



## **The LGSA Policy Platform for March 2007 State Election**

Local communities, including businesses and families, are stressed. While NSW standards of living remain high compared to many countries around the world, our communities expect better co-ordination from governments to maintain, and in some cases improve and expand, the services and infrastructure provided to them.

The Local Government and Shires Associations' (LGSA) Policy Platform for the 2007 State Election unashamedly takes a community, rather than an individual council perspective. It is also based on the notion that communities expect governments to work together to sort out "who does what" best. In general terms communities don't want hand-outs, they are interested in contributing to their own well-being and rightly want a say in key decisions which affect them.

From a range of perspectives the power of local communities to influence their welfare and sustainability has been lost with a greater degree of control resting with the State Government.

It is time for a new approach to strengthening communities which is built on better education and information, clear and agreed support from all levels of government, and local and regional decision-making taking into account local and regional autonomy.

The Associations' policy platform is built in part from the findings and recommendations of the independent inquiry into the financial sustainability of Local Government. The inquiry recently reported that Local Government has long-term financial sustainability problems arising in part from poor funding commitments by other spheres of government. The inquiry found that one in four councils is not financially sustainable.

It is reasonable for communities to want more than can be delivered within existing resources. It is up to governments to ensure services are delivered in the most efficient way and to be transparent and accountable about those services. We need to be clear in our interactions with communities when new services or standards of service can not be delivered without tax increases or service cuts.

It is clear to us that communities want more decisions to be made locally or regionally – rather than from Macquarie Street. At the same time there is recognition that the needs of different communities has to be balanced.

This policy platform points political parties and those seeking election to the NSW Parliament in March 2007 to the key issues affecting Local Government. The challenges and opportunities facing Local Government are varied and many, and most have been included in the policy platform below. To help candidates get a better appreciation of these Local Government issues, the policy platform lists them under seven themes. These include autonomy and intergovernmental relations, environmental well-being, financial sustainability, and transparency and accountability.

It is also important that candidates clearly understand what the priority issues are. Priority issues include an Inter-Governmental Agreement; a joint approach to the Federal Government for extra funding for Local Government in NSW through increased Commonwealth Financial Assistance Grants (FAGs) secured as a fixed share of total Commonwealth taxation revenue, and an equitable share of GST revenue for NSW to enable the State Government to provide a greater level of support to local infrastructure and services; abandoning or relaxing rate pegging; no forced amalgamations; reinstatement of the Regional Roads Timber Bridges Program; repealing recent changes that enable the State Government to take over a council's planning powers without justification, and rolling out the Country Towns Water Supply and Sewerage Program.

We will be issuing separate policy papers on priority issues between now and the state election. These and other key issues are outlined below.

**Autonomy and Inter-Governmental Relations:** Local Government's role as a level of government, and the need for State and Local Government to work together to get better outcomes, should be clearly recognised. To achieve this outcome it is recommended that the State Government:

- Enter into an Inter-Governmental Agreement with Local Government. (Projected cost to the State Government: Nil).
- Agree that Local Government Areas need to be diverse and autonomous to meet the needs and wants of local communities and that councils should only be amalgamated by agreement. (Projected cost to the State Government: Nil).
- Conduct a review of red-tape which currently impacts on Local Government and reduces its capacity to provide services to local communities. (Projected cost to the State Government: Nil).
- Ensure that State, agency and Local Government plans driving policy setting, budgeting and program delivery complement and/or reflect one another to ensure that State and Local Government priorities are integrated and that services are provided as efficiently and effectively as possible. (Projected cost to the State Government: Nil).
- Rule out additional red-tape that would increase council costs by forcing council certifiers to get individual accreditation by the Building Professionals Board. (Projected cost to the State Government: Nil).
- Cut red tape which currently requires landowners to get dual consent by Catchment Management Authorities and councils for native vegetation clearing works. Review the native vegetation regulations to address present difficulties facing Local Government in co-ordinating native vegetation management with the full range of its legislative responsibilities. (Projected cost to the State Government: Nil).
- Guarantee timely and sensitive resolution of issues associated with the review of the Aboriginal Land Rights Act 1983. (Projected cost to the State Government: Nil).

