



ALGA MAIL

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THE HON SIMON CREAN MP

**Minister for Regional Australia, Regional Development and Local Government
Minister for the Arts**

Reference: C12/1635

16 DEC 2012

Mayor Felicity-anne Lewis
President
Australian Local Government Association (ALGA)
8 Geils Court
DEAKIN ACT 2600

Dear Mayor Lewis

I am writing in response to a letter from the former President, Ms Genia McCaffery on 3 September 2012 advising me about the resolutions of the ALGA 2012 National General Assembly (NGA) of Local Government. I apologise for the delay in replying.

I would like to congratulate ALGA on a well attended and productive NGA and acknowledge the contribution made by the ALGA Board in preparing the extensive NGA report, including the 83 resolutions.

My Department has prepared the attached response to the resolutions that relate specifically to my portfolio.

Thank you for giving me the opportunity to provide input to this report.

Yours sincerely


SIMON CREAN

The Department of Regional Australia, Local Government, Arts and Sport responses to the Australian Local Government Association's 2012 National General Assembly of Local Government Resolutions.

In responding to the resolutions that relate to the Department of Regional Australia, Local Government, Arts and Sport portfolio, the Department of Infrastructure and Transport, the Australian Bureau of Statistics, and the Department of Broadband, Communications and the Digital Economy were also consulted.

Resolution Number: 1

That the delegates to this National General Assembly request the ALGA to:

a) re-declare its support for the financial recognition of local government in the Australian Constitution so that the Federal Government has the power to fund local government directly;

b) call on all political parties to support a referendum in 2013 to so change the Constitution to achieve this recognition.

The Government continues to be committed to constitutional recognition of local government and has encouraged ALGA to seek the support of the Opposition, the Nationals, the Australian Greens and Independent Members and Senators to seek their commitment to promoting sustainable local government.

To progress the constitutional recognition agenda, the Government introduced a motion to the Parliament to establish a Joint Select Committee on Constitutional Recognition of Local Government. The motion included the Terms of Reference and proposed Committee membership. The Terms of Reference are consistent with ALGA's views in its submission to the Expert Panel. The motion was passed by Parliament on 1 November 2012.

ALGA is encouraged to make a submission to the Joint Select Committee's inquiry and to continue its good work in promoting this important reform to Australia's system of local government.

Resolution Number: 5

That this National General Assembly calls upon the Federal Government to review the Regional Development Australia Fund (RDAF) funding model to bring in line with the Roads to Recovery (R2R) guidelines and to have funding split 50/50 between allocated and contestable funds with a focus on rural and regional Councils.

The RDAF and Roads to Recovery programs have different purposes and objectives and their guidelines are designed accordingly. The Department notes that the Roads to Recovery program does not operate as described in Resolution 5.

The RDAF is designed to leverage Commonwealth, State, local government, private and not-for-profit investments for the long-term benefit of communities. Its objective is to support the economies and communities of Australia's regions by providing funding for projects that meet community priorities and needs.

The community's strategic priorities and needs are identified through the Regional Development Australia (RDA) Committee's Regional Plan, which is a living document revised regularly to ensure relevance of the specific needs of each region.

RDAF is a competitive grants round-based program with a selection process founded on transparent selection criteria and independent merit based assessment.

To respond to the specific needs of rural and regional communities, RDAF Round Three will provide \$50 million for priority infrastructure in towns with a population of 30,000 people or less. Grants of between \$50,000 and \$500,000 are available to eligible applicants.

Round Four will provide \$175 million for infrastructure projects that address the identified priorities of Regional Development Australia committees and have a strong regional impact. Grants of between \$500,000 and \$15 million are available to eligible applicants.

Local governments and not-for-profit organisations with an annual income of at least \$1 million (averaged over the most recent two years) are eligible to apply for RDAF Round Four. Other organisations may participate in the program as a member of a consortium led by an eligible applicant.

The Roads to Recovery program is an allocated grants program providing funding to Local Government Authorities for the maintenance and/or construction of roads in order to help maintain the local road network, essential to Australia's social and economic infrastructure.

From 2009-10 to 2013-14 the Government will provide \$1.75 billion (\$350 million in 2012-13) under the Roads to Recovery program, to be distributed to Australia's local councils, state and territory Governments responsible for local roads in the unincorporated areas (where there are no councils) and the Indian Ocean Territories.

