

Cr Danielle Mulholland's Delegate Report – Australian Local Government Association National General Assembly 2022

Natural Disasters and National Cabinet

We examined the possibility of establishing a funding stream to mitigate natural disasters including the need for reliable mobile phone and internet coverage. Estimates suggest a required funding stream of approximately \$400M as a starting point.

ALGA will be invited to attend one meeting per year of National Cabinet to ensure adequate input into ministerial meetings around issues of national significance.

Financial Assistance Grants (formerly known as FAGs)

ALGA's current position is that they lobby to try to tie financial assistance grants to a percentage of Commonwealth tax revenue.

There were two separate motions debated at the same time. One submitted by Forbes Council which was to maintain ALGA's current position with no changes to the formula, and the other motion, submitted by Gunnedah Council, which asked for a review of the methodology around the FA grant model of allocating funds, specifically related to the roads component of FA grants.

The motion from Gunnedah Council was passed, by the narrowest of margins. In 2019, we successfully passed a resolution to remove the minimum per capita provision from the federal legislation (The Local Government (Financial Assistance) Act 1995). This resolution was intended to begin negotiations to alter the funding formula to enable greater flexibility for distribution of funding relevant State commissions. There has been no action by ALGA to date on that resolution as they continue to pursue a 1% increase, predicated on tax revenue. The resolution of conference is explained more fully in the motions section of this report.

The Act also requires the State Grants Commissions to allocate financial assistance grants and identified road grants among local governments on the basis of agreed national principles. The inclusion of the minimum per capita provision has muddied the waters and this part of the funding is what needs to be addressed. I met with the new Federal Minister for Local Government, who had previously been a Councillor/Mayor and with whom I already had an established relationship. Whilst no promises were made, she was provided with all the information she needed, to consider amending the legislation to remove the minimum per capita provision and appeared supportive of the idea, especially with the history concerning the consideration of FA grants by our peak bodies allowing greater flexibility for the allocation of available funding by appropriate state bodies. During our conversation, the Minister did confirm that it was unlikely that in a post Covid environment, it was unlikely that there would be any increase to FA grants so it is logical if the bucket of money remains the same, a different methodology should be applied more in keeping with the original intentions of the Act.

STRATEGIC LEADERSHIP

Thinking differently about Local Government

"Everything we see is a perspective, nothing is the truth." Marcus Aurelius.

The clarity of crisis: Post pandemic, we are shaping the future of our communities.

A bit of historical context

During and after WWI, we saw the emancipation of women, and a larger focus on health, education etc.

During and after WWII, trends showed a shift in focus towards global mobilisation, resettlement, moving away from colonialism, state welfare, social housing, and early consumer culture.

During and after the Covid 19 Pandemic, issues and solutions arose around universal basic income, remote working, sustainable transport, future of cities, international connectedness, mental health and well-being.

What is the true value of local government?

These are bigger, better questions we ask than when we are in the paddock, rather than on top of the hill. The point being that it's all a matter of perspective. When on top of the hill, we gain a greater perspective of the overall picture rather than a micro perspective of what's in the paddock. This analogy was a rather good visual tool to explain perspective in Local Government.

There are many reasons to have a Council, but some are more vital than others. You don't need a democratic institution to simply provide roads, rates and rubbish.

Our potential value lies in the capacity for long term planning and coordination, capturing the views of our communities and fair, skilled representation with the best interests of the community as a guiding principle.

We deliver services that have a profound impact on our community. We help coordinate and shape progress to establish the best possible future - one that is fair, sustainable and thriving through our established planning documentation.

By asking better questions, we establish the potential to achieve better answers. We are living in a conundrum. For example; local government gets 4% of tax revenue, but delivers 35% of services to the community. We are community architects, contractors and housekeepers, who have an extensive history of being inadequately funded.

"We haven't got the money, so we've got to think". Sir Ernest Rutherford

A good example is wartime innovation - radar, computers, penicillin, synthetic rubber, duct tape, jeeps, periscope rifle (invented by an Australian building foreman in the war).

Other Australian examples of ingenuity include but are not limited to:

Refrigerator

Ballot box

Granny Smith Apples

Black box flight recorders

Wi-fi

Electric drill

Notepad

Boot polish

And so forth

“Innovation happens along the way to solving bigger problems.” Mariana Mazzucato.

What impossible thing have we achieved in the last two years? This is a question we need to constantly revisit.

BUILDING STRONGER COMMUNITIES

Top risks identified by Local Government

2020 - financial sustainability, assets and infrastructure, disaster/catastrophic events, cyber, reputation, BCP, Waste Management.

2021 - financial sustainability, cyber, assets and infrastructure, disaster/catastrophic events, reputation, BCP, climate change/adaptation.

There has been a shift in focus in terms of risk, particularly in how Councils have prioritised risks.

Future Risks

Asset damage - residential and commercial damage and the escalating cost of adequate insurance.
Financial costs - public asset damage, clean-up costs, reduced economic activity, emergency response costs, temporary housing and evacuation costs.
Social costs - increase in family violence, alcohol consumption, injuries, fatalities, exacerbated chronic illness and escalating mental health impacts.

The costs of natural disasters are getting larger with the increasing frequency and intensity of natural disasters impacting many cities and regions for years to come. Estimates are that disasters are costing around \$38B per annum across the country as a whole with flow on impacts for sustainable productivity.

Australia stands to realise a \$380B economic dividend from pro-active resilience planning and climate adaptation initiatives. 97% of all natural disaster funding in Australia is spent after the event with only 3% of all natural disaster funding spent before an event. This continuing reactive approach is not sustainable in the longer term.

Achieving a low emissions future, coupled with increasing investment in resilience to natural disasters, will deliver better overall outcomes for our communities.

MOTIONS DEBATED INCLUDING FA GRANTS

I have included here the motions that I considered would be most relevant to Kyogle Council however the finalised resolutions will be available on the ALGA website sometime in the next few months.

This National General Assembly calls on the Australian Government to conduct a review into the local government Financial Assistance Grant Act 1995 and the basis on which grant funding for roads is allocated, to create a more equitable approach to allocations and one that recognises the infrastructure managed by local government in the rural, regional and remote regions of Australia.

OBJECTIVE

ALGA's policy priorities are to:

- Preserve Financial Assistance Grants as the major source of federal funding to local government.
- Strengthen the business case to support calls to restore FA Grants to at least 1 percent.
- Advocate to restore the FA Grants funding lost in the 2014-15 indexation freeze as the first phase in restoring FA Grants funding levels.
- Encourage councils to acknowledge the value of Financial Assistance Grants.
- Support state and territory associations to engage councils in a united campaign to achieve 1 percent for FA Grants.
- Increase the Australian Government's recognition of local government as a trusted partner.
- In NSW, the primary function of the NSW Local Government Grants Commission (Commission) is to make recommendations for the allocation of the FA Grants to the NSW Minister for Local Government.

