDRRA include the cost of repairing and rebuilding local government assets, a State or Territory government is also required to include in its submission an independent assessment of its local government insurance arrangements.

In line with the NDRRA amendments, the Government will review the independent assessments and publish its findings once the review is complete.

RESOLUTION 34

That the National Assembly of Local Governments call on the Federal Government to partner with local government, to develop local and regional community transport initiatives.

Response

The Australian Government recently announced the successful projects under the first round of funding applications under its \$1 billion *Regional Development Australia Fund*³², which included transport initiatives such as regional airport upgrades and refurbishments. The untied Financial Assistance Grants are made available for local governments to spend according to local priorities, including on local and regional transport. The 2011-2012 Budget also included initiatives for improving transport infrastructure, including upgrading the Hume, Pacific, Bruce and New England highways, and investing in freight rail through the Australian Rail Track Corporation.

The Government has commissioned work to examine improvements in the financing of local infrastructure such as options for infrastructure financing, including the possibility of harnessing private finance such as from superannuation funds to support initiatives that might include transport projects.

³¹ [http://www.ema.gov.au/www/emaweb/rwpattach.nsf/VAP/\(689F2CCBD6DC263C912FB74B15BE8285\)~NDRRA+-+Determination+2011+-+Version+1+\(PDF\)+-+Web+update.pdf/\\$file/NDRRA+-+Determination+2011+-+Version+1+\(PDF\)+-+Web+update.pdf](http://www.ema.gov.au/www/emaweb/rwpattach.nsf/VAP/(689F2CCBD6DC263C912FB74B15BE8285)~NDRRA+-+Determination+2011+-+Version+1+(PDF)+-+Web+update.pdf/$file/NDRRA+-+Determination+2011+-+Version+1+(PDF)+-+Web+update.pdf).

³² See http://www.regional.gov.au/regional/programs/rdaf_round_one.aspx

RESOLUTION 37

That the National General Assembly call on the Federal, State and Territory Governments to work with and support councils with the aim of ensuring national consistency in the notification and education of the owners of property impacted by the predicted sea level rise.

The Federal, and State and Territory Governments should assist councils to develop clear guidance on how the existing and potential owners of the properties potentially affected by predicted sea level rise are to be notified and also educated about the risk posed by sea level rise.

Response

The Australian Government supports a national approach to improve the transparency and consistency of information on the potential effects of sea level rise and associated hazards, in planning and property development processes. Better and more widely available information on climate change risks will support informed investment and purchasing decisions, provide more certainty for communities, and can reduce future harm. The Government notes that some states have incorporated risk notification of coastal hazards (including climate change related hazards) into planning and development processes.

The Government recognises that local government is on the frontline facing the impact of climate change on communities. Through the *Climate Change Adaptation Program*³³, the Government is helping Australians to better understand and manage risks linked to the carbon pollution. A number of grant programs are available for local councils to take advantage of opportunities to best manage climate change:

- The *Local Adaptation Pathways Program (LAPP)* provides funding to help councils undertake climate change risk assessments and develop action plans to prepare for the likely local impacts of climate change.
- The *Integrated Assessment of Human Settlements sub-program* provides funding to help build the capacity of local governments to identify climate change challenges and develop responses.
- The *Climate Change Action Fund* aims to help local government prepare for a low pollution future by providing practical help and information to local government so that they can make the transition to a low carbon economy.

The Government has funded the production of a *Local Government Climate Change Adaptation Toolkit*³⁴, which outlines an adaptive management process and provides a set of tools and exercises to assist councils as they work through the process of identifying risks and developing an adaptation action plan.

At the Local Government Ministers' Forum on 16 November 2011, members discussed the opportunities for local government presented by the Australian Government's *Clean Energy Future* package³⁵ to cut carbon pollution and re-shape their economies. Members supported the proposed development of a tailored local government engagement strategy to ensure appropriate information is provided to local government on the opportunities under the climate change programs for the sector. Further work on the strategy will be undertaken by the Department of Regional Australia,

³³ See <http://www.climatechange.gov.au/government/initiatives/climate-change-adaptation-program.aspx>

³⁴ See <http://www.iclei.org/index.php?id=adaptation-toolkit>

³⁵ See <http://www.cleanenergyfuture.gov.au/>

Local Government, Arts and Sport with local government peak bodies and the Department of Climate Change and Energy Efficiency.

