



Submission Number: 68
Date Received: 04/11/2012

Tablelands Regional Council

Atherton Service Centre
PO Box 573, Atherton QLD 4883
Telephone: 1300 362 242

Office of the Chief Executive Officer
Ian Church
Chief Executive
Telephone: (07) 4043 4407
Facsimile: (07) 4091 4300
Email: info@trc.qld.gov.au
File Ref: COR-MGT-LGC KE:NS:IC

26 November 2012

Chairperson
Joint Select Committee on the Constitutional Recognition of Local Government
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Committee members

SUPPORT FOR CONSTITUTIONAL RECOGNITION OF LOCAL GOVERNMENT

I am writing in support of a referendum to recognise local government in the Australian Constitution so that there can be no doubt about the status of local government as the legitimate third tier of government in Australia.

The Tablelands Regional Council supports the Commonwealth Government having the constitutional power to be able to provide funding directly to local governments where this is in the national interest. As per the report by the Expert Panel, Council supports an amendment to Section 96 of the 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*".

Council supports constitutional financial recognition of local government for the following reasons:

- Current practice of funding Queensland local governments through financial arrangements with the State places undue emphasis on the federal-State balance of priorities and policies, which may not necessarily be in either the national or local best interest.
- In our experience, Commonwealth funding via State governments can be inefficient due to the duplication of investigative, administrative, compliance, reporting, monitoring and evaluation processes. Utilising a second party creates additional transaction costs in both time and resources for little or no additional benefit to service delivery. Furthermore, indirect funding has proved to be ineffective when rapid implementation is required (for example, Natural Disaster Relief and Recovery Arrangements). This is of particular concern with urgent or new programs which lack existing State processes and structures for the distribution of funds.
- In our experience, direct funding can facilitate the development of collaborative relationships between the three levels of government, because local government is empowered as an equal at the table with State agencies, rather than as a client. Indirect funding can result in situations where the conditions under which the money is passed on do not necessarily lead to the outcomes desired by either local or Commonwealth governments. However, the ability of local government to directly negotiate with either the Commonwealth or the State is curtailed by indirect arrangements.
- The practice of the Commonwealth in passing funds to local government through the State may also encourage the transferral of State responsibilities to local government without the required resources. In our experience, there has been a considerable expansion in the number of programs we are called upon to assist in delivering but which are matters of national policy or State responsibility. Direct funding may assist in providing clarity about the link between responsibilities and resources.

- The practice of indirectly funding local government fails to recognise local government as a legitimate third tier of government in Australia. This is not merely a matter of status, but is a statement about local governments' capabilities and trustworthiness which is outmoded.

Council understands that bi-partisan support is an essential precondition if a referendum is to have the best chance of success. We support the committee's efforts towards this end and request that the referendum be held at a time which would maximise its chance of success, following a public education campaign to raise awareness.

Council proposes to promote the case for changing the Constitution and intends to publish this submission on the TRC website after it has been considered by the committee.

Should you have any questions or comments please contact Kate Eden, Senior Corporate Advisor on

Yours faithfully

IAN CHURCH
CHIEF EXECUTIVE OFFICER