KEY ARGUMENTS

Local government financial assistance grants (FA Grants) are general purpose grants paid to local councils under the provisions of the Federal Local Government (Financial Assistance) Act 1995. This legislation details how the total amount of FA Grants is determined and how the funds are to be distributed between the States (including the ACT and the NT).

The NSW Local Government Grants Commission has been reporting on the Financial Assistance Grants allocation methodology review since 2012. The Productivity Commission and the Independent Local Government Review Panel found there is an increasing inequity between sparsely populated more remote and rural areas and metropolitan, more densely populated areas. Generally, remote councils have greater relative need, due to inherent factors, which is being compounded by depopulation.

In NSW, a shift in population has been trending from the west of the divide toward the eastern seaboard which is the continuing trend of urbanisation started in earnest after the Second World War. This has resulted in continuing long term population decline in many rural and remote council areas. Nevertheless, these councils still have the same amount of area and infrastructure to maintain despite a diminishing rates base and the capacity to raise revenue. They are also vulnerable to the impacts of drought, flood and bushfire, further disadvantages which all amount to a greater relative disadvantage, or need, due to factors beyond those councils' control.

The Commission and local governments in the Namoi recommended that a new approach/model to allocations for FA Grants is sought, that any revised model should include consideration of:

- genuine cost drivers;
- allocating a higher proportion of grant funding to councils with the greatest relative need;
- is robust, statistically verifiable and auditable;
- uses best practice financial modelling principles;
- is transparent and publishable.

For context, please see the following table as to the current model of distributing FA Grants and their equivalency in terms of the rates we collect as a Council.

	Kyogle Council	Gunnedah Shire Council	Sydney City Council
Population	8,940	12,681	208,374
Revenue from Rates and Annual Charges (2018/19)	\$6.9 million	\$18,770 million	\$307.2 million

FAGs (2018/19)	\$4.35 million	\$4,741 million	\$6.2 million
FAGs as a percentage of rates income	63%	25%	2%
Household median income (per week)	\$832	\$1,253	\$1,629
Average rates per person per year	\$772	\$1,480	\$1,474
Rates as a percentage of weekly household income	93%	118%	90%
Rates as a percentage of weekly household income without FAGs	151%	147%	92%
Difference	58%	29%	2%

VOTE: 112/101 - passed.

This National General Assembly calls on the Australian Government to provide grant funding in advance to regional and rural councils and not in arrears so as to avoid impacting unfavourably on said council's cash flow.

OBJECTIVE

In order for Councils, particularly Regional and Rural Councils to become more financially sustainable, these motions need to be adopted and accepted by the Federal Government.

KEY ARGUMENTS

Depreciation is one of the largest components of rural and regional Councils' expenditure. Success in receiving Commonwealth and other grants is a double-edged sword, particularly in relation to new items of capital expenditure, as the inevitable depreciation increases as a result of new infrastructure results in higher depreciation, impacting on Council's bottom line.

Financial Assistance Grants, which are untied funding for councils, need to increase in recognition that there are additional and ongoing lifestyle costs associated with new grant-funded assets and it is impossible for Councils to sustain such increased costs while meeting community expectations without additional funding.

Further, it is unfair for ratepayers to have to bear these costs.

The above motion will require changes to the Federal Government's grant guidelines in some instances and will also require changes to the Federal Governments budget policy in relation to the Financial Assistance Grants.

This National General Assembly calls on the Australian Government to allow councils to use new grant funding opportunities for projects already contained within their operational plan that would have otherwise been funded from loans (currently they are excluded).

OBJECTIVE

In order for Councils, particularly regional and rural Councils to become more financially sustainable, these motions need to be adopted and accepted by the Federal Government.

KEY ARGUMENTS

Depreciation is one of the largest components of such rural and regional Councils expenditure. Success in receiving Commonwealth and other grants is a double-edged sword, particularly in relation to new items of capital expenditure. As the inevitable depreciation increases as a result of new infrastructure, this impacts on Council's bottom line.

Financial Assistance Grants that are untied funding for councils, need to increase in recognition that there are additional and ongoing lifestyle costs associated with new grant funded assets, and that it is impossible for Councils to sustain such increased costs without additional funding.

Furthermore, it is unfair for ratepayers to have to bear these costs.

The above resolution will require changes to the Federal Government's grant guidelines in some instances and will also require changes to the Federal Government's budget policy in relation to the Financial Assistance Grants.

This National General Assembly calls on the Australian Government to increase the Roads to Recovery Program funding from \$500 million to \$1 billion per year and extend the program beyond 30 June 2024.

OBJECTIVE

The Roads to Recovery Program has provided vital financial support to councils across the country to maintain and support the nation's local roads infrastructure assets. With close to 80 percent of Australia's road network owned and managed by local councils, it is critical that the program be extended beyond June 2024, and additional funds be injected into the program to further assist councils with this essential and important function.

KEY ARGUMENTS

Australia's middle-range population projection of 35.9 million by 2050 emphasises major changes to our population in the coming decades. In NSW alone, the population is set to increase by over 30 percent in the next 20 years. This population projection suggests a possible increase to the number of motor vehicles on our roads, given driving still remains the most dominant form of personal travel.

As of January 2021, a total of 20.1 million motor vehicles were registered in Australia, an increase of close to 2 percent from the previous year. With more motor vehicles on our roads, there is increasing pressure placed on councils to not only maintain the current roads infrastructure, but to consider and plan for the construction of much-needed roads for the future.

With close to 700,000km of sealed and unsealed roads owned or managed by councils, permanent funding of local roads infrastructure is required. This permanent funding, coupled with an increase to the Roads to Recovery Program funding provided, is imperative to ensure the safety of the community when using our roads and help reduce road fatalities.

Councils cannot generate taxation revenue like other tiers of government and rely on grant funding to provide much-needed financial support for road maintenance and construction. This, coupled with serious expenditure gaps, highlights the importance of ongoing and increased funding for our local roads. Canterbury-Bankstown Council alone has an annual funding gap of \$8 million. The

consequence of this funding gap is that the average condition of all of Council's roads has been decreasing over time.

Climate change with increases in temperature and UV reaching the surface, due to decreased stratospheric ozone, contributes to accelerated ageing of bitumen and asphalt road surfaces. This makes the bitumen brittle and subject to cracking. Reduced asphalt life requires additional budget allocations just to maintain the status quo.

The additional funding of up to \$1 billion will address the infrastructure backlog and enable councils to upgrade roads that require urgent attention, increase local jobs, and increase GDP. It will curtail the under-investment in local roads and enable councils to maintain compromised roads and improve local roads, as well as forward-plan on road maintenance and improvement.

This National General Assembly calls on the Australian Government's work with state and territories to immediately introduce legislation through the rail safety national law to improve safety lighting on trains and fund low-cost solar powered warning systems at passive level crossings.