In the 2012-13 Budget, the Government announced that it will provide a further \$1.75 billion (\$350 million per annum) to extend the Roads to Recovery Program for five years from 2014-15 to 2018-19.

In addition, all local governments receive allocated untied funding through the Financial Assistance Grants, which also includes an identified local roads component. The aggregate grant payment for 2011-12 is \$2,158.7 million.

Resolution Number: 6

That the National General Assembly seek the continuation of the Regional & Local Community Infrastructure program to support the renewal of ageing community infrastructure.

The Regional and Local Community Infrastructure Program was announced by the former Prime Minister at the Australian Council of Local Government inaugural meeting on 18 November 2008 as part of the Nation Building Economic Stimulus Plan.

Since its inception, the Regional and Local Community Infrastructure Program made more than \$1 billion available to local government authorities to build and modernise community infrastructure.

The Regional and Local Community Infrastructure Program has closed and has been replaced by the \$1 billion Regional Development Australia Fund in support of community infrastructure needs of regional Australia.

Resolution Number: 7

That the National General Assembly calls on the Federal Government to adjust the criteria for RDA funding eligibility for metropolitan councils, or provide an alternative funding channel for metropolitan councils.

The Government recognises the importance of funding programs that meet the needs of both country and urban communities across Australia. Metropolitan councils are currently eligible to apply for assistance under the Regional Development Australia Fund (RDAF).

The Australian Government is seeking to leverage off its significant investment in transport and other infrastructure, health, housing, education, social services and welfare. It is seeking to encourage partnerships between the levels of government to foster innovative solutions to promote high quality urban design, improve the quality of open space and public places, address high levels of car dependency and traffic congestion and support cities in tackling the challenges of climate change.

The RDAF guidelines are reviewed after each round to ensure fair and equitable opportunities are maintained. The outcomes of the reviews are incorporated into future competitive rounds for suitable applicants.

The Australian Government provides opportunities for metropolitan councils through its National Urban Policy, the Sustainable Communities Package and Reform of Infrastructure Australia. This approach will support the creation of jobs closer to where people live, improve amenity, develop high quality public spaces, and encourage greater interaction in suburban communities.

The Sustainable Communities package will provide \$120 million to state, territory and local governments, potentially in partnership with the private sector, to fund projects aimed at improving affordability and liveability in cities. There are 18 capital and major cities that are the subject of the National Urban Policy and the Liveable Cities Program.

The Sustainable Communities package includes the \$45 million Suburban Jobs Program to support the implementation of projects from 2012-13 to 2014-15.

Metropolitan councils also have access to Financial Assistance Grants that are untied in the hands of local government, allowing councils to spend the grants according to local priorities.

Resolution Number: 8

That the National General Assembly calls on the Federal Government to investigate and implement new mechanisms to provide infrastructure funding to local governments.

The Australian Government is committed to implementing initiatives and reforms to help local governments address their infrastructure requirements. To help address the infrastructure needs of local communities, the Australian Government provides funding through Financial Assistance Grants, the Roads to Recovery Program, and the Regional Development Australia Fund. The Government also provided funding of over \$1 billion to help build and modernise local infrastructure under the recently concluded Regional and Local Community Infrastructure Program.

To make further progress on local infrastructure investment, the Australian Government commissioned Ernst & Young to undertake a major review of local government infrastructure. The review by Ernst and Young, *Strong Foundations for Sustainable Local Infrastructure*, identifies new ways for local governments to plan, finance, and deliver infrastructure investments. The Australian Government is consulting with stakeholders on the key recommendations of the review, and is working with state, territory and local governments to investigate the report's recommendations.

Resolution Number: 8.5

That the National General Assembly calls on the Commonwealth and State Governments, for local government funding to assist in community infrastructure particularly for an ageing population.

The impact of an ageing population affects all levels of government in the delivery of services. Since 2007, the Australian Government has funded over \$242 million towards community infrastructure including over \$7 million for senior citizen centres.

Planning for an ageing population needs to be integral in all aspects of infrastructure design and development, as does including the needs of people with a disability, and those of children and young people.

In preparing well considered funding applications for infrastructure projects, local governments include strategies for meeting the needs of the range of people in the community that are likely to use the infrastructure or services related to it. For example applications that take into account access for people with a disability regardless of their age, and balances the needs of both young and old in the community, are more competitive than those that are less considered.

Local councils have the challenge of prioritising the competing needs of the community. Locally prioritised projects are funded through programs such as the Regional Development Australia Fund and the Financial Assistance Grants program.

