


Hawkesbury City Council

29 November 2012

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Secretary:	

Mr Glenn Worthington
Secretary
Joint Select Committee on the Constitutional Recognition of Local Government
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Dear Sir,

Submission to the Joint Select Committee on the Constitutional Recognition of Local Government

The purpose of this submission is to indicate Hawkesbury City Council's support for financial recognition of local government in the Australian Constitution.

Council has considered and supported this important issue on a number of occasions in the past. Council, at its meeting on 28 June 2011, resolved as follows:

"That Hawkesbury City 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, and calls on all political parties to support a referendum by 2013 to change the Constitution to achieve this recognition".

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.

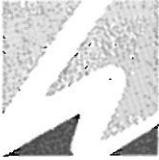
Councils rely heavily on funding, from both the State Government and the Federal Government, to supplement income from rates and other charges and to provide essential services and infrastructure in their communities. The Federal Government has been funding local government directly for over a decade, through programs such as the 'Roads to Recovery' Program. From 2009/2010 to 2013/2014 this Program has provided funding of over \$4 million to Hawkesbury City Council. Local government needs the Federal Government to continue to be able to make direct payments to councils, so that local government has the certainty to continue to be able to provide the levels of services expected by the community.

Financial recognition of local government in the Constitution is a practical solution to end legal doubt over this funding, created by two High Court cases (*Pape v Commissioner of Taxation* in 2009 and *Williams v The Commonwealth* in 2012). The cases create uncertainty about the future funding of local government and the only way to resolve this uncertainty is for local government to be included in the Constitution.

Also, there are other benefits to directly funding local government such as less bureaucracy, no delays in funding being received, greater local accountability and greater transparency.

Where people make the difference.

All communications to be addressed to the General Manager
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Hours: Monday to Friday 8.30am - 5.00pm



The Constitutional change to allow the Federal Government to directly fund local government is very simple. There is already a Section in the Constitution (Section 96) which allows the Federal Government to fund State Governments and the Section would be changed to add in local government.

Section 96 of the Constitution would be amended to read:

"Parliament may grant financial assistance to any state *or local government body formed by a law of a state or territory*".

This change would provide the Federal Government with the power to be able to provide funding directly to local government where this was in the national interest.

Importantly, this simple change to the Constitution would have no impact on how local governments work or on their relationship with State Governments.

It is essential that there is a bi-partisan support and an appropriate education campaign conducted in regard to a referendum on the financial recognition of local government if the referendum is to have the best chance of success.

In this regard, a publicly funded national education and awareness campaign is supported, to inform the public about the Constitution, how to change it and about the question being asked before the referendum.

In summary, Hawkesbury City Council supports financial recognition of local government in the Australian Constitution.

Yours faithfully,

Peter Jackson
General Manager