OBJECTIVE

Improved transport Safety

KEY ARGUMENTS

In Australia each year, there are, on average, 14 level crossing crashes and 200 near misses. In the 2020-2021 financial year alone, research compiled by the Office of the Rail Safety National Regulator (ONRSR) identified 34 level crossing collisions with vehicles resulting in four fatalities and four critical injuries. Passive level crossings represent serious dangers to regional motorists and have for decades, claimed many lives and resulted in life altering injuries.

Recommendations for enhanced train visibility and improved, passive level crossing safety measures have been made by three State Coroners (WA, NSW, and Victoria) following high profile crashes over several decades.

Of immediate concern is the minimal requirement by the Rail Industry Safety and Standards Board (RISSB). Standard AS7531 Lighting and Visibility sets out a minimal requirement for train conspicuity. Specific standards are not prescribed under the Rail Safety National Law, and the onus is on the rail transport operator to eliminate a safety risk "so far as is reasonably practicable".

States, Territories and Local Governments must work with the Commonwealth, including the Office of the National Rail Safety Regulator, to identify the measures that will dramatically improve rail safety. The Rail Industry Safety and Standards Board specifies requirements for the colour and requirements of lights at the front of trains and the delineators along the sides of trains.

Locomotives are fitted with warning horns to warn of their presence. This is supplemented by flashing white lights at the front of trains.

States, Territories and Local Governments will need to better understand what is required now and what improvements can be made over time with an increase in funding and stronger regulation. The installation of solar powered warning lights and bells that activate when trains are within a kilometre of a crossing will be an asset in terms of avoiding serious accidents and saving lives.

This National General Assembly calls on the Australian Government to fund a national rollout of electric vehicle charging stations for regional and remote local government areas.

OBJECTIVE

Based on overseas demand and the plans of global vehicle manufacturers, electric vehicles (EVs) will be the predominant form of transport in Australia by 2040, and earlier in states offering incentives. The availability of charging facilities throughout Australia must precede the adoption of EVs.

Availability of charging facilities in less-populated areas will be an equity issue and it is incumbent on the Government to ensure that no parts of Australia are left behind.

Availability in rural areas will also support the tourist industry as EV owners will be enabled to travel throughout the country.

KEY ARGUMENTS

New EV sales in developed countries are growing exponentially and have already reached 84 percent in Norway, 12 percent in The Netherlands, 11 percent in Germany and 12 percent in the UK. EVs accounted for 5.87 percent of new vehicle registrations in ACT in 2021, about triple the national average.

An increasing number of countries and US states have announced future bans on the sale of petrol or diesel-powered cars. The bans so far are:

- 2025 - Norway South Korea;
- 2026 – Belgium;
- 2027 – Austria;
- 2030 - Slovenia, Iceland, The Netherlands, Denmark, Ireland, Israel, Sweden, India, Washington;
- 2032 - Scotland;
- 2035 - Japan, United Kingdom, California, New York, Canada, Cape Verde;
- 2040 - China, Singapore, Sri Lanka, Taiwan, France, Spain, Egypt; and
- 2050 - Costa Rica

Many motor companies have indicated plans to cease production of petrol or diesel cars, including Jaguar 2025, GM 2035, and Volkswagen 2035. Tesla, which only sells electric vehicles, sold 936,000 cars in 2021 with production expected to double each year. The electric Tesla Model Y is now the second most popular car purchased in California.

Rivian, Ford and Tesla have announced plans to produce electric utilities in the next 12 months which will be attractive to buyers in rural areas.

Electric SUVs are already available in Australia.

The energy efficiency of electric vehicles is exemplified by the Tesla Model 3 car which uses electrical energy equivalent to about 1.9 litres of petrol per 100 km.

The North Queensland Electric Vehicle Drive is an example of EV tourism, connecting six tourist destinations where chargers have been installed.

Australia's top economists have overwhelmingly backed government measures to speed the transition to electric cars in order to meet emission reduction targets. In a recent poll of 62 of Australia's preeminent economists, 51 of them back measures to boost the take up of electric cars. Only 11 oppose such measures: three of them because they prefer a carbon tax. Government intervention can be justified, as expressed by one of the experts, because there has been market failure in that drivers of conventional cars cause pollution and global warming without meeting the costs. Subsidising public charging infrastructure was the most popular government action suggested by any participants. (The Conversation).

This National General Assembly calls on the Australian Government to release its response to the 2021 Regional Telecommunications Review and to implement its recommendations, to ensure that the digital divide between Australians living in regional, rural, and remote areas and those living in metropolitan communities is reduced.

OBJECTIVE

The importance of digital access and inclusion in regional and remote areas has been highlighted by the recent movement online of essential services, such as banking, health, government services, work, and education, due to COVID-19. More services moving online brings opportunities for the regional economy, so it is imperative that everyone is equally digitally included.

All Australians need affordable access to data and devices and the skills to use them. Improved digital inclusion in regional, rural, and remote areas will build more digitally resilient communities. Without an affordable and reliable internet connection, there is reduced access to information and digital services opportunities to develop key skills as well as reduced communication channels with community, family, individuals, and government.

KEY ARGUMENTS

The principal aims of improved telecommunications are to:

Reduce the digital divide between the residents of regional and remote communities and those of metropolitan communities.

Build on the success of existing Australian Government initiatives run in partnership with local government such as the Be Connected program, which strengthened national coordination and collaboration across private (telecommunications, technology sector), public (Federal, State, and local government), and non-profit organisations to build digital skills, inclusion, and participation, enabling older Australians to develop digital skills and confidence online.

Increasingly, services are being delivered through internet and mobile applications often with little or no alternative options (e.g., MyGov, Centrelink, banking, education or work from home etc). Many remote residents have unreliable telecommunications services, raising access issues. This is heightened when government payments are dependent on accessing these services.

Ensuring digital access by populations in remote communities should be a priority for Government Departments and service providers moving to online and app interfaces.

Many remote and rural communities are still reliant on 3G network, which is being decommissioned in 2024. Without an affordable and reliable internet connection, there is reduced access to information, digital services, and communication channels with community, family, individuals, and government, and reduced opportunities to develop key skills.

With even more services moving online they bring opportunities for the regional economy, and it is imperative that everyone is equally digitally included.

Due to the pandemic, the ability to access digital health has been shown to be extremely important.

Beyond healthcare, there is a strong focus on more government and essential services moving online. However, with rapid digitisation during the COVID-19 pandemic, those in regional and remote areas risk being further excluded through an inability to readily access services like MyGov during COVID-19 restrictions due to lower levels of digital inclusion.

With increased digital inclusion comes reduced costs for people in regional and remote areas to access essential services. Investing in closing the digital divide for regional and rural Australians will mean these vital communities will be better able to benefit from the expected growth in the digital economy over the coming years.

This National General Assembly calls on the Australian Government to amend the necessary legislation, regulations and/or contractual arrangements to ensure that both Telstra and NBN Co, their subsidiaries and contractors, cannot pass the cost of relocating their buried infrastructure on to local government if the publicly available 'as built' (or 'as laid') plans do not accurately record the location(s) of their assets.