Resolution Number: 10

That the National General Assembly call on the Federal Government to re-instate infrastructure funding to local councils to address their backlog of asset maintenance works and to assist the construction sector by minimising the expected rise in unemployment in the building and construction industry.

The Australian Government is committed to helping local governments build and maintain infrastructure. Under the Financial Assistance Grants program, the Australian Government has provided over \$37 billion since the program's inception in 1974-75. Money provided under this program is able to be spent by local governments in accordance with their own priorities. In addition to this, the Australian Government has committed to providing \$350 million a year to local governments under the Roads to Recovery Program until 2018-19 to fund road maintenance and construction. Since 2008, the Government has also provided over \$1 billion in funding for an array of projects under the recently concluded Regional and Local Community Infrastructure Program, with all local governments receiving assistance under the Program. A total of approximately \$1 billion for regional infrastructure projects will also be provided under the Regional Development Australia Fund.

In the context of this considerable investment in local and regional infrastructure, as well as changing demographics such as the ageing population and the growth in population, the Australian Government commissioned Ernst & Young to undertake a review of local government infrastructure financing.

Ernst & Young's review, *Strong Foundations for Sustainable Local Infrastructure*, acknowledges the infrastructure backlog, and emphasises the importance of all tiers of government working together to address this issue. To advance Ernst & Young's recommendations, the Australian Government is engaging with key stakeholders including the local government sector, and the states and territories, to identify new and efficient means of helping local governments finance their infrastructure requirements.

In the current fiscal environment, neither the Commonwealth nor the states and territories are likely to have the capacity to fund outright the local government infrastructure and asset maintenance backlog. Nonetheless, the Australian Government is eager to work in partnership with local governments, the private sector, and the states and territories to identify policies and mechanisms that will help local governments deal with this important issue.

Resolution Number: 17

That the National General Assembly requests a Commonwealth Government review of the effectiveness of the implementation of the Intergovernmental Agreement into cost shifting.

The Inter-governmental agreement *Establishing Principles to Guide Inter-governmental Relations on Local Government Matters* ('the IGA') was signed by local government ministers and ALGA under the Local Government and Planning Ministers' Council (LGMPC) in April 2006.

It was developed in response to the recommendations of the 2003 House of Representative Standing Committee on Economics, Finance and Public Administration report, *Rates and*

Taxes: A Fair Share for Responsible Local Government (the Hawker Inquiry). Its aim is to provide greater financial transparency and improved cooperation between the three spheres of government in relation to local government services and functions.

Part V of the IGA requires it to be evaluated by the LGPMC or its successor ministerial council, no more than five years after its date of commencement, that is, by April 2011.

The review was led by the Australian Government, with input from working group members regarding the achievements of the agreement and possible ways forward. Members of the Local Government Ministers' Forum (LGMF) reiterated this commitment at their inaugural meeting on 16 November 2011.

LGMF members renewed their commitment to the IGA and tasked the Inter-Jurisdictional Working Group (IJWG), which supports the work of the LGMF, with options for consideration to measure the effectiveness of the IGA principles, and to develop a performance measurement and a reporting framework for all three levels of government.

IJWG members, who include the Chief Executive Officer of ALGA, considered a number of options for measuring the effectiveness of the IGA, noting it is a qualitative not quantitative agreement.

IJWG members agreed that it would be worthwhile for local government ministers to provide an update on the status of individual jurisdictions' local government agreements, and how they are being progressed in line with the IGA when they meet at Local Government ministerial forums.

Resolution Number: 19

That the National General Assembly calls on the Federal Government and State Government to establish a sport and recreational facilities, including public aquatic centres infrastructure, funding program for local councils.

Since 2007, the Australian Government has provided over \$548 million for funding assistance to sporting infrastructure projects including aquatic centres, from small community facilities in regional and urban areas, to major sporting venues. Funding for sport and recreational facilities as well as art and cultural infrastructure projects is available through the RDAF program.

Resolution Number: 20

That the National General Assembly calls on the Commonwealth and State Governments through COAG to ensure alignment of Local Government community strategic planning and Australian and State Government planning - including Regional Development Australia strategic plans.

Alignment of the Australian Government and state and territory governments' regional development activities varies in each jurisdiction. The Australian Government and each state and territory government have entered into Memorandums of Understanding to more closely align such activities.