The Government is also currently considering the development of a revised coastal policy framework by the *National Sea Change Taskforce*³⁶, which is a national body of coastal councils from around the country.

RESOLUTION 38

That the National General Assembly of Local Government call on the Australian Government, that when a carbon price is set up by the Federal Government, the Government provides compensation to local government as a major service delivery organisation to the community, commensurate with their own progress in reducing their carbon footprint.

Response

While the Government expects the impact of the carbon price on local government to be modest, it has been holding roundtable sessions across the country to inform local governments about the carbon price coverage and reporting obligations, as well as the following:

- The *Clean Energy Future* package includes a number of measures to help local councils manage the impacts of a carbon price (see also the response to Resolution 37).
- In addition, the *Carbon Farming Initiative* (CFI)³⁷ will provide an opportunity for councils to generate credits through reforestation or by reducing emissions from waste deposited in their landfills before 1 July 2012. Local governments and landfill operators have the capacity to use up to 100 per cent of these credits for their own compliance with the carbon price, and may sell excess credits to other liable entities. CFI credits created from landfills are expected to exceed the carbon price liability on the landfill waste sector in the period to 2020.
- To help reduce the energy costs for local governments, the Government has expanded the *Low Carbon Communities* program. This includes the \$200 million *Community Energy Efficiency Program* which will fund local government and community organisations to undertake energy efficiency upgrades to council and community-use buildings, facilities and lighting. Regional and rural councils will receive special help to take action in their communities.
- In early 2012, the Government will conduct information and training sessions to assist local governments to assess whether they will have a carbon price liability and to meet reporting requirements under the *National Greenhouse and Energy Reporting*³⁸ framework.

RESOLUTION 38.2

That this National General Assembly call on the Commonwealth Government to adopt national standards for energy efficient street lighting and establish a subsidy program to fund local government to convert the existing street lighting to more efficient measures.

Response

The *National Strategy on Energy Efficiency*³⁹ (NSEE), released by the Council of Australian Governments (COAG) in July 2009, recognises that street lighting is of variable efficiency across the

³⁶ See <http://www.seachangetaskforce.org.au/Home.html>

³⁷ See <http://www.climatechange.gov.au/cfi>

³⁸ See <http://www.climatechange.gov.au/reporting>

³⁹ See <http://www.climatechange.gov.au/what-you-need-to-know/buildings.aspx>

country and presents opportunities for saving energy and reducing costs. The objectives of the NSEE street lighting measure are to implement actions to accelerate improvements in the energy efficiency of street lighting in Australia.

Key elements of the measure include:

- identifying barriers to the uptake of more efficient street lighting and developing strategies to address any identified problems, including considering introduction of mandatory standards for lighting energy efficiency while taking into account related cost implications for local government;
- collecting and making available, to street lighting service providers and local governments, information on energy efficient street lighting technologies and operational practices; and
- considering whether an incentive mechanism for distributors to install efficient equipment is needed to give effect to the measure.

South Australia is leading the development of a *National Street Lighting Strategy*⁴⁰ to address these objectives and has undertaken consultation with industry and other stakeholders.

RESOLUTION 39

That the National Assembly of Local Governments call on the Federal Government to partner with local government, to develop innovative approaches to renewable energy generation which facilitates the establishment of de-centralised renewable energy generation networks.

Response

The Australian Government has developed a comprehensive plan to move to a clean energy future. It has in place a range of initiatives for renewable energy generation which are delivered for the most part by the Department of Resources, Energy and Tourism. These include the following:

- innovation and investment worth billions of dollars in renewable energy through the carbon price Renewable Energy Target (RET), the Australian Renewable Energy Agency and the Clean Energy Finance Corporation⁴¹, including activities or projects directly supporting the development of distributed renewable energy;
- the \$94 million *Solar Cities* program⁴², a partnership between governments, industry, businesses and local communities to roll out a range of innovative and sustainable energy solutions in local communities across Australia. Data collected from each of the trials will show how different projects can reduce our energy use and will inform future policies
- the commitment of up to \$100 million to develop the *Smart Grid, Smart City*⁴³; demonstration project in partnership with the energy sector and in close consultation with the Department of the Prime Minister and Cabinet, the Department of Broadband, Communications and the Digital Economy, and the Department of Climate Change and Energy Efficiency;
- the *Clean Technology Innovation Program*⁴⁴ which supports business investment in low emissions research and development in the areas of renewable energy; and