OBJECTIVE

Local government is responsible for billions of dollars' worth of infrastructure in local communities across the nation.

To conduct its works efficiently and effectively, councils should be able to rely upon the veracity of data supplied by other entities with respect to the location of their assets (including orientation and depth) within the proposed work area.

KEY ARGUMENTS

Local government conducts thousands of projects worth billions of dollars to build, repair, renew or replace significant assets across Australia.

Despite investigations and detailed design work to determine potential impacts of 'other agency' underground assets, etc, it is not uncommon to subsequently uncover and/or inadvertently damage other agency assets as works commence, because their location has not been recorded accurately, if at all in the publicly available records (e.g., Dial before you Dig); either to relocate the assets or to avoid them.

Neither agency accepts responsibility should their unrecorded or incorrectly mapped asset be impacted, demanding that councils should conduct exhaustive and expensive exercises to locate them and then avoid them in the works (often incurring additional costs), or replace and/or relocate them at councils' cost should they be otherwise disturbed.

A recent example in Campaspe demonstrates the impact:

Incorrectly recorded location of Telstra Services that turned a small rural town \$1.0M streetscape renewal project (on both sides) into a \$1.4M project to complete just one side of the road, as Telstra required council to relocate their infrastructure to an appropriate depth.

This National General Assembly calls on the Australian Government to work in partnership with regional, rural, and interface councils to develop a holistic and integrated strategy to implement the Government's Regionalisation and Decentralisation Agenda.

OBJECTIVE

The Federal Government's Regionalisation and Decentralisation Agenda is a potentially transformational project for regional, rural, and interface communities. Whilst the goals and objectives of this project are worthy, progress towards achieving them has been slow. A holistic and integrated implementation strategy which is developed in partnership with Councils will help to expedite the on-ground benefits which this agenda will deliver.

KEY ARGUMENTS

As of December 2017, only 14.13 percent of all APS staff were employed in regional areas. This number has remained relatively steady (the figure was 13.38 percent a decade earlier in 2007) despite decentralisation being an ongoing focus of the Government and its agencies, including the Productivity Commission. This concentration of staffing becomes even greater when looking at Senior Executive and Executive Level with respectively 94 percent and 59 percent of these positions located in Canberra.

When considering the advantages of decentralisation in 2018, the Select Committee on Regional Development and Decentralisation noted that there were two key opportunities:

- To facilitate better government through the improved provision of services and development of policy; AND
- To create social and economic opportunities for communities

Despite committing to an enhanced Regionalisation and Decentralisation Agenda in 2017, the Federal Government has made little on-ground progress over the last five years. With COVID increasing the migration from cities to regional areas, investment in job and employment opportunities has never been more important.

Co-designing a holistic and integrated implementation strategy in partnership with Regional, Rural, and Interface Councils will ensure that progress is made in improving opportunities within these communities.

This National General Assembly calls on the Australian Government to encourage and support councils to play a direct role in the adoption of hydrogen from renewable power sources and contribute to the development of domestic hydrogen capabilities.

OBJECTIVE

With more than 500 councils across Australia, local government organisations have great potential to actively participate in energy transition and help Australia reach its net zero targets.

KEY ARGUMENTS

Australia is looking to hydrogen production and use to achieve reductions in carbon emissions over coming decades. The Australian Government is investing \$1.2 billion in building a hydrogen industry. Australia's National Hydrogen Strategy is a plan to grow this industry and position Australia as a major player by 2030.

Local government can play a role in helping to advance this transition by investigating opportunities to transition services to hydrogen power and partnerships with government and industry stakeholders that will encourage the development of a viable hydrogen industry.

Lake Macquarie City Council, for example, is proposing a demonstration project involving the integration of hydrogen-powered trucks into the organisation's waste fleet. The project presents an opportunity to demonstrate 'real world' application of hydrogen technology in an everyday context and offers significant environmental benefits, with the potential to reduce Council's annual carbon dioxide emissions by more than 1 million tonnes per year if rolled out across the whole fleet.

The project will highlight the potential for mainstream hydrogen technology adoption across private sector and government organisations, progress domestic capabilities in hydrogen technology, and promote competitive domestic hydrogen markets.

This National General Assembly calls on the Australian Government to host a national affordable housing summit to identify the regional, state, and national issues to be addressed to deliver housing solutions to communities through local, state, and federal government in a whole-of-government response to be tailored for respective community needs.

OBJECTIVE

This motion relates to the ongoing demand and needs associated with housing and accommodation across the regions of Australia, including the Whitsundays. At a local level, the need for affordable housing has only increased since the matter was raised and submitted last year. With interstate and other migration north, we have seen significant increases in property transfers, either for occupation or investment, and this has increased pressure at the local level with record occupancy and very low vacancy rates in the rental market. This has an impact on Council, limiting its ability to attract and retain skilled and professional staff to the region.

KEY ARGUMENTS

The housing issues are of such a magnitude now that it will require all levels of government working together to make a difference in delivering solutions to communities across Australia. One starting point would be to gather a significant forum together to identify current impediments and challenges, then seek to formulate solutions from a whole-of- government approach across Australia, acknowledging the unique needs of communities at the local level. An outcome of the summit would be to draft a roadmap which each level of government actions to ensure outcomes are delivered at the local level, and who takes responsibility for individual actions.

This National General Assembly calls on the Australian Government to:

- 1. Fund further national housing research, specific to understanding housing affordability, housing supply and demand, and housing accessibility across rural and regional Australia;*
- 2. Develop and implement a collaborative program, involving all levels of government, to address housing concerns in rural and regional Australia; and*
- 3. Commit to implementing a funding stream, specific to rural and regional local governments, allowing them to undertake LGA-specific housing research; and to prepare and implement LGA-specific housing plans (aligning to the relevant State Housing and Homelessness Strategies prepared under the NHHA).*

OBJECTIVE

Housing affordability challenges continue to exist across Australia. Increasingly, these challenges are becoming evident across regional and rural Australia. Whilst housing affordability and the provision of affordable housing is not specifically a local government responsibility, local governments are often expected to facilitate affordable housing supply.

KEY ARGUMENTS

Housing challenges differ across communities and local government areas. Local government occurs through state/territory land use planning systems and other financial or legislative requirements. How a council responds to their housing challenges depends upon a number of factors, such as:

- Having an understanding (by elected members and council's professional staff) of housing and the housing challenges within their LGA;
- The priority that is given by the council to understand and address local housing challenges; and
- The resources available to the council.

The National Housing and Homelessness Agreement (NHHA) provides a means for the Commonwealth to provide financial assistance to the States and Territories to deliver programs, services, and reforms with respect to housing, homelessness, and housing affordability. Two of the key outputs of the NHHA, are for State and Territory governments to develop publicly available housing and homelessness strategies.