In New South Wales, Victoria, Queensland, South Australia and the Australian Capital Territory joint RDA committees have been established. In Western Australia and Northern Territory, the Australian Government has created RDA committees that work in parallel and cooperatively with each state or territory governments' regional development organisation. In Tasmania, the Australian Government formed a single RDA committee which works closely with the Tasmanian Government Department of Economic Development, Tourism and the Arts.

The Australian Government continues to work through COAG to address issues identified in the COAG Reform Council's review of strategic planning systems, and to incorporate best practice reforms. For example, the Australian Government is working to ensure that its policies, investment and other activities across government meet the objectives of the National Urban Policy and COAG cities' reform. It is also implementing the Sustainable Communities – Liveable Cities program to assist major regional cities to commence the development of strategic planning systems that deliver on the agreed COAG criteria for the strategic planning of cities.

Resolution Number: 30

That the National General Assembly call on the State and Federal led e-planning and electronic development assessment systems, as a core focus, are designed and implemented to enable local government to continue to engage thoroughly with the public in relevant planning matters and empower their communities through access to information.

COAG has referred the issue of improving development assessment processes and developing a National e-Planning Investment Framework to the Standing Council on Transport and Infrastructure (SCOTI) for further consideration.

Resolution Number: 35

That the National General Assembly call on the Federal Government to require effective collaboration and a partnership based approach to land use based planning matters based around the following principles:

- 1. All relevant entities are included (local, State - all departments, Government Owned Corporations, Federal)***

COAG has referred intergovernmental collaboration on cities strategic planning, and improved integration of planning – both within and between governments – to the Standing council on Transport and Infrastructure (SCOTI).

SCOTI, established in September 2011, brings together Commonwealth, State, Territory and New Zealand Ministers with responsibility for transport and infrastructure issues, as well as the Australian Local Government Association.

A further example of the Australian Government's collaborative approach is the The National Urban Policy. This policy commits the Australian Government to working in cooperation and partnership with state, territory and local governments, businesses and the community to

improve the planning and management of our cities. The Australian Government is demonstrating this commitment by:

- Taking major reforms to COAG;
- Engaging local governments through forums such as the Council of Capital City Lord Mayors and the National Growth Areas Alliance; and
- Establishing the Urban Policy Forum which comprises representation from peak industry and local government organisations as well as professional organisations to facilitate cross-sector consultation, collaboration and partnerships.

The National Urban Policy outlines the Australian Government's support for state, territory and local governments in all major cities to achieve the following outcomes on planning issues:

- Improve coordination and governance arrangements within and between governments; and
- Align goals, objectives and funding across jurisdictions and agencies and between the three tiers of government.

2. *Equal partnership*

The responsibility for land use based planning primarily lies with the State and Territory Governments. The Australian Government works cooperatively with all tiers of government to achieve the best possible planning outcomes for Australia's cities and regions.

Complementary to the development of the National Urban Policy, the Australian Government's regional policy agenda reflects the following principles:

- acknowledging regional diversity
- ensuring place-based thinking and localism—developing approaches or encouraging responses which effectively address and meet local and regional needs
- empowering communities to innovate and shape their own future
- ensuring a fair balance of investments and access to services for regional Australia.

These principles are consistent with the principles broadly reflected in COAG's capital city strategic planning system reforms, which stress the importance of coordinating across government and working with communities and the private sector to create productive, sustainable and liveable cities.

3. *Provide a basis for agreement on investment in infrastructure - particularly federal funding.*

Since its establishment in 2008, Infrastructure Australia has transformed the Australian Government's approach to national infrastructure investment. This has been achieved by developing priority lists of infrastructure projects, conducting the first ever national audit of

infrastructure, establishing national Public-Private Partnership policy and guidelines and developing national freight and port strategies.

In addition, the Australian Government is working with states and territories through SCOTI to improve transport and infrastructure across Australia to help to create a more liveable Australia, with transport and infrastructure integrated into urban and regional planning to foster an inclusive Australia.

Resolution Number: 60

That the National General Assembly call on the Federal Government to provide financial support for Library Services in regional and remote areas. In forwarding this resolution to you, the ALGA Board believes that the support should focus on infrastructure support for libraries as local government works closely with state governments for the provision of books and other library services.

While funding for library infrastructure is generally a matter for state and local government, the Australian Government has funded over \$78 million on library infrastructure since 2007.

Libraries are being redefined in the digital age. The vision of the library of the future might include a physical as well as a virtual space. The creative use of community spaces may see the traditional library providing a different function than the libraries the public are familiar with. Information can be accessed digitally from a range of physical environments.