⁴⁰ See <http://www.energyrating.gov.au/products-themes/lighting/documents-and-publications/?viewPublicationID=2088>

⁴¹ See <http://www.climatechange.gov.au/government/initiatives/renewable-target.aspx> and <http://www.cleanenergyfuture.gov.au/clean-energy-finance-corporation-experts-appointed/> and <http://www.ret.gov.au/ENERGY/CLEAN/ACRE/Pages/default.aspx>

⁴² See <http://www.climatechange.gov.au/government/programs-and-rebates/solar-cities.aspx>

⁴³ See http://www.ret.gov.au/energy/energy_programs/smartgrid/Pages/default.aspx

⁴⁴ See <http://www.innovation.gov.au/Industry/CleanEnergyFuture/Pages/CleanTechnologyInnovationProgram.aspx>

- a suite of programs managed by the Australian Centre for Renewable Energy⁴⁵ that promote the development, commercialisation and deployment of renewable energy and enabling technologies and improve their competitiveness in Australia.

The Australian Building Codes Board (ABCB) released the information handbook *Using On-site Renewable and Reclaimed Energy Sources (2011)*⁴⁶, targeted at designers, energy efficiency consultants and building certifiers who are responsible for designing or approving buildings. The document's purpose is to explain the trade-offs available for the energy source of services through the use of on-site renewable and reclaimed energy sources.

On 13 December 2011, the Government released the draft Energy White Paper 2011, *Strengthening the Foundation for Australia's Energy Future*⁴⁷, with a consultation about to begin, including information sessions to be held in every state and territory capital city. The Department of Resources, Energy and Tourism is encouraging local governments to respond to the draft Energy White Paper.

The Department of Regional Australia, Local Government, Arts and Sport is working with the Australian Local Government Association and other stakeholders, including the Australian Centre of Excellence for Local Government to promote local government capacity to develop clean energy and renewable energy projects and access funding for them under the *Clean Energy Futures* package.

See also the reference to the *Clean Energy Future* package in the response to Resolutions 37 and 38.

RESOLUTION 41

That the National General Assembly recognise the need for:

- 1. Support for the establishment of a national insurance fund to assist the rebuilding of public infrastructure in the aftermath of natural disasters.*
- 2. Representation of Local Government's interests and ensure that any intergovernmental agreements on how the replacement and restoration costs are shared by governments, insurers and taxpayers adequately protect local councils from the sole determinations of State and Territory Governments regarding the availability of disaster relief funding.*
- 3. Representation of Local Government's interests in explaining its inability to insure viably all its public infrastructure against catastrophic disasters and gain support for the provision of the necessary financial assistance to local councils for damage to uninsured infrastructure assets such as roads, drains and bridges arising from localised natural disasters which may not otherwise attract State, Territory or Commonwealth disaster relief funding.*

Response

The Australian Government will continue to support the rebuilding and repairing of essential public assets in the aftermath of a natural disaster through the Natural Disaster Relief and Recovery Arrangements (NDRRA). The assistance is provided directly to state governments to alleviate the financial burden of responding to the disasters. The states are responsible for determining the type and level of assistance to make available following disasters. This is based on impact assessments conducted by the states and depends on the situation on the ground and the needs of the local community. As local governments are at the centre of recovery and reconstruction efforts, they

⁴⁵ See <http://www.ret.gov.au/ENERGY/CLEAN/ACRE/Pages/default.aspx>

⁴⁶ See http://www.mba.org.au/media_room/mbanews/article/?id=80

⁴⁷ See http://www.ret.gov.au/energy/facts/white_paper/Pages/energy_white_paper.aspx

should work directly with their state government to identify which assistance measures under NDRRA should be adopted following disasters.

RESOLUTION 42

That this National General Assembly of Local Government call upon the Australian Government to provide the required national leadership by legislating extended producer responsibilities to meet the challenges of waste management. That the Australian Government assist the development and uptake of an alternative waste technology suitable for Australia - given the enormous challenge, this requires a national approach.

