

DATE 28th December 2011

Ernst and Young

Dear Sir/Madam

Review of Local Government Infrastructure Financing

The Board of Regional Development Australia Northern Rivers (RDANR) welcomes and is pleased to contribute to the review of infrastructure financing for Australian local government. It is timely that such a review occurs in conjunction with the Regional Development Australia round one funding process.

In recent years, several studies have been conducted highlighting the inadequacy of funds available to local government to address infrastructure backlog and augmentation requirements. Such studies have included the national Price Waterhouse Coopers Report and, in New South Wales, the 'Allan Report' concerning financial sustainability of New South Wales local government councils.

While Regional Development Australia funding is welcomed and will play a significant role in addressing the local government infrastructure funding backlog, given that the aforementioned (and other) reports indicate that the amount of backlog is increasing by approximately a half billion dollars per year, and as the Commonwealth has allocated a total \$1 billion until June 2015 for the RDA fund, it is clear that this funding source will, on its own, be insufficient to provide an effective long-term solution. Furthermore, given that not-for-profit organisations also are eligible proponents to access the RDA fund, the quantum of funding available for vital local government infrastructure needs remains inadequate.

In regard to the first term of reference of the Review, the Board is aware that the councils of the Northern Rivers each have well established priorities for local infrastructure needs. The Board does not offer comment in regard to the efficiency or effectiveness of such prioritisation but considers that it is appropriate for local councils, as the elected representatives of local communities, to establish priorities. However, given that RDA Committees now have responsibility for prioritising RDA Funding Expressions of Interest, it is desirable and is **recommended** that local councils be required to formalise their local government area infrastructure priorities and make them available to the RDA Committee which represents their area.



The Board does not offer comment on parts two and three of the Review terms of reference and considers that local government and experts in financing would be better placed to address those matters. Better financing arrangements to meet local infrastructure needs will be vital to the future wellbeing of rural and regional communities including those represented by RDANR. Thank you for the opportunity to contribute to the Review.

Yours sincerely

A handwritten signature in purple ink on a yellow rectangular background. The signature is stylized, starting with a large 'I' and 'T' that are connected, followed by a long horizontal stroke that ends in a small loop.

Ian Tiley

Chairperson RDANR