

Wednesday 18 June - 12.20 pm

DRAFT PRESIDENT'S CLOSING SPEECH

Delegates. We are now at the close of this year's National General Assembly and it falls to me to say a few words to wrap up this event.

This year's NGA started on a high note. We were honoured to have the conference opened by His Excellency, the Governor-General and delighted by his engaging and welcome speech in which he reflected on the great work being done by councils across the nation.

Our theme has been 'Getting down to Business', a theme deliberately selected at the beginning of this year against a background of tight fiscal conditions and the Government's commitment to develop the White Paper on Reform of the Federation and on Taxation.

We did not know just how tight those conditions were and how far the Government would go in its first budget. However, on 13 May the Government announced it would freeze the indexation of the Financial Assistance Grants (FAGs) for the next three years. This decision will cost councils more than \$925 million and an ongoing reduction in FAGs of hundreds of millions of dollars every year into the future. I am not surprised that councils supported an urgent motion against the Government's decision and that you delegates wanted a visible demonstration of your feelings.

Restoring indexation for the grants will be an ongoing fight for ALGA, your state and the Northern Territory association and for every council with their local MP. And, delegates we must keep the fight up if we are to have any hope of restoring indexation.

Remember, this is not about funding for local government, it's about funding for local communities and their services. Real services and infrastructure will suffer and so will real people and real communities and the Government needs to understand that.

Over the next two years, options for the reform of our federation and the funding of government services will, I expect, dominate the national political landscape. Who knows where that dialogue will take us? But I hope that it results in meaningful changes that reflect the Australian community's views and that it prepares all levels of Government to take advantage of the opportunities and meet the challenges that will face our nation, now and into the future.

Delegates over the past 7 years, together we developed the most comprehensive case for constitutional change that would lock in the direct funding relationship between the Commonwealth and local government for ever. We failed although it was not our fault.

I will not go over the ins-and-outs of the Constitutional recognition journey we have been on over the past several years, but suffice to say, that we are all bitterly disappointed with not having the opportunity put our case before the people in a referendum. A referendum which we believe would have been successful.

Delegates, it is my honest opinion, with the greatest respect to those of you that have spoken to me about pushing ahead for another referendum immediately, that there is no political will to go down that path again, at least in the short term. That does not mean that things can't change. We do not know what the High Court will say on Thursday when it brings down its decision in the appeal brought by Mr Williams on the school chaplaincy case. I think that it will not be good news for the Federal Government. But I am not holding my breath for a

local government referendum. I think that we have to think in terms of 5-10 years before we may get another chance.

In the meantime, issues around the Federation and funding between the three levels of government will hopefully be canvassed fully in the White Paper and this process might help to forge a consensus between all major political parties and indeed state governments that local government is an equal partner in the Federation and that we should be funded appropriately to undertake the roles and responsibilities that were assigned and the community expect.

But this will not come by standing back and observing. We must state our case and most importantly we need to actively engage in the process. We must not let this become a conversation simply between, and about, the Commonwealth and the states. A conversation limited to noting the responsibilities assigned to the Commonwealth under Section 51 of the Australian Constitution and how the states are responsible for everything else, and a narrow discussion about who should raise their taxes and an increase in the GST.

The fact is that the Commonwealth collects 83% of taxation in this country and states and local government provide most of the services. A fair and transparent intergovernmental transfer system is therefore imperative to ensure that all levels of government can at least do the financial planning required to provide sustainable services and infrastructure.

This is a just case, but we will need to argue it, and argue it with clarity. We need to specify the services and infrastructure we are responsible for and we must quantify our needs.

You will hear much more about the White Paper processes in the coming months and what ALGA and your state associations will be doing to argue local government's case but you will have a role and you must be engaged. The process that has been

outlined so far will include the release of issues papers and a green paper next year. There will be an opportunity for councils to make comment and submissions on these documents and every council should be prepared to put its views forward.