The NBN is one of the largest infrastructure investments ever made by an Australian Government and is accompanied by historic reforms to the telecommunications sector. The NBN is about more than just having a faster internet connection, the NBN will lead to significant productivity gains for decades after the rollout ends.

The NBN will provide access to high-speed broadband to 100 per cent of Australian premises. It will connect 93 per cent of homes, schools and businesses, including libraries, to a high-speed fibre network capable of providing broadband speeds of up to one gigabit per second (Gbps). Seven per cent of premises will be served by a combination of next-generation fixed wireless and satellite technologies providing peak speeds of 12 megabits per second (Mbps).

The NBN creates a platform to deliver economic benefits to rural and regional Australia through increased productivity, greater employment opportunities and better access to information and services. It changes the way schools, libraries and other educational institutions particularly those in regional areas access information, collaborate and communicate with each other.

The government's aim is that by 2020, Australia will rank in the top five OECD countries in the portion of households that connect to broadband at home and the Digital Hubs program was developed to support this aim.

The Digital Hubs program is a competitive grants program that will establish a Digital Hub in 40 communities that benefit from the NBN, where work on the rollout has commenced. The

program provides residents in their local community with training in digital literacy skills to help them to participate in the NBN-enabled digital economy. Digital Hubs will also enable residents to increase their online engagement and better understand the opportunities presented by the NBN by demonstrating applications enabled by high-speed broadband.

As of November 2012, funding agreements have been signed with local community organisations to establish Digital Hubs in 37 communities across Australia, many of which are in regional areas. The majority of successful applicants to the program were local councils using the public library to locate their Digital Hub. Local community organisations such as local public libraries are well placed in their communities to deliver the services of a Digital Hub and to reach the section of the community that does not engage online or lacks confidence to engage online.

Digital Hubs are funded to operate for a period of two years with funding covering the major areas of project management; engagement of qualified trainers; technology equipment and software applications; promotions and communications; and minor premises refurbishment. Ten Digital Hubs have commenced services with the remaining 27 Digital Hubs coming online throughout the remainder of 2012 and into early 2013.

Resolution Number: 63

That the National General Assembly support investigation into a national community indicator framework, including but not limited to ABS, ABR, ABD, which suits the needs of local government and links with relevant state and federal frameworks.

The Australian Government encourages the use of standard indicator frameworks to enable meaningful comparison and efficiency in planning and administration.

The ABS has developed a range of well defined frameworks and measures for data collection and management. Many of these databases can provide local governments with the information that they require to assist in local planning and development. These are available on request from the ABS. The ABS recommends the use of well defined frameworks and measures that are already developed and provided by ABS on request. Local governments are encouraged to use these where they meet the desired usage.

In 2009 the Australian Government committed \$8 million in seed funding to establish the Australian Centre for Excellence in Local Government (ACELG) to promote improvements in the capacity and performance of local government.

ACELG has been commissioned to undertake five Local Government Reform Fund projects valued at \$900,000 in total. The projects aim to enhance the asset, financial and human resource management capacity of councils; improve local government data collection and increase the participation of women in local government.

This work includes the establishment of a national minimum data set for asset management, financial sustainability and the local government workforce; to complete guidelines for long-term financial planning; and to introduce a national assessment framework for asset and

financial management. The projects are being carried out in close consultation with states and territories and the Australian Bureau of Statistics (ABS).

Resolution Number: 79

That the National General Assembly call on the Federal Government to recognise the special circumstances faced by cross border Local Government Authorities in the delivery of planning, service delivery and infrastructure and commit to working with states and cross border Local Government Authorities to implement a plan to reduce duplication, streamline processes and provide additional financial resources to address these issues.

The National Urban Policy expresses the Australian Government's commitment to supporting state, territory and local governments in all 18 major cities – including the cross border cities of Albury-Wodonga, Gold Coast-Tweed and Canberra-Queanbeyan to:

- Undertake policy and planning to maximise the efficiency of land use and transport, including the identification and protection of infrastructure corridors and sites; and
- Improve coordination and governance arrangements with and between governments.

The Australian Government recognises the special circumstances faced by governments on cross border issues and is working with states, territories and local governments to overcome these challenges. For example, earlier this year SCOTI Ministers agreed to the establishment of national heavy vehicle, rail safety and maritime safety regulators from 2013, thus reducing the impact of state and territory borders on transport productivity and safety.
