



Contact: Name of Contact
Telephone No: (03) 5153 9500
Email: feedback@egipps.vic.gov.au

Corporate Centre
273 Main Street (PO Box 1618)
Bairnsdale Victoria 3875
Telephone: (03) 5153 9500
National Relay Service: 133 677
Residents' Information Line: 1300 555 886
Facsimile: (03) 5153 9576
Email: feedback@egipps.vic.gov.au
ABN: 81 957 967 765

18 December 2012

Mr Glenn Worthington
Secretary
Joint Select Committee on the Constitutional Recognition of Local Government
PO Box 6021
Parliament House
CANBERRA ACT 2601
(via email to jsclg@aph.gov.au)

Dear Mr Worthington

Submission – Constitutional Recognition of Local Government

This submission is made on behalf of East Gippsland Shire Council to the Joint Select Committee on the Constitutional Recognition of Local Government.

Local government is an essential part of Australia's system of government. Its contribution to national wellbeing can be measured in economic and social terms, and more intangibly by the way it enhances the democratic way of life of Australian citizens. It should be recognised in our national Constitution, alongside the State, Territory and Australian governments.

The inclusion of Local Government in the constitution is about recognising its role in Australia's democratic system of government and securing funding sources to deliver the essential services our communities need.

In order to carry out its responsibilities, Local Government relies on a range of funding sources, including its own revenue streams, grants from State and Territory governments, and funding from the Australian government. In 2009, a High Court decision (*Pape vs Federal Commissioner of Taxation*) brought into serious doubt the Australian Government's ability under the Constitution to directly fund Local Government projects.

As a consequence, East Gippsland Shire Council supports a Constitutional referendum on empowering the Australian Government to directly fund Local Government authorities, to put beyond doubt its ability to fund vital local projects.

Specifically, Council supports an amendment to Section 96 of the Constitution to proclaim: "Parliament may grant financial assistance to any State or Local Government body formed by or under a law of a State or Territory".

Recognition of Local Government in the Australian Constitution will provide the Australian Government with legal authority to provide funding directly to Local Government where this is in the national interest. Funding of Local Government Councils by the Australian Government must be secured, to ensure the invaluable outcomes made possible through programs such as Roads to Recovery and the Regional and Local Community Infrastructure Program, or their equivalents, can continue.

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Constitutional recognition of Local Government will give local communities throughout Australia the legal right and opportunity to be assisted in their growth and prosperity directly by their national leaders, the Australian Government.

Thank you for the opportunity to make comment to the Inquiry into the Constitutional Recognition of Local Government.

Yours sincerely

STEVE KOZLOWSKI
Chief Executive Officer