

**2014 NATIONAL LOCAL ROADS & TRANSPORT CONGRESS**  
**ALGA PRESIDENT'S SPEECH NOTES**  
**9.05AM THURSDAY 13 NOVEMBER 2014**  
**PRESIDENT'S OPENING ADDRESS**

**Acknowledgements :**

Deputy Prime Minister, the Hon Warren Truss (TBC)  
Minister for Agriculture, the Hon Barnaby Joyce (TBC)

Mayors and Shire Presidents, Councillors, Aldermen and delegates.

I acknowledge the Camilaroi people who are the Traditional Owners and Custodians of the land we are meeting. I pay my respect to their elders both past and present.

It gives me great pleasure to welcome delegates to Tamworth for the fifteenth National Local Roads and Transport Congress. It is great to be here, and it's wonderful to see the support that you as delegates continue to provide to this important forum.

I want to take this opportunity to acknowledge and thank Mayor Col Murray and his staff for hosting this Congress and all the support Tamworth Regional Council has given ALGA in the planning and preparation.

Delegates, this Congress is my first official duty as ALGA's President. Serving as ALGA's President is a great honor and privilege and I very much look forward to working collaboratively with you and your state and the territory Local Government Associations on our agenda over the coming two years.

In assuming the Presidency, it is appropriate that I acknowledge the outstanding service of my predecessor Felicity-ann Lewis. Felicity worked tirelessly for ALGA in what was a very challenging time - that of leading the campaign for Constitutional Recognition. So on the ALGA Board's behalf and on your behalf can I say a heartfelt thanks to Felicity-Ann for a job well done.

Delegates, last year we met just weeks after the new Federal Coalition Government was elected to office. That was 14 months ago and we are now rapidly approaching the mid-term of this Government. The political reality is that we must now turn our attention to the 2016 Federal election.

Next year's Roads Congress will, in all probability, be the last event before the 2016 Federal election. That means any work we need to support our case for continued roads and bridge funding or new funding initiatives -such as research; building our capacity on asset management; developing asset registers or work in regional groups - must begin now if we want to bring any proposals back to this Congress in preparation for a campaign in 2016.

The next two days are an important start to that process. Our aim in developing the Congress program was broadly to achieve four outcomes:

- First, to provide you with all the information you need to understand the national transport agenda in the lead-up to the next Federal election. This includes briefings on key transport policy agendas and the most important transport reforms that will profoundly shape the country in the years ahead;
- the second, to facilitate dialogue amongst ourselves on these issues and to determine what we need to maximise local government's role in these reforms and initiatives;
- the third, to report to you on the up-date of the 'National State of the Local Roads Asset Report'. This is a document that shows what we in local government are doing to ensure the efficiency and effectiveness in managing our roads and transport systems within our financial constraints. Needless to say, it shows the under-investment in local roads and how important our partnership with the Commonwealth is; and finally
- our fourth aim is to start the process of developing our 2016 Federal election strategy and beginning the work required to build our case for continued federal support.

Delegates, we have a strong program and an outstanding range of speakers. At the strategic policy level, we have a high powered trio comprising of Greg Martin, Norm McIlfratrick and Jack Short. They are some of the most experienced and respected policy thinkers on transport and policy reform both here in Australia and internationally.

The policy frameworks and reforms they will talk about can help us understand the environment in which we must work. By understanding the big picture, we can see where we fit and then shape our arguments at the national level. A good example of this is how we have shaped our argument and raised awareness of the 'first and last mile' in improving national productivity and transport reforms more generally.

Greg Martin, the former Chair of the National Transport Commission, will share some of his ideas about what sort of transport system we need to meet the nation's needs in the future and he will make some observations about how we, including local government, might get there.

Norm McIlfratrick, former Secretary of the Transport and Infrastructure Department in Tasmania, will explore the area of Policy Reforms, the rationale for some of these and how they address the current transport challenge. With a bit of luck, Norm might help to shed some light on whether the current national transport reforms will deliver on the things that Greg will discuss.

Jack Short will provide his experience of Transport Reform, but from a European perspective as a point of contrast.

