

***“Building Partnership with Local Government”***

**Address by Barry O’Farrell, MP, NSW Leader of the Opposition Leader, to  
Local Government Association 2008 Annual Conference, at  
Broken Hill, 27 October 2008**

Genia McCaffrey, President; Councillors; Chris Hartcher, Shadow Minister for Local Government, and; John Williams, Member for Murray Darling -

Thank you for the invitation to join with you at the Association’s 2008 annual conference in Broken Hill.

Since your last conference, the political landscape has been re-shaped.

There’s been a change in Federal Government that has brought with it the hope of change in Federal policy towards local government.

In NSW, the changes flowing from the manoeuvrings within the NSW Labor Party bear more than a passing resemblance to the aftermath of a volcanic explosion.

Around the time of your last conference, the lemma Labor Government was newly re-elected and full of promise – with the emphasis on promises!

Then, you had Morris lemma – who promised a new and improved Government.

Now, you have Nathan Rees – promising new and improved Government.

It would be fair to say that a failure to deliver on promises – whether old or recycled - has seen the public attitude harden against the NSW Labor Government.

That was the clear message sent by local communities during the recent by-elections in Ryde, Port Macquarie, Lakemba and Cabramatta.

And from a local government perspective, there has regrettably been little improvement or change on the part of the NSW Labor Government.

When it comes to NSW Labor, regardless of who is Premier or Minister for Local Government, the permanent features of government policy have been:

- An antipathy to local democracy;
- Continued centralisation of planning controls;
- On-going cost shifting, and;
- Little recognition of local government’s emerging challenges posed by climate change – or the sector’s opportunities in sustainability.

Today, I intend to comment on these issues, as well as giving you a sense of the NSW Liberal/Nationals approach to each.

## Local democracy

Delegates you meet in Broken Hill twenty-one months after the State Government dismissed this community's local council. Residents here – and in three other areas – were denied a vote in last month's council elections.

There is no more fundamental issue for local government than the right of communities to determine who governs them. It is the principle that saw the State's first Liberal Government – the Carruthers' Government – deliver local government across NSW in 1906.

It's the basis of the democracy that is meant to operate at all three levels of government.

Whether a council's dismissal is the result of an ICAC inquiry revealing Labor Party corruption or a public inquiry finding maladministration, the earliest possible return to local democracy is imperative.

The length of administration – whether here in Broken Hill or in Port Macquarie, Wollongong or Shellharbour – is a matter determined solely by the State Government. Under Labor, the period of administration for sacked councils has gone on for too long.

For too long local communities in these affected council areas have been denied their democratic right to elect those who will govern them.

On the basis of their past and current record, the State Government displays an aversion to restoring local democracy and allowing democratic elections. Labor didn't, for example, adopt the amendment supported by the NSW Liberal/Nationals that would have mandated elections for all councils last month.

Along with my Liberal and Nationals colleagues, I strongly believe that, if an administrator is appointed, the objective must be the earliest possible return to a locally elected council.

That's why we support communities here in Broken Hill, in Port Macquarie and the Illawarra being allowed to again elect local councillors no later than next September and have at least three years of local democracy before the next scheduled periodic elections.

Along with Chris Hartcher, the Shadow Minister for Local Government, I confirm the commitment of the Liberals and Nationals to continue to fight to allow ratepayers in every local government area – city, coast and country – to determine their own political futures.

While I will always argue for the strictest audit and project management practices within local government, it's a bit rich for this State Labor Government to sack a council on the pretext of cost over runs.

This is the same Labor Party that:

- locked NSW taxpayers into a Kurnell desalination plant – against the wishes of the local council and wider community – and has seen the cost blowout from \$1.3 billion to \$1.9 billion;

- repeatedly promised to build a Parramatta to Chatswood rail link at a cost of \$1.4 billion, but will now only deliver half the project – Epping to Chatswood – for almost twice the price.

It's a Labor Party of double standards. While using cost overruns as an excuse to sack councils, Labor is not prepared to impose the same accountabilities on itself.

While councils across NSW have struggled with finances, the State Labor Government has enjoyed record revenues: \$17.5 billion in windfall revenues since they were elected in 1995:

- money that could and should have been used to invest in services and infrastructure across NSW – but wasn't.
- money that could and should have been used to help local government meet the costs of the added responsibilities required of it by Labor – but wasn't.
- money that could have been used to assist local government finances more generally as you face the challenges outlined in the Allen Report – but wasn't.

