



Senator the Hon Fiona Nash

Minister for Regional Development
Minister for Local Government and Territories
Minister for Regional Communications
Deputy Leader of The Nationals

PDR ID: MC16-004332

Mayor Troy Pickard
President
Australian Local Government Association
8 Geils Court
DEAKIN ACT 2600

17 OCT 2016


Dear Mayor

Thank you for your letter of 29 August 2016 regarding resolutions of the 2016 National General Assembly of Local Government that relate to my portfolio. I apologise for the delay in responding.

I appreciate the time you have taken to bring these matters to my attention and I am pleased to provide you with the enclosed responses to the resolutions relevant to my portfolio. I understand other Ministers are responding separately and I encourage you to consult with the Hon Angus Taylor MP, Assistant Minister for Cities and Digital Transformation, on resolution 34.

I note indexation under the Financial Assistance Grant programme was prominent at this year's assembly and I am pleased to confirm indexation is being restored effective 1 July 2017.

Thank you again for taking the time to write to me on this matter.

Yours sincerely, *+ with best wishes,*



FIONA NASH

Encl

Response to the resolutions of the 2016 National General Assembly of Local Government

Resolution 1

That the National General Assembly re-affirms its call on the Federal Government to end the freeze on the indexation of Financial Assistance Grants (FAGs).

Response to Resolution 1

The Australian Government continues to directly support local government through the Financial Assistance Grant programme, helping councils deliver infrastructure, health, recreation, environmental and employment projects.

Local governments continue to receive their legal entitlement under the *Local Government (Financial Assistance) Act 1995* with \$9.7 billion being provided across the forward estimates.

In 2016-17, \$2.3 billion in funding will go to local governments to support their work in communities. The 2016-17 Budget confirmed that indexation on the Financial Assistance Grant programme will resume from 1 July 2017.

The Australian Government recognises the decision to temporarily pause indexation under the Financial Assistance Grant programme was unpopular. However, it has contributed to the important task of budget repair.

Resolution 2

That the National General Assembly call on the Australian Government to review the quantum and method of indexing Financial Assistance Grants to ensure that funding is commensurate with increases in the costs of efficient local government service delivery.

Response to Resolution 2

Funding under the *Local Government (Financial Assistance) Act 1995* (the Act) allows the Australian Government to provide financial assistance to local governments under the Financial Assistance Grant programme. This funding is untied which allows councils to spend according to local priorities.

While recognising that individual councils have differing abilities to raise revenue, the Australian Government acknowledges that local governments receive funding from a range of sources. In 2013-14, local governments raised 92.8 per cent of their own revenue, with grants and subsidies making up the remaining 7.2 per cent.

The Australian Government is committed to ensuring that we live within our means, balancing the budget and reducing the burden of long term debt. The Australian Government does not intend to review the quantum of funding under the Financial Assistance Grant programme at this time.

Any changes to the arrangements of the Financial Assistance Grant programme would require amendments to the Act and the National Principles.

The Australian Government is open to considering changes that support local government. However, any such change needs to be fully developed, considered and agreed by states and territories.

Resolution 3

That the National General Assembly call on the Federal Government to streamline additional targeted funding directly to local governments.

Response to Resolution 3

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

In recognition of the importance of local government having access to untied funding, the Australian Government continues to provide \$2.3 billion annually under the Financial Assistance Grant programme.

The recently announced Building Better Regions Fund (BBRF) aims to create jobs, drive economic growth, and support strong regional communities across Australia through investments in two streams: infrastructure projects and community investments.

The programme guidelines are currently being designed however it is expected that the BBRF will be open to applications from local governments for projects outside of major capital cities.

The Australian Government is also introducing City Deals. By bringing together all levels of government, the private sector and the community, City Deals will provide a coordinated investment plan for our cities.

Resolution 4

That the National General Assembly call upon the Federal Government to restore the level of Financial Assistance grants to local government to at least 1% of Commonwealth tax revenue and to reintroduce full indexation on this amount for the future.

Response to Resolution 4

See response to Resolution 1 and Resolution 2.

Resolution 16

That the National General Assembly calls on the Federal Government to resource Councils experiencing rapid population growth as part of its commitment to promoting sustainable cities to assist with provision of required infrastructure, recognising the obligations of developers to contribute to the costs of infrastructure required for their developments, and service demand.

Response to Resolution 16

The Australian Government recognises the importance of local governments having access to untied funding and continues to provide \$2.3 billion annually under the Financial Assistance Grant programme. As funding is untied, councils are able to implement the infrastructure needed to address their local priorities.

Further, the Australian Government is implementing its City Deals with state or territory government, and local governments to make our cities better places to live in and do business. Through City Deals, governments, industry and communities will develop collective plans for growth and commit to the actions, investments, reforms and governance needed to implement them.

Resolution 30

The National General Assembly calls upon the Federal Government to improve local living standards by increasing funding available for stormwater infrastructure. Major upgrade and improvements to local stormwater infrastructure needs financial support from Federal Government to reduce the effects of flooding.

