

## **ALGA President Speech to National General Assembly**

**18 June 2012**

Good morning. I'd like to begin by acknowledging the traditional custodians of the land on which we are meeting – the Ngunnawal people - and pay my respects to their elders past and present.

I would also like to acknowledge and welcome other Aboriginal and Torres Strait Islander people who may be attending this event and welcome all my local government colleagues and our guests.

I am delighted that you are able to join us for the National General Assembly. This is an important year for local government – and for the Australian Government.

We are half way through the term of the federal government and today is an opportunity for a mid-term review, both of ALGA's progress over the past 18 months and of the Government itself. You, our assembly delegates, are the expert panel which will undertake that review here at our assembly.

During the course of the Assembly we will hear from Minister Simon Crean on the Government's agenda and its achievements. We will also hear from Senator Barnaby Joyce, the Shadow Minister for Local Government, and from Senator Christine Milne, the Leader of the Greens.

The themes for this year's Assembly are Infrastructure, Planning and Services. They have been chosen very deliberately to ensure we focus on the key areas of local government responsibility. To introduce each of these topics, we have chosen speakers we expect will both inform and challenge you. We hope their insights will provoke thoughtful and healthy debate on the motions that councils have put forward.

On the topic of infrastructure we will hear about recent work commissioned by the Government on how regional and local infrastructure might be better financed. The Secretary of the Department of Regional Australia, Regional Development, Local Government, the Arts and Sport, Glenys Beauchamp and Darren Grimsey from Ernst and Young will talk to the Assembly about Ernst and Young's work on infrastructure financing and on the Government's engagement with local government in general.

Planning remains a key issue for councils across Australia and it has been the subject of reform initiatives across the three levels of government at the COAG level.

One of the pleasing things to come out of COAG has been a growing awareness of the role of councils and how we relate to state strategic planning. Importantly, there is also a growing awareness of the limitations of reforming local government processes as a way to address problems that are related to state and Commonwealth issues.

Having said that, we cannot be complacent about the challenges we face in balancing different objectives and interests. The Productivity Commission's recent report into planning, zoning and development assessment highlighted not only the challenges we face, but also some things councils could be doing better.

Our speaker on planning is Maxine McKew, the former Parliamentary Secretary to Anthony Albanese when he was Minister for Transport, Infrastructure, Regional Development and Local Government. Ms McKew will provide us with her perspective on planning issues and I think this will be an interesting starter to our discussion.

Finally we come to the theme of services, one of the most fraught areas for councils. All of us know the financial pressure local government has been under in maintaining our existing range of services and providing the new services required of us by other levels of government. We're also under pressure to extend our services when other levels of government discontinue support for services they previously provided.

The questions for us are: do we have a choice when faced with cost-shifting by other levels of government and what services should councils provide? To help us engage with these questions we'll be hearing from the former Keating Government Minister Gary Johns, now an academic with the Public Policy Institute at the Australian Catholic University.

This year, the National General Assembly comes of age. It's been in existence for 18 years and I believe the Assembly now has the maturity to tackle the big and complex problems facing our communities. This assembly is a forum where you can contribute to a discussion about our priorities, our problems and their potential solutions.

Let me start our mid-term review by putting a context around our discussions.

The major challenges facing councils are well-known and relate primarily to the financial sustainability of councils and our expanding role as the "go to" level of government for our communities. I hesitate to use the term one stop shop, but there is no doubt that councils have become most people's idea of the one stop shop for government.

This may be a consequence of the diminishing physical presence of the other levels of government. It may be the result of people's expectations that in a networked global village, our levels of government will also be connected.

Or perhaps people start with their local council because, quite simply, they know where to find us. Whatever the reason, our communities expect more and more from us.

Together, we are responsible for infrastructure valued at over \$250 billion. Councils face massive backlogs in infrastructure investment and renewal. Our local roads, which constitute 80% of the nation's roads by length, need far more money spent on them than councils can find from their own resources, yet almost all of the nation's economic activity depends on these local roads.

A report commissioned by ALGA and released in 2010, indicates that the average annual gap in roads funding for councils is around \$1.2 billion per year. Our community infrastructure, such as community centres, parks, swimming pools and libraries, also needs support if it is to continue to meet the needs of local populations. In 2006, PricewaterhouseCoopers reported the investment backlog to be at least \$14.5 billion.

The services delivered by councils cover the spectrum of needs within our communities. Where councils once provided relatively few services, they are now working in areas such as child care, preventative health, culture and recreation, aged care, community transport, economic development and tourism.

These are services our communities need. If councils stop providing them it is unlikely that the other levels of government will step in and pick up the slack. In fact, in many cases, we are doing these things because the other levels of government will not – or cannot.

Local Government is also the mechanism by which communities plan for themselves. They determine the look and feel of the places in which they live, contributing to the big picture of how land will be used, through to the smallest details of where a traffic chicane is placed. Local Government lets communities set their own priorities and take responsibility for the outcomes.

Against this background, councils operate in an increasingly charged environment at both the state and federal level. The ebb and flow of political fortunes and the reality of minority government at the federal level have presented challenges for us, but have also created opportunities for us to advance agendas and push for initiatives in the interests of local communities.

ALGA's focus has remained tightly on the main game.

While we respond to many different concerns, our major priorities are:

- Constitutional Recognition
- A fair share of Commonwealth taxation revenue

- A permanent Roads to Recovery program
- Funding support for community infrastructure, and
- Assistance to help us and our communities address the impacts of climate change.

