



20th December 2012

Committee Secretary
Joint Select Committee on Constitutional Recognition for Local Government
PO Box 6021
Parliament House
CANBERRA ACT 2600

Submission Number: 117
Date Received: 08/01/2013

Dear Sir,

SUBMISSION ON CONSTITUTIONAL RECOGNITION OF LOCAL GOVERNMENT

On behalf of the Fraser Coast Regional Council I write to formally present Council's submission to the Joint Select Committee on Constitutional Recognition for Local Government.

The Fraser Coast Regional Council serves approximately 105,000 residents and is represented in Federal Parliament by the members for Wide Bay and Hinkler.

As representatives seeking to serve our community in the most efficient and effective manner possible we strongly support constitutional recognition as a timely and important reform to Australia's system of governance. Council considered and passed the below resolution on 21 November 2012:

That:

1. Council supports amending Section 96 of the Australian Constitution so that it would read:

"Parliament may grant financial assistance to any state or local government body formed by or under a law of a state or territory"; and further
2. Council make a submission to the recently appointed Joint Parliamentary Committee into Constitutional Recognition reflecting this support for financial recognition of local government.'

Such a change is important to ensure that the Federal Government is able to provide funding directly to councils to meet local community needs including services and infrastructure. Since the establishment of the highly successful Roads to Recovery Program in 2001, the Federal Government has been doing just this. This program has delivered national objectives directly through local governments. After the floods that have hit our region of Queensland in recent years, it has been local councils, in partnership with federal and state government, that has been there to restore and rebuild communities.

As the Committee would be aware, the case for financial recognition of the third tier of government in Australia has been highlighted by the recent High Court decisions of *Pape* and *Williams*. The significant and unresolved legal doubt over the Commonwealth's powers to directly fund local government needs to be resolved. As a nation, it is imperative that where it is in the national interest to provide funding directly to local councils, the federal government is legally able to do so. This is a change necessary to ensure that governments working together are able to efficiently and decisively meet the needs of their communities. This simple and pragmatic change would not change how local governments operate and would not detrimentally affect their relationship with state governments.

It is worth noting that more than \$4 out of every \$5 in tax collected is done so by the Federal Government. Of the estimated 250 taxes in Australia, local government has only one tax; the rates levied on property. This accounts for approximately 3% of Australia's total taxation revenue.

Since the first Council was formed in Adelaide in 1840, councils have been providing essential services such as roads, waste treatment and water, they also provide a number of services they greatly add to our quality of life such as parks, libraries and events.

It is recognised that Local Government is ideally situated to respond quickly and effectively to local issues. For example, during the Global Financial Crisis, councils played a critical role in delivering 3,300 small community infrastructure projects.

Direct funding involves less bureaucracy, meaning there are no delays in funding being received and there is greater accountability and transparency.

We need a simple change to the Constitution. A change that reflects local government's role as the third sphere of government, a change that removes this significant legal doubt over our governance system and a change to ensure that our Constitution reflects the evolving needs of Australian society.

The difficulty in amending the Constitution is well documented; of the 44 referendums put to the public since 1906, eight have been carried, with the last successful one being in 1977. With the right conditions such change is possible though. In order to provide the best possible prospects for success, we believe the Federal Government should commit to:

- taking the lead on the issue, and demonstrating its support publicly;
- working proactively to achieve bi-partisan support for this change; and
- informing the public about our Constitution, how changes are made and the referendum question being asked;

The lack of any reference to local government in our Constitution is symbolically unacceptable but more importantly it places in doubt the essential working relationship between democratically elected bodies seeking to work together in the national interest.

This amendment to the Constitution is of significant importance for the long term sustainability of local governments across Australia and is strongly supported by the Fraser Coast Regional Council.

Yours sincerely,

GERARD O' CONNELL
MAYOR