Response

On 5 November 2009, all Australian governments, through the Environment Protection and Heritage Council (EPHC)⁴⁸, agreed to a new national policy on waste and resource recovery. The *National Waste Policy: Less Waste, More Resources*⁴⁹ sets the strategic agenda for reducing waste and managing waste as a resource to deliver economic, environmental and social benefits to 2020. Under Strategy 1 of the National Waste Policy it was agreed that:

"The Australian Government, with the support of state and territory governments, will establish a national framework underpinned by legislation to support voluntary, co-regulatory and regulatory product stewardship and extended producer responsibility schemes to provide for the impacts of a product being responsibly managed during and at end of life."

The Australian Government delivered on this commitment on 22 June 2011, when the *Product Stewardship Act 2011*⁵⁰ was passed by the Australian Parliament. The EPHC also agreed that televisions and computers would be the first products to be regulated under the legislation using a co-regulatory approach. The *Product Stewardship (Televisions and Computers) Regulations 2011*, which establish a national, industry-led scheme for recycling televisions and computers, came into effect on 8 November 2011.

The National Waste Policy also sets out the roles and responsibilities of governments towards producing less waste for disposal and managing waste as a resource to deliver economic, environmental and social benefits. Support for the development and uptake of alternative waste technology is provided primarily through Strategy 6, which includes providing access to current information and analyses on waste management and reprocessing technologies. The Government will work in collaboration with state and territory governments, local governments, industry, business and the community to deliver these results, with an approach expected to be developed and agreed by 2014.

The Council of Australian Governments (COAG) Standing Council on Environment and Water endorsed the release of a Consultation Regulation Impact Statement (RIS) on national measures to address packaging resource recovery and litter management which includes consideration of national product stewardship schemes for packaging. The Consultation RIS will be available on the EPHC's website. The public consultation period will be 7 December 2011 to 30 March 2012. Local governments are key stakeholders in this process, and their feedback will assist ministers in reaching a decision on this matter.

⁴⁸ See <http://www.ephc.gov.au/>

⁴⁹ See <http://www.environment.gov.au/wastepolicy/index.html>

⁵⁰ See <http://www.environment.gov.au/settlements/waste/product-stewardship/index.html>

As most landfills omitting 25,000 tonnes of CO₂ and above will be liable to pay a carbon price, councils are being encouraged to reduce landfill waste emissions as a carbon abatement measure. Options include:

- recycling;
- capturing methane gas to generate electricity;
- flaring the gas; and
- diverting compostable household waste away from landfills.⁵¹

RESOLUTION 43

That the National General Assembly make representation to the Prime Minister that the Federal Government fully subsidise waste tipping fees for asbestos materials on a national basis and provide financial assistance to Local Councils for environmental compliance and prosecutions, with the aim of seriously discouraging illegal dumping that will impact on future health costs.

Response

The Department of Education, Employment and Workplace Relations established the Asbestos Management Review in October 2010.⁵²

The terms of reference for the Review are broad in scope and encompass asbestos management issues beyond work health and safety, including environmental and public health issues. The Review has been designed to complement existing work already underway at both the Commonwealth and state/territory levels. It will also complement the development of harmonised work health and safety laws which include regulations and codes of practice relating to asbestos management and removal. A final report is to be delivered by 30 June 2012.

RESOLUTION 45

That the National General Assembly call upon the Australian Government to develop a policy to promote more sustainable development and the construction of energy efficient buildings that includes a review of the Building Code of Australia.

Response

The Australian Government's *National Strategy on Energy Efficiency* (NSEE) was last updated in 2010. The NSEE is designed to improve minimum standards for energy efficiency and accelerate the introduction of new technologies through improving regulatory processes and addressing the barriers to the uptake of new energy-efficient products and technologies⁵³ (see also the response to Resolution 38).

The *Intergovernmental Agreement for the Australian Building Codes Board* (ABCB)⁵⁴ was reviewed in 2009. The new IGA focuses on the primacy of core code development activities for all jurisdictions through a national approach to building and plumbing regulatory reform, as well as to improve accountability and streamline administrative processes. Sustainability issues were reviewed and are included in the ABCB's Mission.

