



Additional comments – Mr Mark Coulton MP and Mrs Jane Prentice MP

The Coalition has committed to support the appropriate financial recognition of local government in the Australian Constitution.

There have been significant concerns as outlined in the Dissenting Report regarding the Federal Government's failure to adequately fund and plan the referendum in line with the preconditions set out by Australian Local Government Association (ALGA).

The Government formed the Expert Panel on Constitutional Recognition of Local Government ('the Expert Panel') to identify options for the constitutional recognition of local government and to report on the level of support for such recognition among stakeholders and in the general community.

The Expert Panel's final report stated that:

The majority of panel members support a referendum in 2013 subject to two conditions: first, that the Commonwealth negotiate with the States to achieve their support for the financial recognition option; and second, that the Commonwealth adopt steps suggested by ALGA necessary to achieve informed and positive public engagement with the issue, as set out in the section of this report on the concerns about a failed referendum (see page 16). Steps include allocating substantial resources to a major public awareness campaign and making changes to the referendum process¹.

¹ Expert Panel on Constitutional Recognition of Local Government, Final Report, December 2011, p.2

As such, the Expert Panel was supportive of a 2013 referendum on financial recognition of local government through a change to section 96 of the Constitution, provided two conditions were met. The first condition was negotiation with the States to achieve their support for the Government's proposed question and secondly, to take steps as recommended by ALGA to achieve informed and positive public engagement with the issue.

At the first hearing of this Committee, reservations were expressed by ALGA with regard to timing, were a referendum to be held in conjunction with the 2013 general election. They noted that they did not consider the question should be put to the people before a number of preconditions had been met. As of March, three of ALGA's preconditions have not been met, an extremely concerning fact considering the Federal Government has had over two years to deal with the issues. Two of these preconditions are laid out in the Coalition's first Dissenting Report.

The first precondition is the general support of the states. In the view of Coalition members, the recommendation by the Expert Panel that the Government negotiate to achieve the States' support for financial recognition, is an essential precursor to the Committee being able to make a recommendation on the likelihood of the referendum being supported by the Australian people. This view was reinforced by a number of witnesses who indicated that, for the referendum to be successful, States either had to actively support the measure or at least 'run dead' on the issue.

Evidence received by the Committee suggested that the Government position was that negotiation could not occur with the States until a proposal was developed. Coalition members of the Committee reject this position and consider that the Government has failed to make best use of the time since December 2011 by failing to undertake such negotiations and that this delay has potentially undermined the prospect of a full and informed referendum proposition being put in 2013.

As of 6 March it is lamentable that the Minister for Regional Australia, Regional Development and Local Government, the Hon Simon Crean MP, still cannot confirm the views of State support for a referendum.

The second precondition which has not been met is that a viable educational campaign be conducted by the Federal Government. The prospect of a referendum held in conjunction with this year's Federal election raises serious risks where the opportunity to fully inform the voting public through public education and other avenues has not been fully realised.

Where a proposed change is worthy of support, a well-informed public will be more likely to support it and, if a proposed change has potential pitfalls, a well-informed public will be more likely to identify those problems and vote accordingly.

Past experience in referenda in this country has clearly proven that Australians tend to vote 'no' if they do not fully understand the issues behind the question. As noted in our earlier Dissenting Report, the desirability of the public being well informed regarding potential Constitutional change is even more important given that all Australian citizens are required to vote in a referendum. As such, it is not just those who have taken an active interest in the question, but those who are notably disinterested, who are required to make the decision.

Parliament should take all reasonable steps to maximise the likelihood that all voting Australians understand the question and have an opportunity to thoroughly consider the 'yes' and 'no' arguments before making their decision.

The third precondition ignored in the final report by the Gillard Government is that ALGA still does not have any confirmation regarding funding levels to be provided by the Federal Government. The Federal Government needs to match contributions by ALGA to the campaign equivalent to the funding provided to the Indigenous Recognition Referendum.

On 20 February 2013, ALGA gave further evidence to the committee that they recommend we continue with a referendum for the next election. President Felicity-Ann Lewis reiterated that 'ALGA is committed to a referendum on financial recognition of local government in 2013, provided the successful conditions for a referendum have been met'.

As such, we as members of the Committee make two recommendations:

1. *That the Minister take immediate and urgent action to remedy the abovementioned outstanding issues; and*
2. *That a referendum on the financial recognition of Local Government be put to Australian voters at the 2013 federal election.*

Mr Mark Coulton MP

Mrs Jane Prentice MP