

Office of the Mayor

265 Grey Street
Glen Innes NSW 2370



Council's Ref: HFB:dmf:DW:372324

7 February 2013

Submission Number: 250
Date Received: 28/02/2013

Mr Glen Worthington
Secretary
Joint Select Committee on the
Constitutional Recognition of Local Government
P O Box 6021
Parliament House
CANBERRA ACT 2600

Dear Mr Worthington

Re: Submission for Constitutional Recognition of Local Government

I refer to your letter of 9 November 2012, providing Councils with an update on the progress of constitutional recognition and requesting Councils to provide submissions to the Joint Parliamentary Committee. Accordingly, please find Glen Innes Severn Council's submission below:

Glen Innes Severn Council Submission to the Joint Select Committee on the Constitutional Recognition of Local Government:

Glen Innes Severn Council believes Constitutional Recognition for Local Government is vital. Council strongly supports the Australian Local Government Association (ALGA) statement that:

"It is time to include local government in the Constitution as the third level of government. Constitutional recognition will protect what we already take for granted and give local government the funding security to better deliver the services that the community needs and deserves."

- **Council Support for Financial Recognition.**

At its Ordinary Meeting held on 24 March 2011, Council resolved the following:

1. *That Council 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.*

2. *That Council calls on all political parties to support a referendum by 2013 to change the Constitution to achieve this recognition.*
3. *That the Mayor writes to the Prime Minister, the Hon Julia Gillard MP, the Leader of the Opposition, the Hon Tony Abbott MP, and the Local Member of Parliament, the Hon Tony Windsor MP, to advise them of Council's support for the Constitutional recognition of Local Government.*

The above-mentioned letters were sent in April 2011. Council received a reply (copy attached) from the Hon. Tony Windsor MP, expressing his support for Constitutional Referendum to Local Government.

- **Council supports the Federal Government having the power to be able to provide funding directly to Local Government where this is in the national interest.**

Glen Innes Severn Council supports financial recognition of Local Government in the Australian Constitution so that the Federal Government has the power to fund Local Government directly. This would help to guarantee that Local Councils receive the funding they need to provide their communities with necessary services. Without formal Constitutional Recognition, direct Federal Funding to Local Councils may be officially invalid.

In addition to Roads to Recovery Funding, Glen Innes Severn Council receives over \$1.7 million per annum directly from the Federal Government to fund Community Services programs. Council's Community Services section provides first-class community services across 13 Local Government Areas (LGAs) in northern NSW, strengthening its capacity to deliver a large number of services to its own community. Caring professionals ensure services are tailored to meet clients' needs. This quality work is recognized through ISO 9000 certification. A strong Community Services section enables Council to employ 50 professionals who not only stimulate the LGA's economy, but also greatly enhance the local community fabric. Loss of Federal Government funding would put many of this section's excellent services in jeopardy, and have consequent staffing implications.

Over the last few years Glen Innes Severn Council has also received significant infrastructure funds through the Federal economic stimulation packages. This has resulted in some significant improvements that otherwise would not have happened. The Glen Innes Showground, community halls, playing fields, and child care facilities have all benefited. The stimulation funding therefore proved to be advantageous for both Federal and Local Governments. Financial recognition of Local Government in the Constitution would ensure such funding schemes could be undertaken when necessary, without the risk of High Court Challenges, such as *Pape v Commissioner of Taxation* (2009).

- **Council needs certainty of funding so that programs like Roads to Recovery can continue.**

The Federal Government's Roads to Recovery program, which provides funding directly to local government to address the road infrastructure backlog, has been essential in assisting Council maintain its road infrastructure and the role that the road network has in linking communities. Local government's analysis shows that the backlog of needs on local roads remains high and is now about \$1.2 billion annually. The size of this backlog means that there is no possibility of local government being able to address roads needs with their limited funding base.

Glen Innes Severn Council has a roads backlog of at least \$15 million (as at 30 June 2012), just to improve the roads to a satisfactory level. The potential loss of approximately \$600,000 per annum in Roads to Recovery Funding would be devastating to Council's asset management strategies and would have significant implications for Council's labour force.

Councils throughout Australia play a vital role in the provision of essential services and infrastructure at the local and regional level including at times of natural disasters. Without the Roads to Recovery funding access to the basic services such as health, education and economic and social needs will begin to decline for communities.

- **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."**

As indicated in the LGSA's submission (p. 3), this wording of this proposed amendment allows for financial recognition for Local Government, while addressing State Government concerns. It is also written in plain English, so voters can understand its meaning and implications.

Bipartisan support is an essential precondition if a referendum is to have the best chance of success.

Bipartisan support is essential to ensure the best chance of success for a referendum proposal. With the lack of understanding in the community about the Constitution, voters rely on the political parties to formulate their opinions. Australian constitutional history demonstrates that unless there is broad bipartisan support, referendums are unlikely to succeed. (ALGA, 2012, page 5 & 6).

With this in mind, Council has sent letters and/or copies of Media Releases supporting Constitutional Recognition for Local Government to politicians of all political persuasions, including the Prime Minister (ALP), the Opposition Leader

(LNP), the Member for New England (Independent), and Senator John Williams (National Party).

- **Council supports the referendum being held at a time which maximises its chance of success.**

Council is not opposed to holding a referendum with the upcoming Federal election, provided there is time for the prerequisites identified by the Expert Panel on Constitutional Recognition of Local Government, to be met. However, if an election is called before State support for Financial Recognition of Local Government is achieved; the referendum should be postponed and held during the next term of parliament. In addition, a referendum should not occur until:

- The Australian Government has demonstrated public support for Financial Recognition of Local Government.
 - An extensive Public Education Campaign has been conducted, so voters are fully informed about the Constitution, and the question being asked.
- **Council supports a publicly funded national education and awareness campaign to inform the public about the Constitution, how to change it, and about the question being asked before the referendum. An informed voter is more likely to cast an informed vote, which is based on facts rather than misinformation.**

At its Ordinary Meeting held on 23 February 2012, Council resolved the following:

1. *That Council favourably considers the request from the Local Government and Shires Associations, on behalf of the Australia Local Government Association, to contribute the amount of \$8,968.54 plus GST over a period of three (3) years to assist with the national advertising campaign for the Constitutional Recognition of Local Government.*
2. *That Council makes provision in its forthcoming three (3) Operational Plans (Budgets) for the amount of \$2,989.51 (excluding GST) to be included in each financial year respectively.*

Council has made the abovementioned budget provision (Point two (2)) in its 2012-2013 Operational Plan.

Council has commenced a series of media releases urging the community to support the constitutional recognition of Local Government in the proposed referendum, to enhance its likelihood of success. This has led to some debate in the "Letters to the Editor" section of the *Glen Innes Examiner*, and has allowed Council to correct some public misconceptions about what Financial Recognition of Local Government will entail. (Please see attached media release and Letter to the Editor).

In conclusion, Glen Innes Severn Council believes Constitutional Recognition for Local Government is essential.

Yours sincerely

Cr Colin Price
MAYOR