

REPORT

Report No. 39/14 ccs

TO: CORPORATE AND COMMUNITY SERVICES – 17 MARCH 2014

SUBJECT: 2014 NATIONAL GENERAL ASSEMBLY OF LOCAL GOVERNMENT – CALL FOR MOTIONS

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EXECUTIVE SUMMARY

This report discusses a request from ALGA for Motions for the 2014 National General Assembly of Local Government.

RECOMMENDATIONS

That it be a recommendation to Council:

- A. That this report be noted.**
- B. That Elected Members provide any motions they wish to have included to the Director Corporate and Community Services by March 21 2014 for discussion at the March Ordinary Meeting.**

REPORT

1. DISCUSSION

Council received an invitation from the Australian Local Government Association (ALGA) for motions for the 2014 National General Assembly of Local Government (NGA) (see attachment A).

To be eligible for inclusion in the NGA Business Papers motions must follow the principles:

- 1. Fall under the NGA theme-; "Getting Down to Business"
- 2. Be relevant to the work of local government nationally; and
- 3. Complement or build on the policy objectives of state and territory associations.

To assist councils in preparing motions, a discussion paper has been prepared (see Attachment B).

2. POLICY IMPACTS

There are no formal policies that would be affected.

3. FINANCIAL IMPACTS

NIL

4. **SOCIAL IMPACTS**

NIL

5. **ENVIRONMENTAL IMPACTS**

NIL

6. **PUBLIC RELATIONS**

NIL

7. **ATTACHMENTS**

Attachment A - Letter from ALGA President, Felicity-anne Lewis

Attachment B - 2014 National General Assembly of Local Government
Discussion Paper



Craig Catchlove

DIRECTOR CORPORATE AND COMMUNITY SERVICES

Call for Motions Guidelines and Background Information

The theme for this year's National General Assembly of Local Government (NGA) is '*Getting down to Business*'. The NGA theme reflects current issues being debated nationally and priority issues facing local government.

The NGA is your opportunity to contribute to the development of national local government policy and currently the ALGA Board is calling for motions for the 2014 NGA.

To assist Councils in preparing motions, a Discussion Paper has been prepared and is available at www.alga.asn.au.

To be eligible for inclusion in the NGA Business Papers motions must follow the following principles:

1. Fall under the NGA theme;
2. Be relevant to the work of local government nationally; and
3. Complement or build on the policy objectives of state and territory associations.

Motions submitted will be reviewed by the National General Assembly Committee as well as by State and Territory Local Government Associations to determine their eligibility for inclusion in the NGA Business Papers. When reviewing motions, the Committee considers the importance and relevance of the issue to local government. Please note that motions should not be prescriptive in directing how the matter should be pursued. Any motion deemed to be primarily concerned with local or state issues will be referred to the relevant state/territory local government association, and will not be included in the Business Papers.

Through the review process, minor edits may be made to motions to ensure they can be included in the Business Papers. These edits will change the motion to call for action, for example to 'call on the Australian Government' to do something, to ensure relevance to local government nationally by removing state specific references, or to ensure the wording is consistent with current conventions such as referring to the Australian Government instead of the Federal Government.

To assist in facilitating efficient and effective debate, motions that cover similar matters will appear grouped together in the Business Papers and the matter will be debated only once with the lead or strategic motion being that which is debated.

Motions that are agreed to at the National General Assembly become Resolutions. These Resolutions are then considered by the ALGA Board when setting national local government policy, when the Board is making representations to the Federal Government at Ministerial Councils, during meetings and in ALGA publications. The ALGA Board is not bound by any Resolution passed at the NGA.

Motions are to be submitted online at www.alga.asn.au and should be received by ALGA no later than 17 April 2014.

The following information will be required when you submit a motion using the online form.

**National General Assembly of Local
Government**

15 - 18 June 2014

Call for Motions

'Getting Down to Business'

Discussion Paper

Preamble

The 2014 NGA is being held against a backdrop of several key developments. Each of them could profoundly redefine the operation of Australia's system of government. These include

- the establishment, by the Commonwealth Government, of a National Commission of Audit;
- a promise within two years of coming to office to develop a White Paper on the Reform of the Federation;
- a commitment by all jurisdictions including the Australian Local Government Association (ALGA) through the Council of Australian Government's (COAG), to reduce duplication between governments; and
- a promise to develop a White Paper on Taxation within two years of coming to office.

Each of these are significant undertakings in their own right, but taken together, they could substantially help reshape the operation of the Australia federated system of government.

It is imperative that local government is an active participant in these processes and that we take every opportunity to influence the outcomes of these White Paper processes. The 2014 NGA is a great opportunity to commence this discussion.

The theme of the 2014 National General Assembly is 'Getting Down to Business'. It is a theme that invites NGA delegates, councils and interested stakeholders to reflect on the roles and responsibilities of local government, its funding and relative place in the Federation. It's a theme that enables local government to define for itself:

- what business local government is in;
- the resources we need to do it; and
- what we should expect from the Commonwealth and what we should expect from state and territory governments. In short how local government should fit in the Federation.