These priorities underpin the themes of our Assembly.

So what progress are we making in these priority areas? ALGA's 2010 election document identified a number of priorities for an incoming government. First, we sought a Parliamentary Inquiry into the adequacy of local government revenue. This built on our consistent call for a review of the Financial Assistance Grants. While we have not got a Parliamentary Inquiry, a review of the Grants was announced in the 2011 Budget.

We called for a continuation of the Regional and Local Community Infrastructure Program to address local community infrastructure. Again we were not successful in this request, however, the Government has created a new Regional Development Australia Fund, ostensibly to address local infrastructure issues among other things.

We asked for Roads to Recovery to be made permanent and maintained at current real levels. That was a hard ask, so we were delighted when the Government announced in this year's Budget that it would extend the Roads to Recovery program to 30 June 2019. Not a permanent solution, but something to plan around for the rest of this decade.

We sought a renewed and strengthened Intergovernmental Agreement on Cost Shifting to support local government as an equal partner. I am pleased to say that the Local Government Ministers Forum, convened by Minister Crean, is now looking at that agreement and has begun the process of review.

We called for support for a referendum to recognise local government in the Constitution. As you know, the Government has committed to holding a referendum and has established and received a report from an expert panel which favours ALGA's preferred option of financial recognition. We have yet to hear the Government's response to that report.

Other ALGA priorities for Government included support for communities to deal with climate change adaptation, the need to work with councils on waste management, the need to acknowledge local government's role in planning, support for indigenous services and working with councils on the broadband roll out. I'm pleased to report that there has been some progress on each of these, although there is more work to be done.

On the face of it, that's a pretty strong mid-term result. However, there are still significant areas of concern.

While the Government committed to a review of the Financial Assistance Grants in last year's Budget, there does not seem to have been much progress on the review, which is due to be completed by the end of June next year. The Government has yet to announce a detailed timeframe, the terms of reference and scope of the review, the identity of the agency which will undertake it or the mechanisms for consultation with local government.

In the area of Constitutional Recognition of Local Government, we are again waiting for action. The Expert Panel's report was significant in that it clearly identified ALGA's preferred option of financial recognition – a simple change to Section 96 of the Constitution to allow the continuation of direct federal funding – as a viable referendum question for 2013.

However, the Panel made its recommendation conditional on two things. The first was that the Commonwealth needed to negotiate with the states on the financial recognition option. The second was that the Commonwealth should seek to achieve informed and positive public engagement, including providing substantial funding for a public awareness campaign.

The Government released the report last December and promised a response early this year. We are still waiting for that response.

The issue of constitutional recognition remains a critical priority for ALGA and for this Assembly. It was, of course, our gathering as a Special National General Assembly in Melbourne

in December 2008 which reignited the cause of constitutional recognition and led the ALGA Board to adopt financial recognition as the preferred option. We will hear later this morning of the progress we have been able to make while we wait for the Government to make its position clear. We have identified the building blocks for a successful campaign for a “yes” vote in a referendum, but we cannot move forward on our own.

Securing a yes vote in the referendum is about persuading communities of the value of their councils. One question we must ask ourselves is: how does the Australian community view us? We have asked Philip Adams, one of Australia’s leading public intellectuals, to reflect on that question in his key note speech later this morning.

We will also continue to maintain a focus on climate change. The national attention has inevitably been on the price of carbon in the past few months – and rightly so. It will affect every individual, business and council. The impact will particularly be felt by those councils with landfills which will be covered by the Carbon Price Mechanism because they have annual emissions greater than the equivalent of 25,000 tonnes of carbon dioxide.

ALGA supports efforts to address global warming and the need for a market-based approach to carbon pricing. This has also been the subject of many motions of previous NGAs.

ALGA has been actively working with the Government to ensure that it is fully aware of the practical impacts a Carbon Price Mechanism will have on councils and local communities. In April, we convened a forum where councils, the Department of Climate Change and the Clean Energy Regulator could discuss the challenges councils face in determining a landfill gate charge that will effectively cover their liabilities under the scheme.

This challenge has not gone away and Parliamentary Secretary Mark Dreyfus will continue the discussion when he addresses the Assembly tomorrow afternoon.

The Department of Climate Change is only one of the departments which has sought to be involved in the National General Assembly. The National Local Government Awards,

administered by the Department of Regional Australia, Local Government, the Arts and Sport will again be presented at various points throughout the Assembly and the major national awards will be presented by Minister Crean at the formal dinner at Parliament House tomorrow night.

The Australian Government's engagement with the Assembly, through Ministers and various departments, illustrates the strength of the relationship between our two levels of government. Further opportunities to build on that relationship have been identified by you in the motions you have put forward for debate. Our debate sessions will allow us to hear what is important to your local communities.

Your presence at this Assembly helps ALGA to argue for a stronger relationship with the Australian Government across the board. It is no surprise to me that this year's Assembly again ranks as one of the biggest we have held in Canberra with more than 800 delegates present.

Together we send a powerful message to the Government, the Opposition and the Greens, that we are committed to leading our communities and to strengthening our partnership with the Australian Government.

I encourage you to participate in the sessions and the debates and to talk with your fellow delegates and share your experiences. I also hope I have the opportunity to speak to many of you during the Assembly to hear what is important for your community at the national level.

Thank you