



The Secretariat
Expert Panel on Constitutional
Recognition of Local Government
GPO BOX 803
Canberra ACT 2601

Dear Secretariat,

Re: Public discussion paper September 2011

Thank you for the opportunity to comment on the issue of local government constitutional recognition. While the ATA has not formulated a view on the Constitutional recognition of Local Government, we certainly have some concerns relating to local government road freight infrastructure provision and management by local government.

Local government should be encouraged by COAG to adhere to principles of enabling a seamless national economy and other national objectives in order to facilitate communities to be as productive as possible. Local Government, because of its care, control and management over 80% of Australia's road network, should look at removing burdensome regulation that seeks to limit these objectives.

The heavy vehicle industry has three main areas of local government concern:

1) heavy vehicle access to local roads

In the heavy vehicle industry, decisions made by local governments that restrict or prevent access to local government roads should be reviewable by an independent external review, which is reflective of the common practice in other levels of government. Businesses that wish to use safer, longer, more productive vehicles should be able to question local government on why they choose to restrict or prevent access to certain parts of their road network. This directly affects the competitiveness and indeed the viability of businesses in the local government areas. This lack of accountability is failing the agreed COAG principles.

2) Funding considerations

Financial Assistant Grants from the Commonwealth have been declining as a share of Commonwealth revenue over time according to the Australian Local Government Association, and they further state that infrastructure provision is under threat if funding arrangements are not

dealt with¹. While the industry wants to see suitable road assets built and maintained, there needs to be greater consideration given to the appropriate funding of Local Government, either through receiving a fixed percentage of the GST revenue, or via direct funding from revenue of the Commonwealth Government. There have been many Parliamentary enquiries into cost shifting between Local, State and Federal governments without result.

3) Local government accountability

Room for improvement could be made when examining local government accountability. What the industry and constituents expect is value for money and expenditure control on infrastructure provision. The Australian National Audit Office (ANAO) has provided audit reports on major infrastructure projects such as the Roads to Recovery Program and the Strategic Regional Program, which have shown that local governments were not as disciplined in assessing projects and having expenditure accountability as what should be expected of them. Infrastructure Australia (IA) has intervened to improve local government abilities by providing best practice training, including planning of infrastructure. Any move to improve the accountability of local government practice is encouraged by the industry.

Regardless of the result of a future referendum, local government should have stronger accountability for the funds that they expend, better road infrastructure funding and an external review process on access decisions.

If you have any further comments, please do not hesitate to contact the ATA.

Yours sincerely,



Stuart St Clair
Chief Executive

Stuart November 2011

¹Local Government Working For Our Local Communities – Fact Sheet 1: General Funding for Local Governments – Australian Local Government Association.