To strengthen the relevance of state-level strategies, local governments across Australia need the support and guidance of the higher tiers of government to develop their own LGA specific housing and homelessness strategies. Many local government bodies do not have the capacity, capability, resourcing, funds, or expertise to research and develop these types of housing plans.

To assist local governments in addressing housing challenges within their LGA, the Commonwealth Government should consider:

- Developing and implementing a collaborative program, involving Federal, State, Territory, and local levels of governments, to address housing challenges across Australia.
- Committing to implementing a funding stream, specific to local government, allowing them to undertake LGA-specific housing research; and to prepare and implement LGA-specific housing plans (aligning to the relevant State Housing and Homelessness Strategies prepared under the NHHA).

This National General Assembly calls on the Australian Government to establish a Royal Commission into housing affordability, AND That the terms of reference include consideration of the impacts of historical low housing affordability on productivity, intergenerational equity, public health including mental health, educational opportunities, and equity.

OBJECTIVE

To address the National Housing Affordability Crisis

KEY ARGUMENTS

There is a crisis in housing affordability in Australia.

The Productivity Commission has indicated that the current housing crisis has pushed many Australians to poverty or homelessness, with a lack of social housing available and an explosion in rent prices.

In 2021, 45% of Australians receiving Commonwealth Rent Assistance (CRA) were spending more than 30 per cent of their income on rent. Housing stress is typically described as lower-income households that spend more than 30% of gross income on housing costs.

The data indicates that older Australians are the most vulnerable to the price spike in rents. Of those receiving CRA, almost one-third paid more than 30 per cent on rent.

In addition, social housing supply has lagged compared to population growth. Since 2012, the population has continued to grow at 13.2 per cent, but the supply of social housing has only grown by 4.5 per cent.

The causes of the crisis in affordability are complex and range across all levels of government: Federal, State and Local. For decades, the approach of many State governments has concentrated on increasing supply of private dwellings – it is clearly not working. Housing costs, whether in private ownership or rented, are at historical highs.

This cannot continue.

We have called on the Federal Government to establish a Royal Commission into housing affordability to address to the immediate crisis as well as develop a plan to support social housing in Australia.

This National General Assembly calls on the Australian Government to collaborate with state and local government areas to develop a strategy to build regional allied health precincts. These precincts would provide currently unavailable specialist services and provide outreach services to smaller rural communities, whilst assisting in the development of a local workforce. This strategy should include an action plan with aligned funding.

OBJECTIVE

Regional and remote areas in Australia face unique challenges affecting equity in the provision of health services. According to the Australian Institute of Health and Welfare, the lack of access to quality health care in rural and remote areas contributes to shorter lives and higher levels of disease and injury.

KEY ARGUMENTS

Regional and remote areas in Australia often have limited or no access to critical health services locally because of workforce shortages. Whilst regions often experience shortages of doctors, GPs, and nurses, they significantly lack availability of allied health services.

Allied Health Professions Australia estimated in 2019 that there were 195,000 registered allied health clinicians in Australia with only 15,000 professionals (7.6 per cent of the total) working in rural and remote areas of Australia. This can be placed in sharp contrast when considering that approximately 7 million Australians live in rural and remote areas (equalling 28 per cent of the population).

As a result of these gaps, many regional Australians are unable to access the health care they require. Distance often excludes many residents from attending appointments due to the inability to access transport and the costs associated with longer stays if required. In addition, when residents must travel and stay elsewhere for treatment they are often having to do so without support.

Whilst some might consider telehealth as a solution for this issue, poor mobile and phone connectivity (quality and speed) in regional and remote areas limit this opportunity.

Gaps in these critical services result in poorer population health outcomes, as well as have a negative impact on the liveability and ability to attract and retain families to regional and remote areas.

The National Rural Health Commissioner suggests developing a regional, rural, and remote holistic 'grow your own' health training system to overcome the current maldistribution of allied health professionals across Australia.

Regional Allied Health Precincts would include a 'training hub' enabling regions to 'grow their own' qualified allied health staff to holistically address gaps in services and workforce.

National grant funding for regional and rural Australia to develop Regional Allied Health Services Precincts will result in the attraction and training of a qualified allied health care workforce.

This National General Assembly calls on the Australian Government to:

- 1. Provide for Australians to age within their communities (particularly small communities) by further funding existing aged care facilities and the Multi-Purpose Services (MPS) program and/or upgrading existing hospitals that fulfil the role of caring for aging Australians;*
- 2. Better define the responsibilities of the various agencies so there is no doubt who is responsible for the various services; and*
- 3. Work with state governments on a new approach that fundamentally addresses the widening gap between those living in regional Australia versus those living in metropolitan areas.*

OBJECTIVE

Workforce shortages and re-engineering work – The medical workforce shortages and disparity between metropolitan and regional health are well documented.

KEY ARGUMENTS

No one would dispute that providing health services in regional Australia is both complex and costly. Notwithstanding this, a new approach is needed to address the widening gap between the health of those living in regional areas and those living in cities.

The Australian Institute of Health and Welfare provides that "On average, Australians living in rural and remote areas have shorter lives, higher levels of disease and injury and poorer access to and use of health services, compared with people living in metropolitan areas. Poorer health outcomes in rural and remote areas may be due to multiple factors including lifestyle differences and a level of disadvantage related to education and employment opportunities, as well as access to health services".

The complexity of the various health organisations responsibilities, the inter-relationships, and the shared funding arrangements ensures most Australians are unable to identify where the deficiencies lie and who is responsible.

The recent NSW Health inquiry has highlighted the extent of the problems, but as yet no solutions have been identified.

Further, the Royal Commission into Aged Care Quality and Safety, has had very significant effects on many facilities across Australia, resulting in a number of the smaller facilities in our smaller communities closing. No doubt the increased standards are needed for our very vulnerable aging Australians.

However, the cost impact of new standards had no funding support to mitigate the impact. The closure of these facilities means that some aging people will need to leave their life-long communities to die in a town remote from their friends and relatives.

An example of this is the community-built and run aged care facility in the regional NSW town of Peak Hill (Fraser Court), now closed and residents dispersed. For 30 years the community did a magnificent job running this 10-bed facility, but it is no longer financially viable.

We the delegates of the 2022 National General Assembly of Local Government stand in solidarity with the people of the Ukraine and its legitimate elected democratic governments in seeking peace, security and stability within the State of Ukraine. (Special motion)

This National General Assembly calls on the Australian Government to ensure federal funding and federal programs for mental health and related services are fit for purpose place-based models in small and medium-sized regional, rural, and remote areas of Australia.

OBJECTIVE

As part of the Australian Government's mental health response to the COVID-19 pandemic, Head to Health services are being initiated by Primary Health Networks partnering with local health service providers.

