

## IMPROVING ENGAGEMENT OF LOCAL AND FEDERAL GOVERNMENTS, INCLUDING CONSTITUTIONAL RECOGNITION

The Australian Government recognises the critical role that local governments play in their communities. Local government elected representatives have the opportunity to listen and act on the things that matter in everyday life for people – from the small, such as footpaths, to the large, such as future economic development of their region.

The Australian Government also recognises that it is in the national interest to support local governments and through them, their communities. While state and territory Governments have legislative responsibility for local government, the Australian Government provides both direct and indirect financial support across areas such as health, the environment and infrastructure. Since 1974, the Australian Government has provided direct financial support to local governments through untied Financial Assistance Grants. These grants will total \$1.9 billion in 2008-2009 which councils can spend on local priorities.

Local government engagement in national policy development is particularly important. Local Government is a participant in the Council of Australian Governments (COAG) alongside the Prime Minister, State Premiers and Chief Ministers, and in the climate change, housing and infrastructure Working Groups formed by COAG. Local government is also represented on several Commonwealth/State Ministerial Councils, including the Local Government and Planning Ministers' Council and the Australian Transport Council. With the establishment of the Australian Council of Local Government (ACLG), the Australian Government will be able to consult directly with the local governments on national issues of significance to local government.

The Australian Government is committed to listening to local governments about the benefits and process for recognising local government in Australia's Constitution, and awaits the outcomes of the Australian Local Government Association's Constitutional Summit, to be held in December 2008.

***What are some of the advantages that local government has in understanding the day- to-day issues of their communities?***

***How can these advantages be used to inform national forums on national policy issues such as COAG, Ministerial Councils and others?***

***What opportunity does the Australian Council of Local Government provide and what type of issues could be included in a future program for discussion?***

***What are some of the benefits that Constitutional recognition of local government could provide?***



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Local government represents the third arm of the Australian Federation – and the Australian Government is committed to a new cooperative engagement with that level of the government closest to local communities.

The Australian Council of Local Government is the Australian Government's next step in forging a new, nation building partnership with local government.

The first meeting of the ACLG will address issues of national and local significance, including:

- building national and local infrastructure to boost our economic capacity and improve the quality of life in our communities;
- tackling immediate challenges facing major cities and growth corridors, including urban congestion, urban planning and design; and
- taking steps towards Constitutional recognition for local government.

The Australian Government recognises the rising cost of infrastructure provision and growing demand for services in local communities. A 2006 PricewaterhouseCoopers report estimated a \$1.1 billion annual under-spend in community infrastructure renewals by local governments. A 2008 Productivity Commission report found that 20 per cent of local councils relied on Australian Government and state or territory grants for half of their revenue.

The Australian Government is keen to address the concerns of local councils because of their importance to:

- national infrastructure, with their responsibility for 657,000 kilometres of roads across Australia;
- the national economy, with their activities worth \$22.1 billion in 2006-07 and providing 168,000 jobs; and
- local communities, who rely on councils for a range of services, such as child care, aged care, meals-on-wheels and library facilities.

The Australian Government has invested \$2.25 billion in local governments in 2008 – 2009 through \$1.9 billion in untied Financial Assistance Grants and \$350 million through the Roads to Recovery Program. In addition, it is partnering with local governments in the \$512 million Housing Affordability Fund; and the \$176 million Better Regions Program.



**An Australian Government Initiative**

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