Over the past three days we have debated motions across the spectrum of local government's interests. The NGA Subcommittee of the ALGA Board went through all of the motions submitted by councils this year with the objective of ensuring that the motions which were directly relevant to the work of local government were given priority in the Business Paper and I would like to thank the Committee for all of its work.

Delegates, we have only got so much political capital. It can be used strategically to tackle then the big issues that underpin local government within the Federation, or it can be frittered away on a range of smaller issues, which may be of general local interest, but frankly do not strengthen our case.

At this point I want to remind you, that ALGA is small organisation, with a Board consisting of the Presidents and one other nominee from each state and territory local government association. We employ a total of just 12 staff and run a lean machine. At the national level the ALGA Board has to prioritise its efforts and focus on the big issues for the benefit of the whole sector such as the Financial Assistance Grants, road funding through programs such as Roads to Recovery, and the direct funding relationship between the Commonwealth and local government.

Although local government legislation in almost every state including the Northern Territory is very broad, calling on councils to effectively '...do what they believe is necessary to do in the good governance of their local community', we cannot do everything. Resources are finite and frankly the other levels of

government and the private sector are also responsible for a number of local services and infrastructure.

Local government's credibility, as a legitimate level of government in the Federation, at the national level is dependent upon how we as a sector are perceived, and how we act. We must continue to prove our efficiency and effectiveness in delivering local services and infrastructure. We will not get additional resources to fund inefficiencies or 'nice to do's, as distinct from the must do's'.

The Commonwealth may continue on a path of pushing responsibilities back to the states. Revenue and resources at all levels may well continue to be under pressure, and there is a very real danger that both the Commonwealth and states will continue to pass responsibilities onto local government without funding. Governments need to make choices and that includes local government. What business are we in?

I don't expect that this Assembly has given you the answers to that question - that is for you to determine. But I hope this Assembly has helped to challenge you on your ideas about what we should be doing or not doing into the future. If we do not determine our business we are likely to be told what it is or will be.

Delegates what we do and where we sit in the Federation and how we are funded are complex and difficult issues and we have had the benefit of hearing from a number of eminently qualified speaker on these themes. I particularly want to thank Mr Terry Moran for his presentation on the Federation from his point of view as the previous head of the Commonwealth Public Service and Secretary of the Department of Prime Minister and Cabinet. And Helen Silver former head of the Victoria Department of Premier and Cabinet who spoke on the same topic from a state perspective.

Our panel session on the Federation included Garry Humphries and Andrew Lynch was fascinating and John Martin did a great job of drawing out the view of the panellists.

Having discussed the theoretical framework of the Federation it was great to hear our panel of Mayors about what they see as their business, the tools they use and the challenges they face. I think everything they said would have resonated with someone in this room. I also think it proved the point I made in my opening address that we are a practical, no nonsense level of government that just gets on with the job.

Delegates we have heard from a range of political speakers and I thank them on your behalf and for their addresses and their attendance. We are of course disappointed that the Prime Minister and the Leader of the Opposition were not able to join us, but were pleased that the Deputy Prime Minister and our Minister the Hon Warren Truss and the Shadow Minister for Transport and Infrastructure the Hon Anthony Albanese could be here.

I want to thank Max for his address and particularly thank Dr Brendan Nelson. I was moved by the thought of those men and women who served our country with distinction just on 100 years ago and all those before and after. Delegates, the impacts of war and international conflicts has reached every community in Australia. There are tens of thousands of graves around the world, war memorials and honour boards across the country that mark the service and sacrifice of our finest. Delegates I urge you to ensure that your local government plays its role in commemorating the Centenary of ANZAC.

And that brings me to the end delegates.

Can I thank my colleagues on the ALGA Board for their support over the past 12 months and on your behalf thank the ALGA staff for all their work in organising this Assembly.

I am due to stand down as ALGA President at the end of this year and so this will be my last Assembly as President. It's been a great privilege and I want to thank you for your contributions. I hope to see many of you at ALGA's Local Roads and Transport Congress in Tamworth in November. I wish you a safe trip home and I hope you will enjoy lunch in the Exhibition Hall before you leave. Thank you