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Mr Thomas Gregory Secretary Joint Standing Committee on the Constitutional Recognition of Local Government PO Box 6021 Parliament House CANBERRA ACT 2600

## Dear Mr Gregory

## **Constitutional Recognition of Local Government**

Thank you for the opportunity for the Whittlesea City Council to express its support for constitutional recognition of Local Government.

I note that the Australian Local Government Association has produced a booklet *The Case For Change* which adequately argues the case for constitutional recognition of local government. I do however, wish to highlight and emphasise further the need for recognition as it relates to the establishment of Councils under the Acts of States and Territories.

Currently the Council of Australian Governments (COAG) has a progressive program of legislative reform and harmonisation across Australia. The reduction in legislative inconsistencies and bureaucratic 'red tape' is a fundamental requirement if Australia is to improve its productivity in the face of challenging economic and political circumstances from abroad. Yet the roles and responsibilities of Councils across Australia vary as a direct result of State (and Territory based) legislation which has been created to suit those States and Territories rather than the local communities they serve or at times even the national interest.

Financial sustainability is crucial and yet there are differences in terms of rate capping, borrowing limits and financing arrangements across the States.

The combination of roles and responsibilities and financing arrangements implies that the local government sector faces a myriad of sustainability issues which in turn endanger the wellbeing of local communities.

Constitutional recognition combined with a sustainable ongoing funding stream would provide a guarantee to the provision of local services. This above all, is seen as the most compelling reason for all governments supporting constitutional recognition of local government. If this is not achieved, then Commonwealth and State/Territory Governments will increasingly be relied upon for ad hoc funding programs which could foster a sense of

uncertainty and frustration and may eventually undermine the relationship between the Commonwealth and State/Territory Governments. The current situation where some State Governments are not supportive of constitutional recognition of local government is already a poor reflection on that relationship and appears to be motivated out of self-interest.

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A further aspect of note, is the trend by both the Commonwealth and State Governments to transfer responsibility for various service delivery programs to local government with or without a commensurate level of additional funding. This again highlights the financial vulnerability of local government but also the increasing reliance of those higher levels of government upon a financially fragile local government sector. Delivering services at the level nearest the community is appropriate and it is most likely that this trend will continue but without formal recognition in the Australian Constitution to enable the Commonwealth Government to directly fund local government, the delivery of fundamental health, welfare, transport and early years services will ultimately occur in a less optimum manner than that afforded by a guaranteed funding stream.

If you wish to clarify any of the above discussion points, please contact

Yours sincerely

Russell Hopkins ACTING CHIEF EXECUTIVE OFFICER