



The Hon Dr John McVeigh MP

**Minister for Regional Development, Territories and Local Government
Federal Member for Groom**

Ref: MC18-004869

Mr Adrian Beresford-Wylie
Chief Executive Officer
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DEAKIN ACT 2600

13 JUN 2018

Dear Mr Beresford-Wylie

Adrian

Thank you for your letter of 31 May 2018 regarding the resolutions of the 2017 Australian Local Government Association National General Assembly (ALGA NGA).

The ALGA NGA is an important event, bringing together key stakeholders to share ideas and experiences to improve the productivity of the local government sector. I look forward to presenting at this year's ALGA NGA, as well as announcing the 2018 winner of the National Award for Excellence in Local Government at the ALGA NGA dinner on 19 June 2018.

I appreciate the time you have taken to bring these matters to my attention and I am pleased to provide you with the enclosed response relating to my portfolio responsibilities.

Thank you again for raising this matter with me.

Yours sincerely

Dr John McVeigh MP

Enc

Response to 2017 National General Assembly of Local Government Resolutions

Resolution Number: 3

That the Australian Government undertake a review of the intrastate distribution of Financial Assistance Grants (FAGs) under the Local Government (Financial Assistance) Act 1995, with focus on: - the inconsistency of the National principles between distributing the funds on a full horizontal equalisation basis and the Minimum Grant Principle (namely 30 per cent of funds being distributed on a per capita basis); and – the effectiveness of the current intrastate distribution of the Financial Assistance Grants in ensuring that each local governing body in a State/Territory is able to function, by reasonable effort, at a standard not lower than the average standard of other local government bodies in the State/Territory.

Response

The Australian Government continues to support local government through the Financial Assistance Grant program providing \$2.5 billion annually in untied funding to support local priorities. As I engage with local governments across Australia, I will seek their views on the minimum grant principle to gain a better understanding of the level of support for such a change.

Resolution Number: 6

That the National General Assembly condemn state and territory government rate capping policies and call on the Federal Government to immediately review state government control over Local Government's capacity to set its own rates and control its own revenue.

Response

I note there are two jurisdictions with rate capping policies in place, New South Wales and Victoria.

It is important the Australian Government respects the constitutional allocation of responsibilities under which state governments are responsible for setting the legal and policy frameworks under which local governments operate.

The Government encourages ALGA and its member organisations to continue working with state and territory governments on the rate capping policy settings appropriate for the individual jurisdiction.

Resolution Number: 83

That the National General Assembly call on the Federal and state and territory governments to promote and advocate for the role of local councils in regards to the nine recommendations from the Federal Senate enquiry into Regional Capitals.

Response

The Australian Government is finalising its response to the *Future role and contribution of regional capitals to Australia* inquiry.

Resolution Number: 85

That the National General Assembly call on the State/Territory and Federal Governments to differentiate between rural and regional grants (as opposed to quarantining grant money for 'regional' areas) and that this differentiation be reflected in the criteria of grants, affording rural, remote and isolated communities a better chance of success when applying for grant funding.

Response

The Australian Government continues to provide targeted initiatives and incentives to support the significant contribution of regional Australia to our nation's economic growth and prosperity.

In recognition of the importance of local government having access to untied funding, the Government continues to provide \$2.5 billion annually under the Financial Assistance Grant program.

The Government is also providing the Building Better Regions Fund (BBRF) and the Regional Jobs and Investment Packages, both announced during the 2016 election.

The BBRF aims to create jobs, drive economic growth, and build stronger regional communities into the future. The Australian Government will invest \$641.6 million over five years from 2017-18 to 2021-22 in regional and remote Australia through the BBRF.

There were a number of measures in BBRF Round One to increase the chance of success for rural, remote and isolated communities such as

- Under Round One of BBRF projects had to be located outside the Significant Urban Areas of the cities of Sydney, Melbourne, Brisbane, Perth, Adelaide and Canberra as defined by the Australian Bureau of Statistics.
- Applications were assessed in three categories, meaning applications for smaller grants did not compete with large projects for funding.
- A loading was applied to assessment scores in line with a project's remoteness classification to account for challenges faced in outer regional and remote areas, meaning very remote projects received a higher loading and inner regional projects a lower loading.
- The co-funding requirement was different depending on the remoteness classification – e.g. Projects which were classified as remote or very remote were required to contribute at least \$1 for every \$3 of grant funding requested, this is compared to all other classifications outside of remote and very remote, contributing \$1 for every \$1 of grant funding requested.
- The Ministerial Panel factored the spread of projects and funding across regions as part of its decision making process.

The Government is funding 257 projects with a total funding of \$226.4 million under the Building Better Regions Fund Round One in remote and very remote Australia.

Round Two applications are currently under consideration and successful projects will be announced in the near future.

The Government committed an extra \$200 million for a third round of BBRF. Applications will open in the second half of 2018.

Resolution Number: 86

That the National General Assembly call on the Federal Government to give priority to decentralising government jobs to regional areas to drive growth and innovation.

Response

The Australian Government is committed to ensuring that national economic growth is not limited to major cities, but extends to all regions of Australia.

The Australian Government is currently undertaking a measured and methodical process to decentralise Government jobs from Canberra, central Sydney and Melbourne. There has been significant progress to date, with a number of decentralisation activities already underway.