Whilst this model of delivery may suit large regional centres with established local health service capacity and providers, in small and medium sized regional, rural, and remote areas of Australia – where communities are already experiencing a critical shortage of medical, allied and health services – an unintended consequence of the Head to Health model is further distancing of critical mental health services from areas in serious need.

Nationally, communities built on energy-based resources and agricultural sectors are at the forefront of adaptation regarding climate change impacts on its industries and its communities. The cumulative effects of prolonged social and economic impacts of the pandemic, the current and future adaptation of industry, and the need to re-engineer how work is done are further exacerbating mental health impacts in the regions.

The Federal Government, working in partnership with local governments to support fit for purpose place-based models in mental health services across regional Australia, would make an absolute difference in communities where critical shortages of mental health services are experienced.

KEY ARGUMENTS

In 2020, modelling indicated that mental health issues were likely to rise significantly in Australia as a result of COVID-19.

Eighteen months on, data from the Australian Institute for Health and Welfare shows that although suicide rates have remained stable, there has been a significant increase in demand for mental health services.

In rural and remote areas, access to mental health services is substantially more limited than in metropolitan areas and, tragically, rates of suicide and self-harm increase with remoteness.

By way of example, the Bowen Basin resource region in Queensland is a region where this increasing demand for mental health support has not been met with a proportional increase in mental health services – predominantly due to challenges of funding, delivering, and staffing mental health services.

The recent establishment of a federally funded Head to Health partnership with North Queensland Primary Health Network in Townsville is providing a service that connects adults experiencing high levels of distress and seeking help with local mental health and wellbeing support services. The primary health network is the commissioning body for Townsville Head to Health, having conducted the system co-design and facilitated service model localisation.

The Federal Government Head to Health model is also in place in Victoria. Unintended consequences of this model are that the significantly increasing demand on mental health services identified off the back of COVID-19 in smaller regional, rural, and remote areas of Australia are not being met.

Moreover, the access to mental health services, which is already substantially limited in rural and remote areas, becomes even less accessible with the focus and funding being redirected to major regional centres and cities.

Our regions require the same level of access to mental health services as our larger regional and metropolitan areas. Distance and isolation experienced by regional, rural, and remote areas lead to poor and frequently tragic mental health outcomes.

Academic Research undertaken by Wesley Medical Research, supported by Queensland University of Technology has identified that place-based models are required to navigate the complexity of the mental health care landscape. That research has further identified the need for people seeking access to mental health services to be provided guidance. The care maze is complex and without it the means to navigate the system, people either do not engage with it or get ejected from it.

Primary health network assessments have identified that general practice demands are increasing while access is reducing. That general practices are predominantly the gate keepers to referrals and other key health care resources.

Further, that there are primary care workforce shortages across nearly all professions with after-hours access being very poor.

Federally supported fit for purpose place-based mental health services are a critical piece of the overall mental health support framework and are required to meet the increasing demand across rural and remote regional Australia.

This National General Assembly calls on the Australian Government to work with ALGA and state and territory governments to urgently develop an additional, apolitical funding stream

*which provides local governments with the resources needed to mitigate the current and longer-term impacts of extreme weather events on local physical and social infrastructure.
(Amended)*

OBJECTIVE

To combat the impacts of extreme weather events. Now and more recently, local governments have been significantly impacted by bushfires, droughts, and floods. We must look at ways for local government to recover from these extreme weather events but also ways to mitigate their impact moving into the future.

KEY ARGUMENTS

While climate change is a global issue, it is felt on a local scale. Extreme weather events such as heavy rainfall, storms, floods, or forest fires can considerably damage roads, railways, communication systems and power lines.

Cities and municipalities are therefore at the frontline of adaptation. In the absence of national or international climate policy direction, cities and local communities around the world have been focusing on solving their own climate problems. They are working to build flood defence's, plan for heatwaves and higher temperatures, install water-permeable pavements to better deal with floods and stormwater, and improve water storage and use.

According to the 2014 report on Climate Change Impacts, Adaptation and Vulnerability (p8) from the United Nations Intergovernmental Panel on Climate Change, governments at various levels are also getting better at adaptation.

Climate change is starting to be factored into a variety of development plans: how to manage the increasingly extreme disasters we are seeing and their associated risks, how to protect coastlines and deal with sea-level encroachment, how to best manage land and forests, how to deal with and plan for reduced water availability, how to develop resilient crop varieties, and how to protect energy and public infrastructure.

But extreme weather events are also costly. A new report from the Climate Council (<https://bit.ly/3MxHpHc>) finds the cost of extreme weather in Australia has more than doubled since the 1970s and totalled \$35 billion over the past decade. By 2038, extreme weather events driven by climate change, as well as the impacts of sea-level rise, could cost the Australian economy \$100 billion every year.

We know already in 2022, that figure will be higher, and it will be councils and communities who will be working to clean up after these extreme weather events for years to come.

This National General Assembly calls on the Australian Government to address the economic hardship people in rural and regional areas are experiencing due to the unique combined impacts of COVID-19, unprecedented bushfires, long-running drought and/or flooding by providing additional support for recovery. This relief would include:

- 1. Initiatives targeting the tourism and creative industries;*
- 2. An evaluation of and response to the youth and gender impacts of COVID-19;*
- 3. Initiatives that will boost jobs and long-term community resilience to climate; and*
- 4. Restoration of funding for local government Financial Assistance Grants to a level equal to at least 1 percent of Commonwealth taxation revenue.*

OBJECTIVE

To draw national attention to the struggle of rural and regional communities in relation to a unique set of circumstances following COVID-19. This includes the most devastating bushfires on record, prolonged drought, flooding, tourism challenges, and ongoing challenges in maintaining local country roads.

KEY ARGUMENTS

Support for regional economic recovery by stimulating economic growth and building economic resilience in regional and rural communities should be an ongoing focus for all levels of government.

The objectives of targeted funding streams to better assist regional communities, particularly following extreme weather events and natural disasters, should include:

- increased economic and social benefits through enabling infrastructure;
- increased employment opportunities and decrease skills shortages;
- Increases in the capacity of the business community by enhancing employment, business and economic opportunities with a focus on tourism and primary industries, including small business or other sectors;
- increased business capability, including Aboriginal businesses;
- Increase in longer term resilience for future emergency events;
- increased and restored visitor confidence in the region; and
- protection and enhancement of Aboriginal culture, and support participation and ownership.

This National General Assembly calls on the Australian Government to:

- 1. Formally recognise we are in a state of climate emergency;*
- 2. Appoint a minister for climate change/emergency to champion climate change efforts across the country;*
- 3. Establish a national climate change taskforce to enable a whole-of-government approach to climate action; and*
- 4. Commit to actively work with local government, industry, and communities (see amended motion)*

OBJECTIVE

To meet the increasing push for across the world and across all tiers of Australian government to be proactive in terms of action targeting climate change and to declare a climate emergency. Many local governments across Australia have declared a climate emergency and it is incumbent upon the Federal Government to take the lead on this issue.

