

# Carrathool Shire Council

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Ken Croskell

**Submission Number: 61**  
**Date Received: 12/12/2012**

10 December 2012

Mr Glenn Worthington, Secretary  
Joint Select Committee on the Constitutional Reform of Local Government  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600  
Email: [jsclg@aph.gov.au](mailto:jsclg@aph.gov.au)

Dear Mr Worthington

## ***CONSTITUTIONAL RECOGNITION OF LOCAL GOVERNMENT***

Carrathool Shire Council welcomes the establishment of the Joint Parliamentary Committee into Constitutional Recognition of Local Government.

Carrathool Shire is a large rural shire covering an area of approximately 19,000 square kilometres and includes the five urban centres of Hillston, Goolgowi, Merriwagga, Rankins Springs and Carrathool. The effects of the drought, uncertainty for water security and water buyback program under the Murray Darling Basin Plan, have impacted heavily on the shire community as evidenced by the decline in population from 3,301 at the 2001 census to 2,587 at the 2011 census.

Council has for many years argued the importance of Constitutional recognition of local government. At its meeting of 15 March 2011, the following resolution was passed by Council:

***“0946 RESOLVED that Carrathool Shire Council declare 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 considers that it is in the national interest that the Federal Government has the power to be able to provide funding directly to local government. For example, the nation's roads would be in jeopardy if the Federal Government was not able to continue with the Roads to Recovery Program.

Carrathool Shire Council has the second largest rural roads network in New South Wales. Council's annual budget is around \$15 to \$16 million. Council's funding allocation under the 2009-10 to 2013-14 Rural Roads Program is \$5,110,439 or for the current financial year \$1,022,088. This direct funding from the Federal Government is vital for council to continue to main its roads network.

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Local Government is required under State Government legislation such as integrated planning and reporting to produce a Resourcing Strategy incorporating long term financial planning, workforce management planning and asset management planning. Rural Councils such as Carrathool Shire, with large infrastructure demands and a small population base for rating, rely on external funding. Without the certainty of funding for programs such as Roads to Recovery, long term financial planning cannot be funded.

Council supports the 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*".

This amendment would remove the threat resulting from recent High Court decisions, which have created uncertainty regarding the Federal Government's ability to fund local government directly. This is essential as the Federal Government receives 82% of total taxation revenue. Funding from the Federal Government to local government via the State Government is not considered efficient.

Ensuring that services continue to be provided to rural communities has been an increasing problem for many years and local government has had to assume responsibility to ensure that services continue to be supplied and their communities are not further disadvantaged. In addition to hosting services previously fully supplied by the State Government or Federal Government, such as home and community care programs, Council has had to supply housing, build a medical centre and provide a vehicle to attract a Doctor, and provide a bank under a franchise agreement with the Commonwealth Bank.

Grants from other levels of government are critical and it is reasonable to expect that some of the taxes paid to the State and Federal Governments will be used to provide services and infrastructure at the local level.

The failure of two previous referendums in relation to local government is acknowledged. Council considers that it is imperative that a third referendum is successful and that bi-partisan support for constitutional recognition of local government is essential. It is also vital that the referendum is held at a time which will maximize its chance of success.

In view of the importance of the proposed referendum, 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.

Council urges the Joint Parliamentary Committee into Constitutional Recognition of Local Government to recognize the importance of ensuring that the Federal Government continues to be able to provide direct funding to Councils and ensuring that a referendum is held to recognize the need for Constitutional recognition of local government with every chance of success.

Yours faithfully

**KEN CROSKELL**  
**GENERAL MANAGER**