On 8 May 2018, the Government announced a range of decentralisation initiatives to be progressed: Positions from a number of Commonwealth entities will be moved to locations outside of Canberra, central Sydney and Melbourne including:

- The Unique Student Identifier Registrar from Canberra to Adelaide
- Some staff from the Department of Prime Minister and Cabinet's Indigenous Affairs Group Regional Network Office moving from Melbourne to Shepparton and from central Sydney to Parramatta
- Some staff from the Office of the Registrar of Indigenous Corporations moving from Canberra to Darwin
- the Office of the Rural Health Commissioner will be established in Adelaide
- And the Department of Infrastructure, Regional Development and Cities will relocate positions from the Inland Rail Unit and Indian Ocean Territories from Canberra to Perth, Toowoomba, Dubbo and Wodonga.

Additionally on 7 May 2018, it was announced the Regional Investment Corporation would be established in Orange, NSW.

More decentralisation initiatives will be announced later in 2018.

Resolution Number: 87

That the National General Assembly call on the Federal Government to realign the locality and postcodes in regional and remote and cross border areas to improve consistency and enhance communication by post and parcel delivery through reducing inefficiencies associated with misdirected mail services.

Response

Australia Post regularly receives requests for postcode changes. It has advised that any alterations to existing arrangements will result in costs to the Australian community and to Australia Post.

Australia Post makes changes to the postcode system only when the demands on the mail network significantly change and there is an operational efficiency to be gained in rerouting mail. When operational demands upon the network identify a need for new postcode,

Australia Post considers a number of factors, including other postcodes serviced by the same delivery facility, in allocating which postcode will best suit the new locality.

With the increasing pressures upon Australia Post's mail network from letter volume decline combined with the growth in delivery points, postcodes remain a key factor and indicator in ensuring a reliable and efficient mail delivery network across Australia.

Resolution Number: A

That this National General Assembly call on the Federal Government to mandate that the state and territory governments cease the philosophy of shifting unfunded responsibilities to local government whose respective communities ultimately bear the cost.

Resolution Number: B

That the National General Assembly call on the Federal Government to ensure State/Territory Governments do not impose multiple levies on councils, for example Rubble Royalties, NRM Levy, Waste Management Levy.

Response

Councils play an essential role in delivering services and infrastructure in our communities.

State and territory governments are responsible for setting the legal and policy frameworks under which local governments operate. In doing this, state and territory governments determine the responsibilities of local government and the levies placed upon local governments.

As the Minister for Regional Development, Territories and Local Government, I will raise with my state and territory colleagues local governments' concerns on the shifting of unfunded responsibilities to, and the impost of multiple levies on, local government.

Resolution Number: K

That this Assembly calls on the Australian Government to establish a grant fund for regional recreational trail development to which local governments can make application for projects of an agreed regional nature.

Response

The Australian Government provides a range of targeted initiatives and incentives to support the significant contribution of regional Australia to our nation's economic growth and prosperity. Local governments may wish to use contributions from the untied funding provided under the Financial Assistance Grant program for recreational trails. Further, local council can also consider other grant funding available from the Infrastructure and Regional Development portfolio.

In recognition of the importance of local government having access to untied funding, the Government continues to provide \$2.5 billion annually under the Financial Assistance Grant program.

Regional recreational trail projects may also be eligible for funding under the Building Better Regions Fund (BBRF). For instance, BBRF is supporting the construction of the final connecting 27km of rail trail between Moore and Toogoolawah for the Brisbane Valley Rail Trail under Round One.

The 2018-19 Budget included an additional \$200 million for a third round of BBRF. A key priority for the BBRF will be to help stimulate local economies by investing in the tourism sector. The Government wants to help regions unlock their tourism potential and has earmarked \$45 million from the next round of BBRF for tourism-related infrastructure projects.

The BBRF aims to create jobs, drive economic growth and build stronger regional communities for the long term. Under the BBRF Infrastructure Projects stream, incorporated not-for-profit organisations and local governments are eligible to apply for grants of between \$20,000 and \$10 million for projects located in Australia and outside the major capital cities.

Resolution Number: X

That the National General Assembly call on all tiers of Government in Australia to create policies and strategies that support economic and employment opportunities in Regional Australia to support Australia's emerging role as a key producer of primary products for the South East Asia region in a global context.

Response

It is vitally important that every part of Australia benefits from Australia's economic growth and jobs. Initiatives that are supporting regional Australia to do this include the revitalisation of the Regional Development Australia (RDA) network, the Regional Jobs and Investment Package, Regional Growth Fund, Building Better Regions Fund and the Regional Australia Ministerial Taskforce.

RDA Committees play an important role in delivering the Government's objective of growing strong and confident regions. The Government is refocusing the RDA network to attract investment and jobs to the regions. RDA Committees will operate under a new charter that focuses their work on facilitating economic development by creating local jobs, attracting investment and driving innovation.

In support of economic and employment opportunities in regional Australia, the Government has committed \$220 million for the Regional Jobs and Investment Package. This Package will look at the potential and opportunities to diversify and strengthen the economic base of 10 pilot regions.

The Regional Jobs and Investment Package aims to help regions in Australia diversify their economies, stimulate long-term economic growth and deliver sustainable employment. The 10 pilot regions will receive funding of between \$20 and \$30 million each, and include Tropical North Queensland, Bowen Basin, Wide Bay Burnett, North Coast NSW, South Coast NSW, Geelong, Upper Spencer Gulf, Goulburn Valley, Latrobe Valley and Regional Tasmania.

The Government is supporting our regions to take advantage of the strong economic growth in the Indo-Pacific region by supporting transformational, regionally significant projects. Initial Applications for the \$272 million Regional Growth Fund (RGF) are currently under assessment. The RGF will provide grants of \$10 million or more for major transformational projects, supporting long-term economic growth and create more and better paying jobs.