Response to Resolution 30

While stormwater management is the responsibility of state and local governments, from 2004 to 2016 the Australian Government committed over \$2.4 billion in funding for urban water projects to improve urban water management, including stormwater related projects. Projects were funded under the following programmes: National Water Security Plan for Cities and Towns, the Water Smart Australia Programme, the National Urban Water and Desalination Plan, the Green Precincts Fund and the Strengthening Basin Communities Programme. These programmes are all now closed and no future funding rounds are planned at this time.

The Australian Government recognises the importance of disaster resilience and provides substantial support to states and territories to drive nationally consistent approaches and build capability, resources and expertise consistent with the National Strategy for Disaster Resilience. Since 2009, the Australian Government has invested over \$450 million on mitigation and resilience initiatives to improve Australia's ability to withstand future natural disasters. This includes \$26.1 million annually to states and territories through the National Partnership Agreement (NPA) on Natural Disaster Resilience. The NPA provides for jurisdictions to address their highest natural disaster risks and direct funding allocations to important local initiatives that reflect the needs of each community. The Australian Government encourages local governments to work with their relevant state governments in relation to flooding and stormwater infrastructure that could be funded under this NPA.

Resolution 34

That the National General Assembly call on the Australian Government to establish a National Local Government Digital Innovation and Smart Communities Acceleration program and funding commitment, to recognise and facilitate the pivotal role of local government in creating local conditions conducive to technology and knowledge-driven economic development consistent with the National Innovation and Science Agenda.

Response to Resolution 34

On 20 September 2015 the Prime Minister, the Hon Malcolm Turnbull MP, announced cities as a national priority for the Australian Government. This priority is being progressed by the Hon Angus Taylor MP, Assistant Minister for Cities and Digital Transformation. I encourage ALGA and its members to actively engage with the Australian Government on this priority to share ideas to help shape the cities agenda.

Resolution 52

That the National General Assembly write to the relevant Federal Ministers to encourage and support any actions or legislative changes that can or are to be taken to remove or ban the inappropriate messages that are printed on Wicked Camper vans.

Response to Resolution 52

The *Sex Discrimination Act 1984* makes discrimination on the basis of sex and sexual harassment unlawful in a range of areas of public life. If a person believes they have been unlawfully discriminated against, or sexually harassed, they can lodge a complaint with the Australian Human Rights Commission. The Commission has the power to conciliate complaints of discrimination and sexual harassment under the *Sex Discrimination Act 1984*. If conciliation is unsuccessful, proceedings may be initiated in the Federal Courts.

Resolution 63

That the National General Assembly calls for:

- a. Australian Government bipartisan support for the continuation of the National Stronger Regions Program (or similar); and
- b. State and Territory programs available to Local Government for major infrastructure funding are aligned with the National Stronger Regions to better facilitate increased opportunities for a whole of government approach to project planning and achievement.

Response to Resolution 63

The Australian Government recently announced it has committed to establish the new Building Better Regions Fund (BBRF). The BBRF aims to create jobs, drive economic growth, and support vibrant and strong regional communities across Australia.

Not only will the BBRF invest in infrastructure projects, but a new community investment stream of funding will be available to support local activities and leadership initiatives.

The BBRF will invest in projects outside of the major capital cities and applications will be assessed in three categories depending on the size of the project. This will mean applications for smaller grants will not be competing with large projects for funding.

Guidelines for the BBRF are currently being finalised. Interested parties are encouraged to monitor the Department of Infrastructure and Regional Development's website at www.infrastructure.gov.au for future announcements regarding the new fund.

Resolution 65

That the National General Assembly calls on the Commonwealth Government to significantly increase the remote area tax zone rebate including boundaries to encourage workers and families to live and work in rural and remote parts of Australia.

Response to Resolution 65

The Australian Government provides taxation support for individuals in remote and regional areas through the Zone Tax Offset. The cost to the Budget of providing the Zone Tax Offset is estimated to be around \$300 million a year.

The Zone Tax Offset is a non-refundable tax offset available to taxpayers who reside in specified remote areas. When introduced in 1945, the Zone Tax Offset was intended to compensate recipients for the disadvantages of living in remote areas including distance, uncongenial climate and the higher cost of living. It is not intended to encourage workers and families to live in those areas of Australia.

In the 2015-16 Budget the Australian Government announced it will amend the eligibility criteria for the Zone Tax Offset so that it is only available to those who genuinely live in specified remote areas. The change excludes 'fly-in-fly-out' and 'drive-in-drive-out' workers who live outside the zone, ensuring the Zone Tax Offset is targeted to those who need it most and better reflects its intended purpose. This measure took effect from 1 July 2015.

Resolution 69

That this National General Assembly call on the Federal government to hold a referendum to amend the Commonwealth Constitution to recognise local government.

Response to Resolution 69

The Australian Government appreciates the disappointment across the local government sector that the Rudd Government did not conduct a referendum on the recognition of local government. Whilst the opportunity to progress the referendum was lost, the Australian Government would consider the issue if there was a ground swell of support and funding for it.