**Community Well-being:** Local communities require a sense of identity, and 'community' facilities, services and activities to promote their physical and social health, welfare and wellbeing. To achieve this outcome it is recommended that the State Government:

- Secure the ongoing health of rural and remote communities, by collaborating with the Australian Government to deliver joint incentives to general practitioners and the health services that support them. (Projected cost to the State Government: To be determined).
- Enhance funding for prevention/early intervention services such as community and youth work, neighbourhood centres and family support (including the funding of salary increases). (Projected cost to the State Government: \$26.3M per annum).
- Promote healthy and fit communities by supporting the establishment of contemporary sport and recreation facilities which reflect changing social and cultural trends. (Projected cost to the State Government: \$4M per annum).
- Encourage older people and people with disabilities to maintain independence and contribute to the community by enhancing the Home and Community Care Program. (Projected cost to the State Government: \$38M per annum).
- Acknowledge the importance of public libraries to local communities and enhance funding to improve public library services. (Projected cost to the State Government: \$26M per annum).

- Work in partnership with the Associations to help councils promote citizenship and cultural diversity through the implementation of cultural plans. (Projected cost to the State Government: \$500,000 per year).
- Promote diverse and vibrant communities by establishing a cultural infrastructure investment pilot (including Commonwealth and private sector funding). (Projected cost to the State Government: \$5M per year).
- Roll out the successful Healthy Local Government Grants Program to promote the health of local communities, prevent chronic diseases including obesity, diabetes and skin cancer and contribute to community safety and injury prevention. (Projected cost to the State Government: \$5M per year).
- Make Local Government health protection regulation more efficient and cost-effective by rolling out the process for the Food Regulation Blueprint to other health protection roles. (Projected cost to the State Government: \$2.5M per year).

**Environmental Well-being:** Local and state governments play a pivotal role in the improvement and maintenance of environmental quality and sustainability. The management of natural resources, waste management and resource recovery, air and water quality monitoring / improvement and environmental regulation are all activities which are better achieved through well planned and resourced cooperative programs.

To assist in achieving this outcome it is recommended that the State Government commit to:

- Waste levy funded waste reduction programs. (Projected cost to the State Government: \$100M per year).
- A significant increase in weeds funding, currently in the order of \$7M. (Projected cost to the State Government: \$15-20M per year).
- Introducing legislation for deposits on beverage containers if the national packaging covenant fails to deliver on its targets by its mid-term review in 2008. (Projected cost to the State Government: Nil).

State and local governments also share a common responsibility to ensure that the NSW community has access to safe and reliable water supplies. To assist in achieving this outcome it is recommended that the State Government:

- Undertake ongoing, comprehensive consultation on the Metropolitan Water Plan. (Projected cost to the State Government: Nil).
- Match dollar for dollar Commonwealth and Local Government funding of programs to prevent water loss by non-metropolitan water authorities. (Projected cost to the State Government: \$24M).
- Assist water conservation and demand management in rural and regional areas by providing regional councils with information on education and awareness strategies. (Projected cost to the State Government: Nil).

**Financial Sustainability:** The financial sustainability of Local Government is essential to ensuring that the living standards of the people of NSW are maintained and enhanced. Making Local Government financially sustainable requires a combination of fiscal measures, including increased borrowings, rate deregulation, increased State and Commonwealth grants, greater application of user pays and increased operating efficiencies.

To assist in achieving the financial sustainability of Local Government it is recommended that the State Government:

- Abandon or relax rate pegging to enable councils, in consultation with their communities, to set sufficient rates to address infrastructure backlogs and maintain and enhance core services. (Projected cost to the State Government: Nil).
- Inter-Governmental Agreement with Local Government include negotiation mechanisms (similar to those in the IGA on Local Government Matters between the Australian and state governments) concerning legislation or programs involving cost shifting. (Projected cost to the State Government: Nil).
- Support pensioner rate concessions but remove Local Government cross-subsidies. (Projected cost to the State Government: \$60M per annum).
- Commit to a comprehensive review of rate exemptions and concessions with the objective of ensuring that rates apply to all properties being used for residential and commercial purposes. (Projected cost to the State Government: To be determined).
- Remove the Fire Services Levy on councils and fund metropolitan and rural fire services by a broad based property tax. (Projected cost to the State Government: Nil).

**Infrastructure:** Local and state government infrastructure should serve the needs and priorities of the community within the agreed role of Local Government. Such infrastructure should be of a satisfactory standard by providing services in a relevant, functional, safe, reliable and cost efficient manner.

