

Ray Williams speech to the Local Government Managers Australia NSW, General Managers and Directors Convention
Friday 16 March 2012

It is a great pleasure to be here representing the Premier Barry O Farrell at this important meeting of council General Managers and Directors. As someone with a planning background and the valuable experience gained through an involvement with one of the largest growth area councils over the past 12 years, namely the Hills Shire Council, I understand and greatly appreciate the role local government plays on behalf of our communities.

Just as the NSW government is undertaking widespread reform of our departments and the roles they play in providing the necessary services for the residents of NSW so too must Local government embrace new and innovative opportunities in order to meet the many challenges we face.

The NSW government firmly believes these challenges should be undertaken together in partnership and we are committed to working with you to tackle the issues we face together. Which is why I am pleased to be here today, to learn and share your experiences and to take back to my government and the Premier your thoughts, your ideas and your intention to work together with us, to build a better NSW.

As you are aware the NSW Government is supporting councils and meeting the needs of communities through Destination 2036, the Local Infrastructure Renewal Scheme and the planned review of the Local Government Act 1993.

The Premier has asked me to convey to you his appreciation of the Local Government Managers Australia NSW, an active partner in the Destination 2036 initiative and the leadership role you have offered to play as new actions are developed. Destination 2036 is a major initiative designed to shape the future of local government over the next 25 years and map out how local government will address the three pillars of social, economic and environmental changes through to 2036.

There was a particular emphasis on actions required during the next four years. A recent forum reflected the Government's commitment to work constructively together with local councils and I am sure Mr Ross Woodward, Chief Executive of the Division of Local Government, will be speaking more about this later today.

The three biggest challenges we face are infrastructure and asset issues, financial sustainability, and population and demographic change. Western Sydney is expected to grow by an additional 1 million people over the next twenty years, and the importance of providing basic infrastructure to meet the needs of these new communities cannot be overstated. For far too long infrastructure has been politically driven as opposed to being provided on a needs basis. The NSW government has therefore established Infrastructure NSW to provide independent advice on infrastructure priorities and there is no greater example of the genuine intent of that statement than the commitment of 300 million dollars for the upgrading of Blacktown hospital 2 days ago.

This announcement was not made for political reasons but to ensure the importance of providing health facilities on behalf of our growing areas of western Sydney, which will be secured through that investment.

Ensuring we are running the most efficient public sector was a key commitment of our government and reducing the number of transport agencies from ten to four by establishing the State's first integrated transport agency, Transport for NSW, ensures the decisions made in terms of public transport are made from one strategic centre, not multiple departments as was previously. The case. 15 tenders have already been awarded together with the project application to build the North West Rail Link, with land acquisition and detailed planning well underway, A That project was first promised in 1998 to be delivered in 2010, today the thousand's of residents across Western Sydney who sit in daily gridlocked traffic are a constant reminder of the importance of delivering integrated land use planning together with public transport.

We have also started major construction on the South West Rail Link which is progressing ahead of schedule. We established Restart NSW infrastructure fund and committed 30% of that funding to projects in regional NSW. An example of some of that funding in regional areas can be seen in Wagga Wagga, Tamworth and Dubbo who are finally receiving the upgrading to their hospitals that have been neglected for over a decade.

Our Premier Barry O Farrell has secured agreed funding together with the Commonwealth Government for the \$1.1 billion Northern Sydney Freight Line which will see freight trains operating on separate lines to commuter trains, improving access for heavy freight and minimizing the amount of heavy vehicles travelling through those areas of metropolitan Sydney. We have started work on the Inner West Light Rail extension with tenders issued and actual services to commence in 2014.

After being promised an integrated ticketing system in line with the Sydney Olympics in 2000, we have announced the rollout of the Opal electronic ticketing system that will commence on ferries by late 2012 and soon after on other public transport options. We have also secured agreement to widen the M5 West with work to start in July. The delivery of the Erskine Park Link Road will unlock vital employment lands in outer Western Sydney and we have committed to completing the upgrade of the Camden Valley Way to four lanes by 2016.

Importantly for local government we have established the Local Infrastructure Renewal Scheme to unlock \$1 billion in funds for councils to upgrade local infrastructure and conduct a council by council audit to identify council infrastructure backlogs

While this is an ambitious list, all these projects are funded and represented in current and future budgets, as the Government's number one priority is to restore economic credibility through the encouragement of growth and establishing NSW as the first place to do business in Australia. Some of the incentives we have introduced are the release of land for over 72,000 new homes to improve housing affordability, abolished the homebuyer's tax, saving families an average of \$1,250 on home purchases and implemented the Empty Nester, Transfer Duty Concession for over 55's, which not only save retirees money, but also aligns perfectly with the seniors living policy.

We have introduced payroll tax rebates for up to 100,000 new jobs, including 40,000 jobs in regional NSW. We have commenced construction on the Barangaroo commercial buildings and the headland park and we have progressed the leasing of the Sydney Desalination Plant. We have established Destination NSW to grow tourism and secure major events for NSW. Implemented new measures to cut red tape by \$750 million and ensure two regulations are removed for any one new regulation which is introduced.

The Integrated Planning and Reporting reforms developed in consultation with councils and introduced in 2009, aim to improve the integration of various statutory planning and reporting processes and streamline reporting. On 1 June 2011, the Minister for Local Government announced that a review of the Local Government Act 1993 would be undertaken during the Government's first term. The Act has been in place since 1993. While it has been amended during that time, it has not undergone a comprehensive review since 1998. The review of the Local Government Act will fulfill the Government's commitments to the local government sector and support the Government's announced policy for local government.

As mentioned the Government is committed to helping councils tackle the infrastructure backlog by implementing a Local Infrastructure Backlog Policy, which comprises the following elements, a council-by-council audit of the local infrastructure backlog which is being undertaken now by the Division of Local Government., the Local Infrastructure Renewal Scheme which is a 4% interest subsidy to assist councils to borrow funds to address their infrastructure backlog; and a NSW Treasury Corporation financial assessment and benchmarking project to assist councils to understand their capacity to borrow and when it is appropriate to use a borrowing strategy.

Finally I would like to take an opportunity to raise what I believe is the single most important issue facing growth area councils today, the capping of Section 94 contributions.

A strong housing industry and a strong economy go hand in hand, you cannot have one without the other. Therefore it is paramount that we resolve the current status quo that exists and ensure councils maintain an appropriate level of funding to implement the important infrastructure for new and growing communities.

Unfortunately our Government has been left with the legacy of reforming what is currently a completely unacceptable funding mechanism which has brought housing to a near standstill. This is the only stream of revenue councils have available to them to implement basic infrastructure on behalf of new growing suburbs.

I firmly believe that in order to supply an appropriate amount of housing to the market, to satisfy the growth in population and help stimulate the NSW economy, it is vital that we resolve this issue as a matter of urgency.

As I said The NSW government firmly believes in the benefits of a strong partnership with our councils. We are committed to working with you to tackle the issues we face together, and I am more than happy to take questions, comments or concerns back to my government and the Premier to ensure we understand your needs and work towards securing not only the sustainability of our suburbs but also the future sustainability of our councils.

Thank you