Instead, it was mismanaged and wasted and the State has nothing to show for it.

Under Nathan Rees, it seems easy for Labor to find \$30 million for motor races and Mardi Gras, but hard to fund the needs of local communities and their councils, especially those west of the Divide.

Forgive my passion, but the hypocrisy of Labor is incredible.

Labor wallowed in record revenues, but failed to impose the most basic controls on its own spending. It stood by while hundreds of millions of dollars were lost through cost overruns and now resorts to trebling the State's debt to \$42 billion or \$6,000 for every man, woman and child.

And just this past week, Labor's anti-democratic approach continued.

Delegates may be aware that the State Labor Government introduced amendments to the Local Government Act that would 'de-corporatise' local councils and instead make them 'bodies politic'.

Tomorrow, when Shadow Cabinet considers this legislation, my colleagues and I will be aware of the LGA's concern that, yet again, change is being driven not to meet the needs of local communities or their councils but to placate the unions, in this case the United Services Union.

As always with Labor, it's mates and Party interest ahead of public interest.

### Planning

But when it comes to Labor's assault on local government, nowhere has it been more direct than in the area of planning.

At the outset, I want to acknowledge the strong role played by your President and Executive – and the LGA as a whole – in taking the fight up to Labor on this important issue.

For thirteen years, Labor has relentlessly sought to centralise planning powers in the hands of its Planning Minister.

In 2005, under the guise of planning laws for State or critical infrastructure, Labor introduced the now infamous Part 3A of the Environmental Planning and Assessment Act.

Labor defeated Liberal/National amendments to try and establish guidelines for the use of this power. It promised to publish its own but never did.

Instead of restricting use of the power to genuine, critical State infrastructure, it has been used to provide 900 approvals in just three years.

What I term, the “finger of Frank” was everywhere, and Part 3A was misused to subvert local planning processes.

Regrettably, it appears our new Minister for Planning is simply following a “more of the same” approach, albeit sugar-coated in a far a more pleasant personality than Frank’s.

During recent Estimates hearings, Ms Kenneally raised no objection to the widespread use of Part 3A and displayed no change of attitude that would offer hope to local communities of more decisions being made at a local level.

Delegates, I am sure the centralisation of planning powers in the hands of a single Minister was been done for a variety of reasons.

Labor’s disclosure return for the 2007 State election reveals that it undoubtedly assisted the drive for political donations. It’s one of the reasons I am determined to overhaul the State’s campaign finance and donations laws - reforms that I believe should involve caps on both spending and donations.

But I am also committed to planning reform.

I don’t believe the answer to better planning lies in further increasing the powers available to the Planning Minister – whether their name is Sartor, Kenneally, or Hazzard.

That’s why we opposed Sartor’s June changes to the State’s planning system - changes that only passed due to the support of Mr Niles’ Christian Democrats and the two Shooters Party representatives in the Legislative Council.

To deliver the certainty required – by both residents and the property sector – we need a planning system that is open and transparent and where the politics – at either Ministerial or councillor level – is constrained.

That’s why we are committed to repealing Part 3A and why, upon election, we will institute a full and open review of the State planning regime to again give voice to local communities and their councils.

The community – including through its councils - must be the master of its' own destiny and the only justification for Ministerial oversight should be truly critical infrastructure.

Labor's Part 3A "dollars for deals" will be killed stone dead by the next Coalition Government.

### Finances

Delegates, the problem of unfunded mandates – the shift of costs from the State Government to local government – that you have continually highlighted, has deteriorated even further in recent times.

Given the financial burdens under which every council labours, it is simply not good enough for Government to continually impose additional costs and then shrug Ministerial shoulders when asked to justify it.

It – along with issues like the need for improved planning and infrastructure – is what fuels my determination to establish a better relationship – a genuine partnership – between State and local government in NSW.

That's the policy of the NSW Coalition.

Today I again reiterate my call for an inter-governmental agreement between Commonwealth, State and local governments on the funding of local government services. It's time the State Labor Government came to the table on the issue. An IPART inquiry is no substitute for a commitment to an agreement.

Until there is a tripartite approach to funding, these problems will continue to be unresolved. Councils need to be able to enter into long term planning and not struggle with a hand-to-mouth existence from year-to-year.