It's a theme that enable your council to engage with other councils from across the country to inform the national debate, and ALGA, on the issues contained in these important national processes, in particular the Government's White papers.

National Fiscal Settings

On 14 September 2013 the Federal Coalition was elected to Government. In coming to office the Government foreshadowed a deterioration in the federal budget position since the 2013 Pre-Election Economic and Fiscal Outlook (PEFO) and the need for a review of the current split of roles and responsibilities between levels of government. In December 2013 the Government's budget position was confirmed with the release of the 2013 - 14 Mid-Year Economic and Fiscal Outlook (MYEFO) which reported budget deficits totalling \$123 billion across the forward estimates. Further it suggests that '... Without policy change and taking no remedial action, deficits would be projected in each and every year to 2023-24'.

While the Commonwealth expressed concern about the sustainability of its budget position, in particular revenues, state, territories and local government have similar concerns. State and territory governments regularly report financial constraints and the limitation of, and distribution of, the Goods and Services Tax (GST), the inadequate intergovernmental

This second dot point is particular relevant for the NGA with the direct reference to local government but it does not address the resourcing issues involved if the Commonwealth decided to transfer a specific role or a responsibility to the other potential service providers.

A full copy of the National Commission of Audit Terms of Reference is included as Attachment 1.

At the time of writing it is expected that the Commission will have completed or almost completed its Phase 1 Report to the Government. Unfortunately, the Commission's Phase 1 Report will not be a public document and therefore we cannot provide any specific information on the outcomes of the Commissions' deliberations. The Phase 2 Report focuses on the internal managerial matters and Commonwealth controls of its own financial expenditure. Both Phase 1 and 2 will presumably be directly relevant to the Federal Budget which will be brought down in May 2014 prior to the NGA.

The Budget therefore will be the first opportunity for the Government to flag to the Australian people how it proposes to address financial sustainability challenges in the short to medium term. However, more importantly for the longer term, the Government has committed to develop a White Paper on the Reform of the Federation and a separate White Paper on Taxation. The Government has set itself 2 years to complete these tasks and has indicated that it will take the outcome of these important processes to the next election.

The 1996 National Commission of Audit

As previously mentioned, the current Commission of Audit reports are not public documents and therefore this paper cannot provide insight into the Audit's content. However, for illustrative purposes it may be instructive to highlight the approach taken by the National Commission of Audit conducted for the Government led by the Prime Minister the Hon. John Howard Government in 1996. In particular, to highlight the findings of this Commission in relation to local government and regional development matters. The 1996 commission's report was essentially based on a strict interpretation of constitutional authority of the Commonwealth and its responsibilities. In doing so, it should be noted that the 1996 Audit Commission Report was an independent report and was not Government policy. Indeed several aspects of the 1996 Report were considered by the Government and rejected, including the view that the Commonwealth did not have a role in regional development.

The 1996 National Commission of Audit was asked to examine a wide range of matters which are substantially similar to of the current Audit. That Commission was Chaired by Professor Bob Officer and in relation to regional development, urban management and local government found: '... Current (1996) arrangements for regional development and urban management involve overlap with State and local government responsibilities. **There is no clear rationale or constitutional basis for Commonwealth involvement.** Further, whatever the objectives behind Commonwealth involvement in these areas, they are not being achieved under current arrangements.'

The Commission recommended that these programs (the Regional Development Program, Better Cities Program and Urban Flood Mitigation Program) be abolished, and while there were changes made, the Commonwealth Government continued to be involved in regional development and subsequently introduced a number of initiatives including the Sustainable Regions Program in 2001.

By way of example, the COAG Communiqué highlights the following: In '... running a cafe that serves alcohol and provides outdoor dining illustrates Australia's current problems with regulation. For example, it can require the operator to navigate around 21 local, 29 State and 25 Commonwealth regulations, or sets of regulations — 75 hoops to jump through. All governments acknowledged this is not good enough, and that collective action is needed to remove the excessive burden currently placed on small business'.

In coming to office the Government has set itself a target of reducing the red tape which impacts on business, individuals and the community by at least \$1 billion per year, and that this would complement existing State deregulation activity. COAG agreed to work together on reducing red tape in four areas — manufacturing, higher education, early childhood and 'end-to-end' regulation of small businesses, with each State to target specific small business sectors.

In July 2012 the Productivity Commission Reported on its study '*Performance Benchmarking of Australian Business Regulation, Role of Local Government as Regulator*'. The report notes that local laws, quasi-regulatory instruments, rules, as well as delays, information requirements, restrictions on approvals, fees and penalties can be imposed costs on business and/or be anti-competitive. However, it suggests that 'implementing and enforcing state and territory laws, rather than local laws, dominates local governments' regulatory work.

In regard to support from states to local governments it identifies the following gaps:

- insufficient consideration of local governments' capacity to administer and enforce regulation before a new regulatory role is delegated to them ;
- limited guidance and training on how to administer and enforce regulations; and
- no clear indication and ranking of state regulatory priorities.

QUESTIONS?

Are there areas of unnecessary areas of unnecessary regulation that impose costs on manufacturing, business and residents that can be reformed?

