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Parliamentary Joint Select Committee on the Constitutional Recognition of Local Government

Maribyrnong City Council submission

**Endorsed by the Maribyrnong City Council Community and
Services Special Committee on 12 February 2013**

Introduction

Maribyrnong City Council (MCC) has been a long-time supporter of constitutional reform to acknowledge the role of local government in the Federal Constitution.

MCC initially submitted to, and participated in, the Australian Local Government Association's (ALGA) Constitutional Recognition for Local Government National Summit in 2008.

MCC recognises that constitutional reform will certify the role of local government as the third tier of government in Australia, and through financial recognition, secure direct Federal funding for essential programs and infrastructure for its local community.

Support for Financial Recognition

On 19 July 2011, MCC passed the following resolution:

That Council:

- 1. 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.*
- 2. Sends correspondence to the Prime Minister, Leader of the Opposition, Federal Minister for Local Government and the Shadow Minister for Local Government, advising them of Council's resolution, and seeking their support for financial recognition of local government in the Australian Constitution.*

In this submission, MCC reaffirms its support for the financial recognition of local government in the Constitution, as previously resolved.

MCC also supports the ALGA campaign in full, to see an amendment to Section 96 of the Constitution, to read: *'Parliament may grant financial assistance to any state or local government body formed by or under a law of a state or territory'*, to

ensure the Federal Government has the power to provide funding directly to local government, where it is in the national interest.

Local government is already burdened with significant external cost drivers, and the increasing trend of cost-shifting from other levels of government. Any action that secures funding certainty for federally funded programs like Roads to Recovery, and aids a council's long term financial and infrastructure planning, should be supported.

With the ability of direct Federal funding secured, our City – rated third on the SEIFA index of disadvantage in Victoria - then faces the continuing advocacy challenge of securing more Federal funding to build better community infrastructure to redress this disadvantage. But the ability to secure this federal funding is essential, in order for us to do so.

MCC also has a strong history of advocating for new funding and funding reform, to help to address issues of cost shifting in the services we provide to the community.

As stated in ALGA's Case for Change document, the Federal Government collects 82 per cent of tax paid by Australians (\$4 of every \$5); state governments collect 15% and local governments only 3%. Local government needs the ability to be able to access more of the Federal 82% portion, for its local communities.

Support for the Expert Panel's Essential Pre-Conditions for a Successful Referendum

In supporting the campaign for constitutional reform, MCC believes it is acting in the best interests of its community.

MCC also acknowledges that, given the history of national referenda - particularly on this issue - any proposed referendum campaign needs to address the mistakes of the past, and be conducted in the right way, at the right time.

MCC believes there is little point in pursuing a constitutional referendum that does not have bipartisan support, or that is not well understood by the community. Such an approach would inevitably fail.

There also needs to be a publicly viable reason why constitutional reform is needed. Recognition of local government is important, although convincing

community of the need and expense of a referendum on this stance alone, would be a unenviable undertaking.

However, the recent case law findings, and subsequent ambiguity of the Federal Government's funding directly to local government, does provide a 'real need' proposition for constitutional reform. Without Federal funding, infrastructure costs would increasingly burden ratepayers and local communities, jeopardising services and programs. The trend of cost-shifting would likely become more pronounced, and challenge the ability of councils to cope – especially in the face of other significant external costs like the superannuation fund guarantee and the fire services levy.

In considering the referendum proposal, MCC supports the findings of the Expert Panel in relation to the essential need for bipartisan support for the referendum – including the need to reform Commonwealth law to allow for the public funding of the 'yes' case.

It also supports a referendum being held at a time that maximises the chance for its success, and after all the Expert Panel's preconditions have been met.

To ensure the support of the states, the Federal Government will need to negotiate directly with the state governments on the proposal. Any referendum will need the cooperation of all levels of government.

Finally, the MCC calls on the Federal Government to publicly fund a national education and awareness campaign to inform the community about the Constitution and the proposed referendum.

Any type of behavioural change – such as required for a successful 'yes' vote – starts with awareness. Generations of young Australians have never experienced a national referendum, or may not understand the process and need for changing the Constitution. Local governments can support the education efforts in their own communities – but a national campaign is required for significant reach and awareness raising on this issue.

Only then, is a referendum on constitutional reform to recognise local government, likely to succeed.