⁵¹ See for example <http://www.minister.regional.gov.au/sc/speeches/2011/CS22.aspx>

⁵² See <http://www.deewr.gov.au/WorkplaceRelations/Policies/AMR/Pages/default.aspx>

⁵³ See <http://www.coag.gov.au/reports/index.cfm>

⁵⁴ See <http://www.innovation.gov.au/INDUSTRY/BUILDINGANDCONSTRUCTION/Pages/default.aspx>

The *National Construction Code*⁵⁵, a Council of Australian Governments (COAG) initiative, was developed to incorporate all on-site construction requirements into a single code. It has in place energy efficiency provisions for both residential and commercial buildings and was last updated in 2010 and incorporates and builds on measures already agreed by COAG and the Ministerial Council on Energy through the NSEE.

RESOLUTION 47

That the National General Assembly of Local Government write to the Commonwealth Government recommending that:

- 1. It sponsors a working group of National, State, Territory and Local Government representatives together with key child care sector and other stakeholder representatives to examine the current and future cost pressures on child care services and their impact on child care affordability.*
- 2. Implement relevant funding and policy changes that address key issues identified by the working group.*

Response

The Australian Government is investing \$18.1 billion in direct payments to families over the next four years to help them meet the costs of child care.

The November 2011 Mid-Year Economic and Fiscal Outlook included an additional \$1.7 billion to be spent on the Child Care Benefit and Child Care Rebate over the next four years.

Overall the Government will invest \$21.7 billion in Early Childhood Education and Child Care over the next four years. This includes \$8.3 billion in Child Care Rebate and \$9.8 billion in Child Care Benefit.

Demand for child care in Australia continues to increase and the Government's investments in child care availability are matching that growth. The Government's increased investments in child care affordability have seen the percentage of disposable family income being spent on child care almost halved since 2004, dropping from 13 per cent to just 7 per cent in 2010 for families with one child in care and earning \$55 000 per year.

RESOLUTION 48

That the National General Assembly call on the Australian Government for a greater dialogue directly with Local Government Authorities in relation to the proposed reforms in aged care and disability services associated with the National Health reforms and Productivity Commission reports into Aged Care and Disability Service to ensure ongoing high quality health outcomes are as a minimum maintained for ageing residents living in our communities.

Response

The Department of Health and Ageing continues to engage with key stakeholders, including local government authorities, in relation to the proposed reforms in aged care and disability services associated with the National Health reforms and Productivity Commission reports into Aged Care and Disability Services.

⁵⁵

See <http://www.abcb.gov.au/en/about-the-national-construction-code>

Ongoing consultation is occurring through national public and industry consultations, including with ALGA members, on specific reform items, such as *eHealth* and *Home and Community Care*⁵⁶, and through the www.yourhealth.gov.au website.

The Productivity Commission's Final Report *Caring for Older Australians* includes proposals for extensive reform of the aged care system. In developing its response, the Australian Government is listening to the views of stakeholders and the broader community about the significant changes proposed by the Commission. The Minister for Mental Health and Ageing is currently holding a number of meetings with stakeholders and the broader community around Australia, including ALGA, to hear their views on the Productivity Commission's proposals.

The *National Disability Strategy* (NDS)⁵⁷ outlines a 10-year national policy framework to guide reforms in mainstream and specialist disability service systems to improve outcomes for people with disability, their families and carers. The NDS has been developed in partnership with state, territory and local governments under the auspices of the Council of Australian Governments (COAG), and in consultation with people with disability.

There is a strong role for local governments in the implementation of the NDS. The Australian Local Government Association is represented on the NDS Development Officials Working Group (DOWG) together with senior representatives from Commonwealth departments with responsibility for specialist disability services and central agencies from each jurisdiction. The DOWG supports the Standing Council on Community, Housing and Disability Services which is responsible for implementation of the NDS.

Each jurisdiction has in place (or is developing) an individual plan for tangible and achievable service improvements for people with disability. Actions under these plans will aim to work in parallel with activities under the national implementation framework but are locally-based and detailed in council-specific Disability Action Plans.

The Productivity Commission Report *Disability Care and Support*⁵⁸ found that the current disability support system is underfunded, unfair, fragmented and inefficient, and gives people with disability little choice. The Government has started work – with states and territories that are principally responsible for funding and delivering disability support services – to fundamentally reform disability care and support.