KEY ARGUMENTS

The science of climate change is well established. Climate change is real and human activities are the main cause. (IPCC)

The concentration of greenhouse gases in the earth's atmosphere is directly linked to the average global temperature on Earth. (IPCC)

The concentration has been rising steadily, and mean global temperatures along with it, since the time of the Industrial Revolution. (IPCC)

The most abundant greenhouse gas, accounting for about two-thirds of greenhouse gases, carbon dioxide (CO₂), is largely the product of burning fossil fuels. (IPCC)

Methane, the primary component of natural gas, is responsible for more than 25 percent of the warming we are experiencing today. It is a powerful pollutant with a global warming potential over 80 times greater than CO₂ during the 20 years after it is released into the atmosphere. (Methane Emissions fact sheet, UNEP)

Impacts of a 1.1-degree increase are here today in the increased frequency and magnitude of extreme weather events from heatwaves, droughts, flooding, winter storms, hurricanes, and wildfires. (IPCC)

The global average temperature in 2019 was 1.1 degrees Celsius above the pre-industrial period. (WMO)

2019 concluded a decade of exceptional global heat, retreating ice and record sea levels driven by greenhouse gases produced by human activities. (WMO)

30 percent of the world's population is exposed to deadly heat waves more than 20 days a year. (Cooling and Climate Change fact sheet, UNEP)

Average temperatures for the five-year (2015-2019) and 10-year (2010-2019) periods are the highest on record. (WMO). 2019 was the second hottest year on record. (WMO)

In 2019, total greenhouse gas emissions, including land-use change, reached a new high of 59.1 gigatons of carbon dioxide equivalent (GtCO₂e). (EGR, 2020)

Based on today's insufficient global commitments to reduce climate polluting emissions, a rebound in greenhouse gases from a return to high-carbon societies after the pandemic may push 2030 emissions even higher up to 60 GtCO₂e. (EGR, 2020)

This National General Assembly calls on the Australian Government to ensure collaboration of all levels of Government, including partnerships, policy and program development and implementation responsible for issues affecting Indigenous Australians; In addition, the National General Assembly reaffirms its commitment as a national priority to call on the federal, state and territory governments to commit to and progress nationally consistent recognition of Indigenous local government councils – where First Nations people are a majority presence on council and among electors – as Aboriginal Community Controlled local governments across Australia at all levels of government. The motion continues a shared value and commitment of the Australian Local Government Association (ALGA) that aligns with the Closing the Gap Agreement, policy development, principles and practices of indigenous procurement and implementation affecting Indigenous Australians, Indigenous communities, and Indigenous Local Government Councils.

OBJECTIVE

The Closing the Gap agreement is a significant milestone in the recognition of local government as a partner in progress for the achievement of outcomes to address entrenched inequality faced by too

many Aboriginal and Torres Strait Islander people so that their life outcomes are equal to all Australians.

Moving forward, it is important that the voices of Indigenous councils and elected officials are heard loud and clear and that their knowledge and experiences underpin the development of effective policy, programs and procurement practices that work towards better outcomes for Aboriginal Australia.

Policy formed under Closing the Gap can be enhanced by a diverse range of existing and emerging approaches to shared decision-making and self-determination across Aboriginal and Torres Strait Islander communities if they are consistent with the national policy and contribute to Closing the Gap at the local level. This recognises the importance of both national priorities for collective action and of enabling local communities to set their own priorities and tailor services to their unique place-based contexts.

KEY ARGUMENTS

At the heart of the National Agreement on Closing the Gap Partnership, there are four agreed priority reform targets and 16 socio-economic targets in areas including education, employment, health and wellbeing, justice, safety, housing, land and waters, and Aboriginal and Torres Strait Islander languages.

As the level of government closest to the people, Indigenous Local Government plays an essential role in supporting and helping to steer the development of policies and programs in partnership with local Indigenous peoples that address these priorities at the local and regional level. In many Indigenous communities, councils are proud to be the major employer of Aboriginal and Torres Strait Islander peoples, and benefit from the skills of our highly trained, culturally embedded people in the work we do.

The Australian Local Government Association (ALGA) has long worked to give Indigenous Australians a greater say on, and input, into matters that directly affect their lives. As a result, local governments have many aspirations, in particular that it will help to support current employment and accelerate new employment opportunities for Indigenous peoples at the local government level.

Local governments have also advocated strongly for local government representatives to be engaged in the co-design of the Indigenous Voice and for national recognition of Aboriginal community-controlled councils to ensure their ambitions can be realised.

Last year, ALGA was proud to be a co-signatory in a landmark agreement that marks a new chapter in the national effort to close the gap between Indigenous and non-Indigenous Australians.

ALGA's Closing the Gap Implementation Plan will support Australian local governments to harness the opportunities provided to communities by the national Closing the Gap Plan and assist state and territory governments to work with local governments in the implementation of the National Closing the Gap Agreement.

Partnerships embraced by federal, state, territory and local governments can tackle the immediate challenges facing communities and help us confidently prepare for the future. Authentic partnership can address national issues, including Closing the Gap at the local level, and further strengthen the local government sector to advance community wellbeing, local economic development, create jobs, and address environmental challenges and complex social issues.

Remainder of motions to the ALGA board.

MINISTERIAL MEETINGS

I was part of a delegation to meet with Minister Watt and Prime Minister Anthony Albanese.

We discussed the impacts of the flood earlier this year. The main themes that came out of this meeting are as follows:

1. Housing. With so many left homeless across the region, the pressures on the existing housing stock and the below average level of social housing in NSW, it was flagged that urgent action around the provision of housing was required. House pods are being looked into as an interim solution.
2. Damage to infrastructure- there is no quick fix and we can't do it alone.
3. A need for psychological services across the region, for children and adults. There is insufficient professionals in this field to address the emerging issues around mental health and as a subset of this, an increase in incidents of domestic violence. Volunteers are burning out whilst children in our LGA are showing signs of PTSD.
4. Telecommunications in times of disaster. During the bushfire and flood events, our telecommunications often fail us. I also took the opportunity to speak with Optus and Telstra, who had stalls at the conference, about their ageing infrastructure and the cost to landowners when infrastructure on their property fails. Under the current model, land owners must privately pay for such infrastructure. Fortunately a motion was passed at conference to challenge this position.
5. Community resilience. After several years of drought, bushfires, flood, Covid and then the 2022 floods, community resilience has been significantly impacted, particularly when multiple events have occurred.

The narrative at present is that it's a "Lismore flood". Whilst I sympathise with our devastated neighbouring Council, we need to be recognised along with other Councils in Qld and NSW who were also impacted by this flood.

There was some discussion about rebuilding of infrastructure, and allowing Councils to include contractor or additional staff costs in applications for funding. This will increase the capacity of disaster affected Councils to address the flood damage in a timely manner.

APPENDIX 1 - Second reading regarding the Financial Assistance Act on Hansard.