In this regard, it concerns me that the NSW Treasurer confirmed in the Estimates hearings that NSW Treasury had made a specific decision not to invest in CDOs before those investments became a matter of public controversy.

That information wasn't passed on to local councils, despite the fact that Treasury constructs your investment code. Such advice would have saved ratepayers across NSW hundreds of millions of dollars.

Delegates, this time last year, then Local Government Minister Paul Lynch spoke about a ten-year strategic plan for your sector. There hasn't been much sign of action, but the concept is sound.

Councils should have strategic plans for the years ahead, but they must also have plans that assure them of the finance to implement them. You do not need me to tell you that all the plans in the world are meaningless without the financial capacity to see them through.

Much was made in the lead-up to last year's Federal election about the need to end the "blame game" and to rejuvenate our Federation.

It's important to remind both Federal and State Labor – who have talked about a “special relationship” when it suits them – that this must extend to the treatment of local government in NSW and elsewhere.

It's ironic that the States complain of Federal Government heavy-handedness at the same time as they dish out the same treatment to local councils. This hypocrisy and inter-governmental abuse must end, and I am determined to do so.

I am determined to forge a new historic relationship between State and local government in NSW. It will be a key plank that we place before the public in the lead-up to the next election.

It represents our strong commitment to local government – a commitment founded on the precedent of that first Liberal Government more than a century ago which delivered local democracy across NSW.

I look forward to working with this Association on the agreement's development – and working with you all to implement after the 2011 State election.

### Sustainability

Delegates, when it comes to climate change and sustainability, you in local government need no education. You don't need education because you are the environmental 'do-ers' and leaders, while many in other levels of government – and pardon the pun – simply put out hot air.

It is fair to say that local government has shown leadership on what are both a major challenge and a major opportunity for the future well-being of our community and economy.

Indeed, the work that local government has done in recycling and waste minimisation – both operationally and educationally – has provided the groundwork for engaging the community on the climate change challenge.

Local government was quick to understand the reality of climate change and its implications, as well as to embrace the sustainability ethic – or the need to better balance environmental, social and economic factors as you go about your work.

I admire the fact that, across NSW, councils are working with communities to address the climate change risk. Street-by-street, house-by-house, you are working practically to shrink carbon footprints and prove that, rather than compromise our quality of life, more sustainable lifestyles can drive new economic benefits.

Regrettably – and perhaps cynically – the State Labor Government has largely sat on the sidelines as you have done the hard yards.

For example, while some \$300 million is being raised this year by the State Labor Government through waste disposal levies – substantially collected from Councils or their contractors – a mere \$13 million is returned to councils for their carbon-cutting, waste minimisation efforts across the community.

It's in this critical area of climate change and sustainability that the NSW Coalition also believes there is much greater room for partnership between State and local government – rather than just more responsibility shifting with no matching resources.

Recently, I announced the Liberal/Nationals commitment to a feed-in tariff program for the production of renewable energy.

Where our initiative is unique and cutting edge is that eligibility for payments will extend to households for the electricity they produce – using solar and other forms of renewable energy production – and other institutions, including councils.

Given the significant investment many councils have made in renewable energy – including innovative street lighting initiatives or power for your own offices or childcare centres – many of you will welcome the opportunity to secure a return for your efforts – while also doing the right thing for the future of your communities.

### Conclusion

Delegates, among my strongest personal goals for a future NSW Liberal/Nationals' Government is the creation of opportunity for the people of NSW through economic growth, community well-being and environmental care.

I strongly recognise that local government – which stands and serves so close to the people themselves – is critical in this respect.

If we are serious about enhancing the quality of life of our citizens, we need to be serious about ensuring that the key service providers – State and local government – are working effectively together.

If we are serious about protecting our environment, we need to be serious about ensuring that its key stewardship organisations – State and local government – are working effectively together.

Indeed, together with Chris Hartcher and my other colleagues, I look forward to an era where State Government in NSW treats local government as a partner, not as a pawn or political punching bag.

I am reminded of a quote “Leadership is based on inspiration, not domination; on cooperation, not intimidation.” It's the theme that will underpin my dealings with local government after the next election.

I thank you for this opportunity to speak today.

I look forward to continuing to work with your Executive on issues of concern to you and the resolutions you will carry at this Conference.