The recent inquiry into the financial sustainability of NSW Local Government has clearly demonstrated that there is a major infrastructure deficiency with a renewals backlog of \$6.3 Billion and an ongoing annual renewals gap of \$500M. To achieve the desired outcome it is recommended that the State Government provide increased state grants for Local Government infrastructure. Specific examples include:

- Reinstatement of the Regional Roads Timber Bridges Program postponed in 2004 and adjusted in real terms. (Projected cost to the State Government: \$115M over seven years).
- Ensuring that rural and regional citizens have access to drinkable water and basic sewerage facilities by continuing the Country Towns Water Supply & Sewerage Program. (Projected cost to the State Government: \$80-100M per year over 10 years).
- Increasing existing Regional Road Block grants to ensure that State and regional roads transferred to Local Government under the road classification review are commensurately funded. (Projected cost to the State Government: to be determined after completion of review).
- Restoration of the Local Government Bicycle Way Grants funding to 2004/05 levels. (Projected cost to the State Government: \$3M per annum).
- Provide financial assistance for the sustainable supply and maintenance of water and sewerage schemes to all Aboriginal communities facing severe socio-economic disadvantages. (Projected cost to the State Government: To be determined).

The Associations also recommend that the State Government:

- Commit to a State and Local Government partnership to implement a State, regional and metropolitan planning strategy.
- Commit to the investment and maintenance of infrastructure to support the metropolitan and regional strategies and reflect population pressures resulting from changing demographics including the phenomena of 'sea change and tree change'.
- Develop and implement a freight infrastructure strategy that encourages greater use of ports such as Newcastle and Port Kembla as an alternative to the expansion of Botany Bay.

**Resourcing and Supporting Communities:** Significant challenges which make it harder for councils to provide services as efficiently and effectively as possible include skills shortages, sparsely populated regional and rural areas, and the phenomenon of 'sea change and tree change'. To help local communities face these challenges it is recommended that the State Government:

- Roll out an asset management program by funding the development of an asset management tool and building the capacity of councils to apply it. (Projected cost to the State Government: To be determined by DLG infrastructure management task force).
- Roll out programs for expanding Aboriginal people's access to mainstream Local Government professional and technical careers (e.g. Elsa Dixon Program). (Projected cost to the State Government: \$2M per annum).
- Work with the Associations to implement a voluntary (not compulsory) training program to build on and enhance the skills of councillors. (Projected cost to the State Government: \$2M per annum).
- Express a preference for locally based and controlled not-for-profit organisations providing community services (including women's, youth, children, aged, family and Aboriginal services). (Projected cost to the State Government: Nil).
- Ensure that young people in regional and rural areas get the same access to cultural services and programs offered by the major NSW cultural institutions to children in metropolitan areas. (Projected cost to the State Government: Nil ).
- Guarantee all preschool children access to preschool education in the year prior to school. (Projected cost to the State Government: To be determined).
- Develop programs to promote regional and rural communities. (Projected cost to the State Government: To be determined).
- Develop programs to address skills shortages. (Projected cost to the State Government: To be determined).
- Create specific identified Aboriginal positions in the Department of Local Government to deal with Local Government Aboriginal affairs. (Projected cost to the State Government: \$400,000 per year).

**Transparency and Accountability:** While to a large extent the public must rely on the good faith and integrity of public office holders, it is equally important that the public trust is enhanced through transparent and robust accountability measures necessary to safeguard good government and public administration. To achieve this outcome it is recommended that:

- The Environmental Planning and Assessment Act be amended to repeal recent changes that enable the State Government to take over a council's planning powers without justification. (Projected cost to the State Government: Nil).
- The Inter-Governmental Agreement with Local Government include transparent negotiation, consultation and cost/benefit analysis mechanisms concerning legislation or programs affecting local communities. (Projected cost to the State Government: Nil).
- Councils be free to choose whether to conduct their own Local Government elections and not be forced to cross-subsidise the costs of the State Electoral Office. (Projected cost to the State Government: \$2M per annum).
- The transparency and accountability of the remuneration of councillors be enhanced by consideration and determination by the Parliamentary Remuneration Tribunal. (Projected cost to the State Government: Nil).
- The State Budget Papers report on joint State/Local Government programs and funding provided to Local Government. (Projected cost to the State Government: Nil).

30 October 2006