Mr HOWE (Minister for Housing and Regional Development) (12.35 p.m.) —I move:
That the bill be now read a second time.

Local government is close to the communities it services and has a wide range of representational, executive and community service functions which impact on the quality of life of all Australians. Local government plays an important role in achieving a range of national priorities in the areas of micro-economic reform, urban reform, regional economic development, environment and social justice. In recognition of the importance of local government, the Commonwealth currently provides in excess of \$1 billion in grants to local government. These grants are untied, allowing them to be spent by individual local councils in accordance with the priorities they determine.

This bill provides for the continuation of these untied grants to local councils and for the continuation of their annual escalation formula. The bill also includes important reforms in

relation to the transparency and accountability for these grants, including outcomes achieved by local governing bodies.

I should emphasise that the bill does not impose conditions on the way in which local governing bodies can spend their grants. Rather it requires that information on the distribution of Commonwealth grants and the performance of recipient local governing bodies be available for scrutiny by this parliament and the people of Australia.

The need for these reforms arises out of studies undertaken as part of the Australian urban and regional development review and extensive consultation and discussion with state governments, the Australian and state local government associations and individual local governing bodies.

Untied Commonwealth funding to local government has been provided under various acts since 1974. Although the actual arrangements have been subject to various amendments since that time, all Commonwealth governments, no matter what their political persuasion, have recognised its importance to local government and agreed to the funding continuing.

Under the existing act, there are two components to the untied funding. The first is a general grant component which represents around two-thirds of the total financial assistance grants. This funding is allocated between the states and the Northern Territory on a per capita basis, with the intrastate distribution being undertaken primarily on a horizontal equalisation basis; that is, the funding is provided on a basis that ensures that each local governing body in the state or territory is able to function by reasonable effort, at a standard not lower than the average standard of other local governing bodies in the state.

The second component, making up the remaining untied funding, relates to identified local road funding. Prior to 1991, funding for local roads was delivered under tied arrangements. In 1991, this government amended the existing Local Government (Financial Assistance) Act 1986 to give effect to the 1990 Special Premiers Conference decision to untie local roads funds and pay these via general purpose grants. These funds are allocated amongst the states and territory on an historical funding basis, with intra state distribution being on a roads needs basis.

This bill maintains all these features of the existing act but removes the provision in the current act which would see local road funds absorbed into the general grants with effect from 1995-96. The bill gives effect to the Premiers Conference decision of 11 April 1995 to continue to distribute local road funding on the basis of historical shares rather than having them absorbed into local government general grants and distributed on a per capita basis.

Absorption of local road funding into the general grants would result in a change in distribution amongst states resulting in significant funding reductions to Western Australia, Tasmania, the Northern Territory and Queensland and would also lead to changes in the intra-state distribution of these funds in all states, which would disadvantage rural and remote areas. The continued separate identification of local road funds has had strong support from local governments and from all state local government ministers.

Escalation of local government funding is determined by the Treasurer in consultation with the responsible minister, having regard to the level of assistance grants and special revenue assistance paid to the states each year. This linkage means that the escalation factor for local government financial assistance grants takes account of inflation and population growth.

The bill provides for the development of national principles, applicable to all states and the Northern Territory, governing the intra-state distribution of grants. National principles, in lieu

of bilateral principles, provide a more nationally consistent and transparent basis for allocating funds to local governing bodies. Application of common principles should ensure, subject to the particular methodologies of the state and territory grants commissions, that similar councils receive similar grants, at least in relative terms.

National principles will be determined after consultations with the states and territories and the Australian Local Government Association, with a view to reaching a common view on their content. Where there are disagreements the Commonwealth has undertaken to seek the views of the Local Government Ministers Conference. Allocations among local governing bodies will continue to be made by local government grants commissions. The bill contains major enhancements to the accountability arrangements.

The minister will be required to present an annual national report to parliament, replacing the current requirement which only requires presentation of the various state-territory recommendations. The new national report will include information on the grants to individual councils and categories of councils. It will report on state grants commission methodologies in relation to both equalisation and local roads grants, on achievement of horizontal equalisation amongst councils and on council efficiency and effectiveness. The report will also provide information on the operation of the act in relation to service delivery to Aboriginal and Torres Strait Islander communities.

I am sure that honourable members will welcome the opportunity to be kept informed about the funds paid to local governments in their electorates, and recognise that local government efficiency and effectiveness and service delivery to Aboriginal and Torres Strait Islander communities are important and legitimate national priorities. Reporting on services to Aboriginal and Torres Strait Islander communities will not be a simple task. The Commonwealth does not hold most of the information and we will need to work hard and cooperatively to ensure data are comparable and meaningful.

In this regard the Commonwealth is pleased to note that local government shares the national objective of ensuring that Aboriginal and Torres Strait Islander communities have equitable access to services. The Commonwealth particularly welcomes the resolutions of the Local Government Ministers Conference—including the Australian Local Government Association—in April this year concerning services to Aboriginal and Torres Strait Islander communities.

The Commonwealth will consult widely and fully with local government and states in developing data. The bill provides for the act to be reviewed prior to 30 June 2001 and establishes particular issues that such a review must examine. The aim is to ensure the act is delivering the intended reforms.

In developing this bill I have also taken the opportunity to address a number of administrative matters. The moneys under this bill are appropriated to the Department of Housing and Regional Development and paid by that department to the states. This replaces the current provision under which the Treasury makes the payments and is in line with the principle that the department administering the legislation should look after the funding.

Payments to the Australian Capital Territory are included for the first time, in line with the requirement to treat the ACT in the same manner as all other states and the Northern Territory. Previous local government funding to the ACT was by way of an analogous payment, estimated using the same factors as were applicable to other states. This change does not affect the grant outcomes for the states and territories.

The bill provides for an earlier announcement of the estimated funding levels for the coming financial year. This has been done to facilitate announcement of funding in a May, rather

than August, budget. The change responds to requests from some states for an earlier announcement to allow for individual council distributions to be included in council rate setting assessments for the coming year.

In order to allow for early announcement, an estimated entitlement for local government funding is determined at the time of the Commonwealth budget, based on the estimated growth in the state general purpose funding. Once estimates have been produced for budget purposes and conveyed to state governments, no further adjustments will occur until the year following the year of payments. Adjustments of these estimates would be done when providing estimates for the next year's budget, with the final entitlement being established when the last payment is determined for state general payments—that is, by the end of June in any year.

This change has necessitated altering the formulas included in the bill, but the final funding to local government is still the same as it would have been under the current legislation. The advantage is that local government will know much earlier the level of funding it can expect for the coming year.

Transitional provisions are included to ensure that the changes to the new legislation will create as little disruption as possible to council distributions. Distributions for 1995-96 will occur as if the current legislation was still in place. The bill also provides that the minister may determine, if necessary, and on a state by state basis, phase-in arrangements to take account of the impact on councils of the new national principles. I commend this bill to the House.