What support do councils need to implement and enforce regulation, often on behalf of states and territory government?

Are there areas of regulation which local government are involved that could be streamlined and how?

What Business is Local Government in?

Local government is a pragmatic and hands-on level of government. Its focus is the provision of selected services, infrastructure, planning and coordination at the local level. In short local government is the level of government that responds to local needs, challenges and opportunities. The roles and responsibilities of local government are assigned to it through respective state and territory legislation and in all jurisdictions the relevant Local Government Acts are broadly consistent with the power of general competence, in general

context of a review of the roles and responsibilities of each level of government. It is also sometimes criticised as causing duplication and inefficiency.

QUESTIONS?

What should the core business of local government be?

How should the Commonwealth support that role?

Are the specific services including state and territory or / and Commonwealth responsibilities, that councils undertake that should be undertaken by the private sector or other levels of government on equity grounds? e.g. market failure?

Are there services that local government is providing that could be provided by the private sector?

Regulation Reduction

The Coalition will streamline COAG meeting agendas and focus on concrete outcomes that will contribute to a Coalition government meeting the annual \$1 billion red and green tape reduction target.

We intend to make deregulation and red tape reduction a standing agenda item at COAG meetings.

Within two years of a change of government, working with the states, the Coalition will produce a White Paper on Reform of the Federation, and the responsibilities of different governments, to ensure that, as far as possible, the states are sovereign in their own sphere. The objective will be to reduce and end, as far as possible, the waste, duplication and second guessing between different levels of government that has resulted, for instance, in the Commonwealth employing 6,000 health bureaucrats even though it doesn't run a single hospital.

- In relation to activities performed by the Commonwealth, the Commission is asked to identify:
 - whether there remains a compelling case for the activity to continue to be undertaken; and
 - if so, whether there is a strong case for continued direct involvement of government, or whether the activity could be undertaken more efficiently by the private sector, the not-for-profit sector, the States, or local government.
- The Commission may consider and comment upon the current architecture of Commonwealth-State relations. The Commission's views on this issue will help to inform the Government's forthcoming White Paper on the Reform of the Federation.

Efficiency and effectiveness of government expenditure

- The Commission is asked to report on efficiencies and savings to improve the effectiveness of, and value-for-money from, all Commonwealth expenditure across the forward estimates and in the medium term, including:
 - options for greater efficiencies in the Australian Government, such as:
 - : increasing contestability of services;
 - : adoption of new technologies in service delivery and within government;
 - : consolidation of agencies and boards;
 - : rationalising the service delivery footprint to ensure better, more productive and efficient services for stakeholders;
 - : flattening organisational structures and streamlining lines of responsibility and accountability;
 - : consolidating government support functions into a single agency; and
 - : privatisation of Commonwealth assets.
 - potential improvements to productivity, service quality, and value for money across the public sector, including better delivery of services to the regions; and
 - anything that is reasonably necessary or desirable to improve the efficiency and effectiveness of government generally.
 - The Commission is asked to review and report on:
 - options to manage expenditure growth, including through reviewing existing policy settings, programs and discretionary spending (such as grants);
 - savings and appropriate price signals - such as the use of co-payments, user-charging or incentive payments - where such signals will help to ensure optimal targeting of programs and expenditure (including to those most in need), while addressing the rising cost of social and other spending;
 - mechanisms that allow for the periodic evaluation of the effectiveness of all areas of expenditure in meeting their announced objectives; and

– identify other savings or matters that the Commission considers should be brought to the Government's attention.

Reporting

- The Commission will report to the Prime Minister, Treasurer and Minister for Finance with:
 - the first phase due by the end of January 2014; and
 - the second phase due by no later than the end of March 2014.

GENERAL GOVERNMENT EXPENSES BY PURPOSE, Local

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Total
	2011–	2011–	2011–	2011–	2011–	2011–	2011–	2011–	2011–
	12	12	12	12	12	12	12	12	12
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
General public services	1 680	1 044	1 953	130	400	111	144	–	1044
Public order and safety	311	169	124	33	117	7	19	–	779
Education	72	79	7	–	4	–	5	–	166
Health	81	120	50	50	57	10	5	–	374
Social security and welfare	361	884	69	115	142	30	25	–	1 626
Housing and community amenities	2 590	1 433	1 681	434	498	136	99	–	6 872
Recreation and culture	1 321	1 184	837	392	727	104	57	–	4 622
Fuel and energy	–	–	10	13	–	–	1	–	25
Agriculture, forestry and fishing	–	3	15	12	1	–	–	–	31
Mining, manufacturing and construction	214	–	91	35	32	–	–	–	373
Transport and communications	1 871	1 266	2 740	416	783	182	41	–	7 297
Other economic affairs	313	356	187	58	111	30	38	–	1 093
Public debt transactions	227	52	277	40	32	4	1	–	633
Other	546	209	135	93	188	23	22	–	1 215
Total	9 588	6 796	8 176	1 821	3 092	639	457	–	30 569

– nil or rounded to zero (including null cells)

Cat 5512.0 Government Finance Strategic, Australia 2011 - 12