

Speech to the National General Assembly of Local Government

By Warren Truss, Leader of The Nationals and Shadow Minister for Local Government

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The underlying theme of this ALGA conference is population, participation and productivity. These are all critical concerns for all Australians.

Growing population builds a bigger and more productive economy – but at an increasing cost to our resources and the environment.

Early in my days in Parliament, I participated in what was probably the first parliamentary inquiry into Australia's population, under Barry Jones' chairmanship. The committee received submissions advocating an Australian population ranging from five million to 250 million.

It is fair to say Australia could have any size population we wanted, because there are plenty of people trying to get here to live. But the real decision we have to make in the population debate is: what compromises are we prepared to make to our environment and lifestyle to accommodate more people?

Earlier this year, we were met with a pronouncement by the Prime Minister that seemingly targeted a population level of 36 million by 2050 - although if the immigration levels of Labor's first term were to be maintained then the population would be more than 42 million. I think it's fair to say that the Rudd Government was quite taken aback by the economic, social and environmental concerns that were raised about the prospect of our population doubling in just 40 years.

Local government needs to occupy a key place in the population debate. You are where the vital decisions about housing and servicing a bigger population must be made.

Probably, more than half the delegates at this Conference are desperately seeking a larger population and you spend ratepayers' money encouraging new investment, new industry and more people. The other half are resisting higher density living, urban sprawl and industry encroachment, and some even have population caps.

Where do we put all these people? How will the groaning infrastructure in our cities cope? Are the regions prepared for an influx of migrants from overseas or the cities? What will happen to the people excluded by local population caps?

Economic modelling by Price Waterhouse has found that to deal with a population of 36 million by 2050, Australia will require 173,348 kilometres of new road, 3254 new public schools, 6.9 million new houses, 1370 new supermarkets and 685 new department stores.

These are sobering figures. Local government will be lumped with the responsibility for a lot of that road building. You might not build many of those new facilities, but you will be critical in the planning and approvals stage.

This is why we need to act now. Within three months of taking office, a Coalition government would re-constitute the Productivity Commission as the Productivity and Sustainability Commission and task it with an annual review of Australia's infrastructure needs based on short, medium and long term population predictions.

We would expect the recreated Productivity and Sustainability Commission to provide key analysis on the infrastructure requirements of our nation to support its projected population.

Local government is the creation of state legislation. My own memories of my council days are of a relatively cordial working relationship with the State Government and a partnership in delivering initiatives and services.

Over recent years, that relationship has soured in many states.

States have cut subsidies to local government and even capped their revenue raising capability in some states. States have taken away powers but demand councils deliver extra services. State demand

accountability which they don't deliver themselves, and dismiss councils on a political whim. States have imposed unwanted amalgamation of councils.

Many councils are disillusioned by their state governments and are turning increasingly to the federal government for revenue and support. Obviously the relationship between federal and local government has grown warmer over the past 30 years or so.

But the federal government cannot take the place of the states. We cannot save you from the action of your state governments. We can and will provide support and assistance but we cannot make up for an unhealthy relationship between local government and the states.

There must be reconciliation between local councils and state governments. States cannot expect quality people to continue to come forward as councillors if they do not respect the democratic mandate that the electoral process gave to the councils. States should not be so ready to intervene when there are issues with a council. If local people are unhappy they can and do exercise discipline at the next election. Except in the most grotesque circumstances, state governments should concentrate on doing their own job – in many cases they are hardly demonstrating best practice in good management and financial discipline themselves.

Over the years councils have become increasingly dependent on funding from the federal government. Commonwealth assistance

through a share of personal income tax begun under the Whitlam Government and has been maintained and expanded by subsequent governments. There have been many special payments and specific programs that have supported the interests of councils and their communities.

But perhaps no program has been more universally welcomed and appreciated than Roads to Recovery. Begun by the Howard-Anderson Government, it has delivered vital improvements to roads around Australia.

Councils appreciated the program and for those of us who worked hard to get it established, I was always delighted when John Howard would report back from a meeting with councils, smiling heartily about the compliments he received about Roads to Recovery. One year, you may remember we even paid a double entitlement.

It must be successful because it is one of the few programs of the previous government that the Rudd Labor Government has not dismantled. The Black Spots program is now funding highway projects. The Strategic Regional Roads program is now being spent in the cities and the Regional Partnerships program is gone altogether.

I say all this because I need to respond to recent claims by some desperate Government MPs and ministers.