RESOLUTION 49

That the National General Assembly call on the Commonwealth Health Minister for direct Commonwealth funding to Local Government for the provision of doctors in rural and remote communities.

Response

While the Australian Government does not directly fund local government for the provision of doctors in rural and remote areas, incentives are available to doctors to relocate and remain in rural and remote areas of Australia. The Australian Government also provides incentives for doctors interested in locum work in rural and remote areas.

In addition universities work very closely with the local governments, communities and health services in the implementation of the following initiatives which aim to boost the provision of doctors in rural and remote areas:

⁵⁶ See <http://www.health.qld.gov.au/hacc/>

⁵⁷ See <http://www.facs.gov.au/sa/disability/progserv/govtint/Pages/nds.aspx>

⁵⁸ See <http://www.pc.gov.au/projects/inquiry/disability-support/report>

- the Australian General Practice Training Program
- the Prevocational General Practice Placements Program
- the Remote Vocational Training Scheme
- the Rural Health Multidisciplinary Training Program.

RESOLUTION 50

That the National General Assembly call on the Federal Government to consider pooling the Satellite Subsidy Scheme that has been put in place to alleviate the financial burden of households in rural and remote areas for the purchasing and installation of satellite dishes and associated equipment as part of the digital television switchover. Further, that the Federal Government consider allocating the pooled Satellite Subsidy Scheme to local governments that manage self-help re-transmission sites if they decide to continue doing so to enable them to upgrade these sites if it is the most cost-effective and efficient method of delivering digital television to their communities.

Response

The Australian Government does not support the pooling of Satellite Subsidy Scheme⁵⁹ (the Scheme) payments for the purpose of upgrading existing analogue self-help retransmission sites. The pooling of subsidies would result in a complex framework of potentially inequitable service standards. This would be a less than optimal outcome and inconsistent with the Government's objective of providing equal television services to viewers in all parts of Australia. It is not possible to match the cumulative level of subsidy for a community with self-help conversion costs. For many smaller communities, pooled subsidy funds would not cover all conversion costs.

Subsidy pooling would risk making the Scheme more costly to deliver, reducing economies of scale available under the Scheme and potentially resulting in higher household co-payments.

Such ad-hoc arrangements would create an administratively complex scheme, requiring individual contractual arrangements with an unknown proportion of the approximately 330 self-help licensees and 500 self-help sites, applied over the current Scheme model.

RESOLUTION 51

That the Australian Local Government Association seek support for a study into the quadruple bottom line feasibility of Local Governments partnering with State and Territory Governments and the Federal Government and private sector to undertake widespread power line undergrounding projects in association with the National Broadband Network rollout.

Response

The Department of Broadband, Communications and the Digital Economy has portfolio responsibility for telecommunications matters, but undergrounding of power cables is not within the scope of its portfolio. Power utilities are the responsibility of state and territory governments. Queries about opportunities to coordinate work with the rollout of the National Broadband Network should be directed to NBN Co Limited.⁶⁰

⁵⁹ See http://www.dbcde.gov.au/mobile_services/the_satellite_phone_subsidy_scheme

⁶⁰ See <http://www.nbnco.com.au/>

Options for putting existing electricity and telecommunications cables underground were examined in 1998. The *Putting Cables Underground* report⁶¹ estimated the cost of moving existing overhead cables below ground in urban and suburban Australia at about \$23.37 billion at that time (p. 3). It estimated the quantifiable benefits of doing so at around 10 per cent of the total cost (p. 4).

RESOLUTION 52

That the National General Assembly supports the Australian Local Government Association's position seeking constitutional recognition of local government

Response

The Government has noted the National General Assembly's support for ALGA's position on this matter. The Expert Panel reported to Government on 23 December 2011.

See also the response to Resolution 23.

RESOLUTION 55

That this National General Assembly call on the Australian Government to abolish Fringe Benefits Tax on electric and hybrid powered cars.

