

10.1.2. LATE REPORT - GM - 26/06/2023 - National General Assembly of the Australian Local Government Association 2023

Authorised by General Manager

Summary

Between 13 – 15 June the Mayor, Deputy Mayor and the General Manager attended the National General Assembly of the Australian Local Government Association (the NGA). This was followed on 16 June by the Australian Council of Local Government (the ACLG).

Commentary

The NGA brings together the 537 councils from across Australia. Discussions focus on the significant contemporary issues facing local government. Presentations are received from a range of speakers including Federal Government bureaucrats, politicians, subject experts from local government and thought leaders. Typically, each presentation is followed by question and answer sessions, and these provide the opportunity for two way communication (with the speakers receiving the perspective of local government, or hearing of the nuanced challenge of governing – for example in regional and rural locations or in places that are more vulnerable to disruption or suffering inequity or entrenched disadvantage). The agenda and priorities of local government's key representative body (the Australian Local Government Association) are also shaped at the conference through the consideration of motions that are brought forward by councils. A copy of the program for the NGA is attached to this report.

It was pleasing to see Lithgow Council's motion to the conference endorsed. This occurred by the motion being bundled with many other that related to the same topic. The call from these councils was for –

- trust in local government by reducing the tying of grants - define objectives or outcomes and then allocate funds to councils trusting in their ability to determine the most important local projects to achieve the objective or outcome
- policy driven grant funding, or put another way a move away from politically driven grants,
- consideration of recurrent operating costs being recoverable from grants,
- reduced requirement for co-contributions to a maximum of 10% for rural and regional councils as these disadvantage smaller councils who are financially constrained.

The NGA heard about the latest national survey of the key risks being faced by Australian councils. These are financial sustainability, cyber security, assets and infrastructure, disasters/catastrophes and business continuity. These risks challenge the ability of councils' to deliver their strategic direction and to achieve the outcomes that communities require or request. Of course, all of these risks inter-connect and bear on the other. Their address requires capacity. Capacity is heavily influenced by financial sustainability, which has been the number one challenge since 2018. While councils have the benefit of the stability of revenue from rates, with modest annual increases, costs escalate faster and ageing assets require modernisation – at great expense. The pattern of cost shifting from other levels of government continues, yet this is not matched through funding. In 1996, 1% of Commonwealth taxation revenue was returned to local government through the Federal Assistance Grants. Today this amount has dropped to just 0.5%. Unsurprisingly, the financial sustainability of councils was a matter that was constantly aired and debated throughout the NGA, and the ACLG.

In the case of assets, it was acknowledged that councils are responsible for more than \$133bn of infrastructure assets. Sector-wide, most Councils reported that they do not have the capacity to finance the management of these assets. This is exacerbated by inflation, supply chain issues and disaster impacts. It is also being recognised that some assets have a much shorter lifecycle and

replacing these with new assets will be costly and challenging. Unless firm action is taken to equip councils with the financial capacity to maintain these assets, community well-being, safety and liveability will diminish, and this will occur more rapidly and more significantly in rural and regional localities than metropolitan areas.

The NGA and ACLG brought Lithgow Council's peers together. The opportunity was taken for collaboration through meetings with councillors and officers from Central West councils, as well as those from regions which are mining or power generation dependent in their local economy. Lithgow has a shared "community of interest" with these other localities and councils and collaboration can only assist in solving the "wicked problems" we all face.

The ACLG has been re-established after more than a decade of not being offered. It is a step to local government being recognised more significantly as a partner alongside of the Australian Government. The ACLG saw the Prime Minister and Federal Ministers present to speak to their interest in engaging with councils, and to field questions. Elected representatives from the councils raised their community's concerns, challenges and aspirations with the PM and Ministers.

The NZAB had been formally announced in the week of the ACLG. It is an interim body until such time as the Government legislates the establishment of a Net Zero Authority. The NZAB will give advice to the Government and will work with state, territory and local governments, existing regional bodies, unions, industry, investors and First Nations groups to help key regions, industries, employers and others proactively manage the transformation to a clean energy economy. It is timely that Lithgow Council has undertaken the development of the Lithgow Emerging Economy Plan. This strategic document will guide Lithgow's diversification of the local economy as new energy takes the place of coal mining and thermal power generation in the future. The insight that the Plan gives to the most important actions for Lithgow will be valuable in informing the work of the NZAB. One of the key findings of the Plan is that best practice involves three levels of government working proactively and in impactful ways (with good levels of funding, program and policy alignment) – but with a particularly local focus. There is a considerable body of expertise being assembled from within the councils that are preparing for economic disruption as coal mining and thermal power generation reduce in value. This supports the case for local government being closely integrated into the work of the NZAB.

In the question and answer section of the ACLG, the Mayor stood to encourage that local government have a place on the recently established Net Zero Advisory Board (the NZAB). This was consistent with a motion that had been carried the day before at the NGA. As it worked out another speaker asked the same question of the Minister. The Minister undertook to facilitate dialogue between the Chair of the NZAB and relevant councils to canvas the opportunities for collaboration.

The consistent message from the Government at the ACLG was that they recognised the direct impact that local government has on well-being for all Australians, economic productivity, housing supply, delivering and managing infrastructure and addressing climate change and its effects. There were many statements made from both local councillors and the federal politicians about the desire for greater collaboration between these two spheres of government.

Policy Implications

Nil

Financial Implications

- Budget approved - Nil
- Cost centre - Nil
- Expended to date - Nil
- Future potential impact - Nil

Legal and Risk Management Implications

Nil

Attachments

Nil

Recommendation

THAT the report relating to the recent attendance by the Mayor, Deputy Mayor and General Manager at the ALGA National General Assembly and the Australian Council of Local Government be received.