The Coalition is not planning to cut Roads to Recovery. It is not shifting Roads to Recovery away from the control and responsibility of local government, and we have never thought of doing so. We are not planning to divert Roads to Recovery funding to other projects.

The Coalition supports Roads to Recovery, lock, stock and barrel, and always has.

Wherever I go around Australia, I can see the good work that has been done by councils in upgrading and building new roads. If you want a program to fit the theme of this conference – population, participation and productivity – then this one fits the bill.

In government, we had to undergo a fair amount of political pain to get Roads to Recovery up and running. The States hated the fact that we bypassed them and made direct payments to local government. The then Labor leader (and now Ambassador to Washington) said Roads to Recovery would be a “boondoggle”, or waste of time and money.

Two weeks ago, I understand that Infrastructure Minister Anthony Albanese issued a “media release” saying we intended to cut Roads to Recovery. His comments were taken up by some Government members and candidates.

I say again, this claim is untrue.

Indeed today on behalf of the Coalition I want to announce a new Coalition initiative for local roads and streets.

If the Coalition is returned to government at this year's election, we will introduce a new scheme called the Bridges Renewal Program. You could even call it Bridges to Recovery.

You all know of the growing infrastructure problem posed by the gradual decay of the more than 30,000 small road bridges, usually on secondary freight routes and mainly in regional Australia. Apart from the movement of freight, they are key economic assets in connecting local communities to the broader road network and getting people to work and school.

Some councils have been unable to afford maintenance and upgrades necessary to keep these bridges open. Some have load limits. Sometimes people simply have to find another route.

I can announce today that we will take to the election a program to help fix these bridges. This program will provide \$300 million over four years, to be matched by the states or local government on a dollar for dollar and case by case basis. The money will be distributed on a competitive application basis giving priority to community needs and economic return.

This new federal program will make an enormous contribution over time in the huge job we have ahead of us in fixing those bridges. Some councils have up to 100 bridges which they are struggling to keep open. The NSW Government has suggested a benchmark figure of \$700,000 to refurbish a bridge, so this is not a cost that can easily be accommodated on a small council budget.

But as we have all seen from Roads to Recovery, meaningful improvements have already been made over the past few years, right round the country, and we can also make a similar difference with bridges. We must have the courage to make a start and carry that task forward, and the Federal Coalition wants to be the driving force in making this change happen.

Finally, to avoid any further mischief from Mr Albanese, let me assure you that this money will not be stripped out of Roads to Recovery. It will be part of the AusLink programs and further details will be released closer to the election.

Finally, I would just like to talk about constitutional recognition, which has of course long been a goal of local government. I have spoken about this subject many times in the past to Australian Local Government Association functions.

I am particularly aware of the tireless work undertaken by ALGA in this area and the clear declaration issued by the delegates to the Local Government Constitutional Summit in December last year. I

commend the unity of resolve by the many delegates of Australia's councils – for we all know this debate has not been characterised by a common view at all.

And we all know that is the problem. The previous two attempts at constitutional recognition for local government failed, with only New South Wales agreeing to the proposition in 1974. In 1988 the result was even worse – it was not supported in any of the states and only about one third of votes were in favour. Councils are not always popular with their people – even back then. Plainly, unless the wording of a future proposal has the support of the major parties and the States, it will fail.

I believe that the Australian Constitution should appropriately recognise local government. Indeed, I would like to go much further than I think the people will vote for. The decision of the High Court in the *Pape v the Commissioner of Taxation* case in 2009 underlined the limitations and uncertainties that surround Section 81 of the Constitution. Plainly, the Commonwealth cannot spend money on whatever activities or objectives it likes, and the judges' commentary on the decision places some uncertainty over the basis for direct funding by the Commonwealth to local governments such as Roads to Recovery, our new Bridges Renewal Program or Labor's Regional Local Community Infrastructure program.

The Coalition is supportive of constitutional recognition of local government. I think the first priority is to clear up these constitutional funding uncertainties. Obviously any question has to

be supported not just by local government, but also by the Federal and State governments. And somehow we must together win the case with a sceptical public.

That said, a Coalition Government is prepared to work with you on dealing with these kinds of obstacles to get a sensible and realistic proposition over the line.

I recently received the ALGA's 10 point plan for national resilience and local communities. It makes good reading and much of it I think makes good policy. I've spoken about aspects of it today and no doubt we will be responding further in the months ahead.

I thank you again for the opportunity to speak to you again today and to use this forum as the launching pad for the announcement on our Bridges Renewal Program. I hope you will find that program worthy of your strong support, and I look forward to hearing more about your deliberations at this general assembly.