Response

FBT plays an important role in maintaining the fairness and integrity of Australia's taxation system. It places employees with access to fringe benefits on a more even footing with employees whose remuneration consists entirely of salary or wages. The introduction of FBT was designed to remove a serious gap in the income tax law and ensure that all forms of remuneration paid to employees bear a fair measure of tax. The FBT system also facilitates including fringe benefits in an employee's income for means testing benefits such as family tax benefit, ensuring that families are treated equally.

The tax liability on employers for the provision of a motor car to employees reflects the extent to which the vehicle is used for private use. When an employer makes a car available to an employee for private use, a car fringe benefit will generally arise and be subject to FBT. Car fringe benefits are currently valued under either the operating cost method or the statutory formula method.

Under the operating cost method, the taxable value of the benefit is based on the cost of owning and operating the car, reduced by the portion which relates to the business use of the vehicle. Employers are required to substantiate the business use of the vehicle by maintaining a log book for a specified period.

The statutory formula method is designed to provide employers with a low compliance cost alternative to the operating cost method, eliminating the need to maintain a vehicle log book. The statutory formula method removes the need to explicitly distinguish between the business and private use of a vehicle. The statutory formula method is a proxy for all costs associated with acquisition and operation of a motor vehicle, not only fuel.

The Government considers that it would be unfair to provide an FBT exemption in relation to hybrid and electric powered cars, compared to other employees or self-employed persons who are required to pay for them out of after-tax income noting that if an FBT concession were provided, the benefit would most likely be provided to employees as part of a salary sacrifice arrangement. Such

⁶¹ See http://www.dbcde.gov.au/_data/assets/pdf_file/0006/138174/Putting_Cables_Underground

an exemption would also provide larger benefits to high income earners and would be of little or no benefit to lower income earners.

The Government has recently reformed the statutory formula method by replacing the current statutory rates with a single rate of 20 per cent that applies regardless of the distance travelled. This better reflects the fair value of the private benefit being provided to employees and ensures that petrol powered motor vehicles do not receive an indirect benefit from the structure of the formula.

RESOLUTION 59

That this National Assembly call upon the Federal Government to continue to improve mobile phone coverage along major transport corridors, roads of regional significance and rural communities.

Response

Mobile coverage is a commercial decision for the mobile carriers. The last few years have seen the three major mobile phone carriers extend the national coverage of their networks on a commercial basis. The Vodafone Hutchinson Australia networks cover more than 94 per cent of the Australian population. Optus provides 3G services to 97 per cent of the Australian population. Telstra claim its Next G network now provides mobile coverage to 99 per cent of Australians.

In making decisions about the viability of extending coverage to a particular area, a mobile phone carrier will consider a range of factors, including site availability, cost structures including access to backhaul, likely levels of demand from users, and overall economic viability of the service.

RESOLUTION 60

That this National General Assembly call on the Australian Government to facilitate an investigation and trial of alternative fuels, to ensure sustainable future public transport systems that meet the needs of local communities.

Response

The *Strategic Framework for Alternative Transport Fuels* (the Framework) was developed in conjunction with industry and other stakeholders in the context of maintaining Australia's transport fuel security while moving towards a lower carbon economy by 2030.⁶² It establishes a long term strategic framework for a market-led adoption of alternative transport fuels in Australia. The framework includes 20 actions for industry, Government and other stakeholders in the short, medium and long term that are focused on removing impediments to the market-led adoption of alternative transport fuels.

Framework action number 11 refers to industry (fuel providers and end users) and government pursuing opportunities to undertake collaborative projects to test the real-world technology, environmental and economic outcomes of alternative transport fuels. Examples of the types of trials that could be pursued are noted in the Framework; however, any Government commitment to a trial would be subject to further investigation of potential trial options, be consistent with the Alternative Transport Fuels Principles and rely on collaborative development efforts and funding commitments by relevant stakeholders.

⁶²

http://www.ret.gov.au/resources/fuels/alternative_transport_fuels/strategy/Pages/AlternativeTransportFuelsStrategy.aspx

RESOLUTION A

That in considering strategies to reshape Australian Cities to respond to population growth and housing supply, the Federal government provide its support to the development of our cities based on a poly-centric model, and that through the work of Infrastructure Australia and the COAG cities policy working groups, frame advice regarding the strategic deployment of the Commonwealth's transport infrastructure spend to support this model.

Response

Please refer to the responses to Resolutions 1, 2, 3, 4 and 7.