

2009 National General Assembly of Local Government Communiqué

More than 650 delegates, representing councils across Australia, attended the National General Assembly of Local Government (NGA) from 21-24 June 2009 to discuss critical issues confronting councils and their local communities. Delegates were united on key actions needed to address constitutional reform, climate change, community infrastructure and local government financing.

Local government welcomes the Australian Government's intention to strengthen its partnership with local government recognising that it is essential in addressing the challenges that face Australia at the local level.

Key outcomes from the NGA include:

Constitutional Reform

The NGA welcomed the Australian Government's continuing commitment to consult with local government on the development of a referendum proposal on constitutional recognition of local government. Delegates also welcomed expressions of support and commitment to work with local government on this issue from the Liberal Party, the National Party and the Greens.

Delegates confirmed the need for formal recognition of local government in the Australian Constitution. Constitutional reform is essential to strengthen the accountability and transparency of local government, improve its capacity to meet the needs of local communities and remove any uncertainty about the ability of the Australian Government to directly fund local government. Delegates agreed to vigorously pursue the issue through the Australian Local Government Association (ALGA) and the Australian Council of Local Government and delegates urged the Australian Government to work with the states to advance this reform.

Climate Change

Climate change represents one of the greatest challenges to Australia and will affect communities, economies and the environment across the nation. Local government has provided leadership throughout local communities in addressing this challenge, through the adoption of rigorous targets and complementary measures and the NGA urged all spheres of government to work together to develop appropriate legislative and implementation frameworks to guide mitigation and adaptation efforts. Early action on mitigation and adaptation will minimise future costs and consequences of climate change.

Delegates discussed the Carbon Pollution Reduction Scheme (CPRS) and welcomed the Government's decision to exclude legacy emissions from landfill from the CPRS.

While local government welcomed the Government's decision to revise greenhouse gas reduction targets to be achieved by 2020 if the world agrees to an ambitious global deal to stabilise levels of CO₂ equivalent at 450 parts per million or lower by mid-century, delegates urged the Government to further review the adequacy of targets currently identified in the CPRS and to ensure that the scheme recognises voluntary actions within communities.

NGA delegates urged the Australian Government to strengthen the community's ability to tackle the impacts of climate change by:

- extending the Local Adaptation Pathways Program to encourage all communities to undertake mitigation planning to take stock of the potential ramifications of climate change by undertaking risk assessments, and to incorporate these risks into climate change adaptation strategies;
- reinstating the funding to the International Council for Local Environmental Initiatives (ICLEI) Oceania;
- providing appropriate direction, support and funding, to ensure that councils are in a position to implement their adaptation plans to proactively address these risks, particularly in vulnerable coastal communities; and
- ensuring that accurate scientific research is undertaken and made available, so that councils can base their risk assessment plans on the best available data, with a degree of certainty in relation to environmental changes.

Delegates highlighted the importance of waste reduction to local councils, noting that further research is urgently required to identify the best solutions for waste management practices, including alternate waste technologies, recycling and the disposal of electronic equipment, fluorescent globes, heavy metals and car tyres.

The NGA recognised the critical importance of water and called for national action to provide water supply certainty throughout Australia, through the implementation of ecologically sustainable measures to capture, recycle and transfer water.

Infrastructure

The NGA reiterated its concern about the backlog of community infrastructure spending of \$14.5 billion identified in a study by PriceWaterhouseCoopers (PwC) in 2006. Community infrastructure, much of which was constructed 40 to 60 years ago, has deteriorated due to council funding constraints. Councils are experiencing a growing gap between their revenue base, and the fact that they now deliver a much broader range of services as well as having responsibility for maintaining ageing infrastructure. A long-term national strategy is required to reverse the deteriorating trend and bring community infrastructure back to the standard expected by the community.

Delegates welcomed the Government's recent allocation of \$800 million for community infrastructure through the fiscal stimulus packages to revitalise and rebuild local communities.

The stimulus packages will start the process of assisting councils to renew and maintain infrastructure, strengthen communities and create jobs. The Roads to Recovery Program has been a highly successful partnership initiative since 2001. It plays a vital role in assisting local government to maintain the 80% of the national road network for which it is responsible, and local government welcomes the extension of the Roads to Recovery Program to 2014.

The NGA commended the Government's announcement of the National Broadband Network and its commitment to consult with local government on rollout, including planning.

The NGA applauded the Government's funding announcement in the 2009-10 Budget for public transport infrastructure, noting that this is a major policy shift for the Commonwealth Government. The NGA called for the allocation of Commonwealth funding for public transport infrastructure, including rail, tram and bus systems.

Delegates called on the Australian Government to:

- extend the Community Infrastructure Renewal program to provide funding for all councils for a further 4 years;
- make Roads to Recovery a permanent program, with an appropriate indexation factor linked to road construction costs;
- provide funding support for asset management systems and quality data provision across councils. Local government itself has placed priority on strengthening asset management in recent years, but many councils face great challenges in terms of capacity and need support from government. This is an issue which has been pursued by local government since the 2006 PwC report; and
- introduce arrangements to provide local government with medium to long-term funding for major infrastructure projects.

Financing Local Government

The issue of local government finances and financial sustainability is one of the most significant challenges facing local government. Local government's capacity to deal with the challenges it faces is dependent on adequate resourcing. Local government has consistently argued for fair funding, to enable it to fulfill the legitimate demand for planning, services and infrastructure at the local level.

While local government generates a high proportion of its own revenue (the Productivity Commission estimated more than 80% of local government revenue across the sector is from own-sources such as rates, fees and charges), Commonwealth general purpose funding is essential, particularly in many rural and remote councils where grants make up to 80% of total income. Yet the methodology for determining local government Financial Assistance Grants (FAGs) has remained relatively unchanged for decades and is not linked to growth in community demands and the economy, unlike the general purpose funding for the states and territories which is provided through the GST.

Local government is gravely concerned with state imposed limits that restrict the ability of local government to raise revenue, particularly rate capping, and the increased use of property taxes by state governments, making it more difficult for local government to bring rates in line with demand for services.

NGA delegates urged the Australian Government to:

- conduct a review of the base funding and indexation formula for FAGs;
- increase the percentage of Commonwealth government taxation revenue to local government from 0.76% to a minimum of 1% as an appropriate interim measure until a base and indexation review is conducted and implemented; and
- establish a permanent framework to address cost shifting between levels of government, which has placed significant pressure on local councils, to be implemented prior to the expiry

of the 2006 Intergovernmental Agreement Establishing Principles Guiding Intergovernmental Relations of Local Government Matters.

Australian Council of Local Government

Delegates noted the importance of the second meeting of the Australian Council of Local Government convened by the Prime Minister and Minister for Infrastructure, Transport, Regional Development and Local Government and agreed it was evidence of the Australian Government's strong relationship with local government and confidence in its capacity to deliver outcomes.

Scheduling the Australian Council of Local Government to coincide with the National General Assembly presents an ideal opportunity to share the priorities identified nationally by local government to continue and strengthen the partnership.

**National General Assembly of Local Government
Canberra
24 June 2009**