There are two things to remember about the Australian reform. The first is that our reforms are not done in isolation. Every country in the world is confronted with transport challenges and we can learn from others. The second thing to remember is that in a global economy, our competitor countries are undertaking substantial reform. They are striving to increase their own efficiency and effectiveness to reduce transport costs, and if we do not continue with our reforms we risk being left behind and becoming less competitive.

I am delighted to say that the Hon John Anderson will be with us later today to talk on the Inland Rail. John is well known in this forum for his leadership as a former Federal Transport Minister and Deputy Prime Minister and his contribution to the development of the Roads to Recovery program. The Inland Rail is a major infrastructure project that will impact on many of the councils and communities here today. It will be great to get an up-date on its progress and a better understanding of the opportunities that it might create to generate regional productivity and its potential to get freight off local roads.

We have a session on the specific issue of agricultural competitiveness. In this session we hope to explore the needs and expectations of one of our major customer groups - the Agriculture Industry. As roads managers it is sometimes easy to forget that we are actually in the transport services business. We provide access, and in that regard we need to know what service our customers want, as well as to manage and protect our assets.

We have a council forum to hear about the issues confronting some of our councils and how these issues can, and are being addressed. And we have an important session providing an up-date on continuing policy issues where we can get down into some detail about the National Heavy Vehicle Regulator and further work on regional airports. There are also sessions on funding and an interesting panel discussion on whether we are "all reformed out".

We have purposefully limited the number of formal presentations and provided adequate time for you to ask questions and engage in the issues. This means you get as much out of the Congress as you are prepared to put in. I encourage you to express your views, ask questions and engage with the speakers, panelists and each other. It's an important forum and ALGA and your state and territory associations are listening. These discussions really do help to inform our policy approach.

Unfortunately, you may have heard that the Shadow Minister Anthony Albanese will not be able to join us at the Congress, due to unexpected Parliamentary commitments. Indeed just last week Parliament extended its sitting time to hear from a number of important world leaders here in Australia for the G20. Unfortunately for us they added an extra sitting day tomorrow. I know Albo wanted to attend our Congress and is very disappointed about not being able to get here. He has taken time to record a special video message, so we will run that tomorrow morning.

Delegates, I now seek your indulgence, for while I have just welcomed you to the Congress, and outlined our program for the next two days, I would also like to use this opportunity in my first address as President to outline the work that lies ahead over the next two years.

A real positive, is that we have the strong support of the Deputy Prime Minister, the Hon Warren Truss. He has worked in this space for many years. Indeed he started his political career in local government. So he gets it. I am delighted to say he will be attending the Congress later this morning and I look forward, as I believe you do, to hear his plans for our sector.

With his leadership, the legislation for the continuation of Roads to Recovery is now secured to June 2019. In addition, funding for R2R will be doubled in 2015 - 16. These additional funds are needed and we will all need to make an effort to ensure the planning and delivery of this program occurs seamlessly and effectively. Further, we have embarked on the first round of the \$300 million Bridges Renewal program, with applications currently being assessed.

These funding initiatives are necessary and are welcomed and the Government should be congratulated for them.

I am pleased to say that ALGA continues to be highly engaged in the COAG Ministerial Transport and Infrastructure Council. It is through this forum that ALGA can represent the views of local government and actively participate in the policy development and transport reform processes.

That Ministerial Council met last Friday and among the items discussed were heavy vehicle reforms and infrastructure investment. Both of these topics are dear to our hearts and they feature on the Congress program. The Deputy Prime Minister chaired the Council meeting and, as President of ALGA, I look forward to working with Warren and actively participating in this important forum representing the interests of local government.

Our participation in the Council is an important part of the relationship we have with the Federal Government, as well as our formal membership of COAG.

Looking ahead, I see local government facing 5 key challenges in its relationship with the Federal Government over the next two years:

1. Securing our place in the Federation through maintaining the direct funding relationship between local government and the Commonwealth;
2. Growing the funding pie;
3. Restoring the indexation and improving the level of FAGs;
4. Making roads to recovery permanent; and
5. Improving the capacity of the sector to manage our assets and ensure that they are fit for purpose.

These are the 5 core themes you will hear me talk about on a regular basis over the coming years. Whilst they are not the only issues, they will certainly dominate our agenda.

