

GOLD COAST CITY
OFFICE OF THE MAYOR



Gold Coast City Council

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Mr Glenn Worthington
Secretary
Joint Select Committee on the Constitutional Recognition of Local Government
PO Box 6021
Parliament House
CANBERRA ACT 2601

Dear Mr Worthington

The Gold Coast City Council welcomes the Government's announcement to establish a Joint Parliamentary Committee to look at the report of the Expert Panel into the constitutional recognition of local government, the support for the proposal by State and Territories, and the potential consequences for Local Government and the States and Territories of such an amendment.

As you are aware Councils throughout Australia play a vital role in the provision of essential services and infrastructure at the local and regional level including at times of natural disasters. Local government only has one tax and that is the rates levied on property. Those rates account for only three per cent of Australia's total taxation revenue. In relative terms the funding from the Federal Government has been falling in recent years with greater emphasis on local governments to meet the shortfall. This is at a time when Councils have struggled with their capacity to meet the increasing level of service required by its community.

The importance of constitutional recognition of local government has been highlighted in stark terms by the 2009 decision of the High Court in the case of *Pape V Federal Commissioner of Taxation* and more recently the *Williams Case* both of which raise legal doubts over the Commonwealth's powers to fund local government directly. The uncertainty about the validity of funding threatens the sustainability of local Councils and the interests of local communities.

Gold Coast City Council strongly supports constitutional recognition as an essential step in ensuring that local communities receive the services and infrastructure they deserve. Programs such as Roads to Recovery provide certainty of funding to all Councils and is an excellent example of successful Commonwealth and local government partnership.

On 7 March 2011 Gold Coast City Council considered and passed the following resolution:

"That (Gold Coast City) Council declares its support for financial recognition of local government in the Australian Constitution so that the Federal Government has the power to fund local government directly and also for inclusion of local government in any new Preamble to the Constitution if one is proposed, and calls on all political parties to support a referendum by 2013 to change the Constitution to achieve this recognition."

Securing the Commonwealth's ability to provide funding directly to local government will ensure Councils can continue to provide services such as local roads, infrastructure and facilities.

Previous referendums have highlighted a number of key considerations and Gold Coast City Council urges the Committee's consideration of the referendum being held at a time which maximises its chance of success. In addition Council fully supports a publicly funded national education and awareness program to inform the public about the importance of constitutional recognition of local government to ensure an informed decision is made on this important issue.

I look forward to hearing the outcomes of your Committee's deliberations.

Yours sincerely

TOM TATE
MAYOR