I will characterize each of them briefly to provide you with a fuller understanding.

### **Securing our place in the Federation**

The Prime Minister has instigated a White Paper process on the Reform of the Federation and another one on Taxation. This is an excellent initiative, as we all know the current arrangements between the 3 levels of government in Australia need improvement. But having said that the ALGA Board notes that this White Paper process is being conducted against the background of a National Commission of Audit (set up within weeks of the Government coming to office) which recommended, in short, cessation of Commonwealth funding to local government with the states becoming totally responsible for setting priorities and funding state programs such as health, education, housing and ultimately local government within their own jurisdiction.

ALGA and all state and territory associations are deeply concerned by this proposition. ALGA wants to ensure that any change to the Federation strengthens local government, not weakens it, and that the relationship between the Commonwealth and local government remains strong for the benefit of all local communities. It's a relationship that delivers for local communities but also for the national interest and we strongly believe the Federation is about the three tiers of government working together, not just two.

### **Growing the funding pie**

The financial sustainability of all councils is not the sole responsibility of local communities. Every council must do as much as they can to maximize their revenue - or at least raise as much local revenue as they can to meet community needs. However, it is a fact that many councils are not in a position to raise sufficient revenue from the local communities through rates and fees and charges to meet both their recurrent expenditure as well as capital replacement. A fair share of national taxation to ensure equity in the provision of municipal and essential services is a core responsibility of the Federal Government.

There is not enough money in the local government sector. Grant funding is absolutely essential to achieve equitable levels of local government services across Australia. We cannot afford to be diverted into debates about how an inadequate pie should be carved up. The main game is to grow the pie as the economy grows so that local government can provide the services our communities need and deserve.

### **Restoring indexation and improving the level of Financial Assistance Grants**

Flowing from the above you can see the importance of restoring the indexation for, and improving the level of FAGs. Regrettably in this year's Federal Budget the Government decided to freeze the indexation of FAGs for three years.

We must push to maintain – and restore the level of general revenue support we get from the Commonwealth through FAGs. The Government's decision to freeze indexation for

three years from 2014-15 will deprive councils of a cumulative total of \$925 million in FAGs by 2017-18. But in that last year, the value of the grants received by local government will be \$321m less than it would otherwise have been. By the following year, 2018-19, the base will be around \$335m less. By the year after that it will be about \$350m less. That, colleagues, is the entire value of the Roads to Recovery Program.

This cut makes our job, as Elected Members in our communities more difficult. We have fought to keep the R2R program but we face the prospect of losing the full value of the program from our core funding. We must stand firm to ensure the indexation freeze is reversed.

### **Making Roads to Recovery permanent**

Delegates we have come a long way. The Roads to Recovery Program was introduced in 2000 and now, with the Government and Opposition's support the program is secure until 2019. The additional billions of dollars into our local roads system are making a difference, but do not solve the problem in the long term.

In the most recent legislation for the program, the Government has sought to reduce the need to go back to Parliament for extensions of the program every few years. That helps to avoid the political machinations which almost brought the program to its knees earlier this year, but it is still no guarantee of future funding. We still have to champion for the program and persuade the Government that it should continue.

Our case for a permanent R2R program is well developed. Over the next 2 years I want to see this case strengthened and as President, I and the ALGA Board will be working to make sure every politician understands the need for the program and to secure a commitment for R2R beyond 2019.

### **Improving the capacity of the sector to manage our assets and ensure that they are fit for purpose.**

Finally, I believe that it is imperative that local government continues its work on asset management. We have made great progress. Our State of the Assets reports show that. But they also show that there is a lot more to be done. Asset management is the key to quantifying our needs and therefore securing the investments in local and regional roads that will increase local, regional and national productivity as well as meet community expectations. We have more work to do in this regard.

Delegates, that is all I want to say on these issues for now. You will hear a lot more about them over the next couple of years.

And to return to my original script, may I say once again, welcome to Tamworth and the 15th annual National Local Roads and Transport Congress. I am sure you will find the program both informative and stimulating, and I look forward to catching up with you over the course of the next couple of days.

Thank You