



To the Mayor, councillors and CEO

## **Prime Minister announces local government referendum**

Today the Prime Minister, the Hon Julia Gillard MP, announced the Government's intention to proceed with a referendum on the financial recognition of local government in the Australian Constitution in conjunction with the September 14 Federal Election. The Prime Minister's announcement fulfils the promise made in the 2010 agreement between the Gillard Government, the Greens and independents on forming government, to hold a referendum on the recognition of local government by the end of 2013.

This is an important decision for communities to ensure that they continue to receive the services and infrastructure they need. It will ensure greater funding security for the 150 services that local government delivers to its communities.

Two recent High Court decisions - the *Pape Case* in 2009 and the *Williams Case* in 2012 - challenged the Commonwealth's ability to fund activities which it believes are in the national interest and rejected the Commonwealth's position that it has very broad spending powers across many areas. This has important ramifications for local government programs like the Roads to Recovery program, which may now be vulnerable to further challenge in the High Court. If challenged, the Roads to Recovery program is likely to be found to be unconstitutional, and this could potentially have devastating consequences for the sustainability of councils and communities across the nation.

Passing the referendum to allow the Commonwealth Government to provide funds directly to local councils for their communities will remove the legal uncertainty about the Roads to Recovery program and ensure that this program and other programs where the Commonwealth provides funding directly to local government will be able to continue. It will enshrine in the Constitution the ability of the Commonwealth Government to provide funding directly to communities where it believes this is in the national interest, and formalise programs such as Roads to Recovery, which have been directly funded for over a decade.

The Government has agreed that financial recognition is the most appropriate form of recognition and the one most likely to receive bipartisan and community support.

ALGA has advocated tirelessly on behalf of local government to progress the recognition of local government. The establishment of the Expert Panel in 2011 and the Federal Parliamentary Joint Select Committee in 2012 were identified by ALGA many years ago as necessary mechanisms to gain bipartisan support and to identify the best way to proceed on constitutional recognition. Both the Expert Panel and the

Joint Select Committee recommended that a referendum should be held in 2013, and the Government has accepted their advice and conclusions.

Behind the scenes, ALGA and local government state and territory associations have laid the groundwork for the campaign, to be ready as soon as the referendum was announced. This has included a comprehensive campaign structure at national and state level which will be rolled out nationally. You may have noticed that ALGA has already advertised for a National Campaign Director in all major newspapers, in anticipation of the Government's announcement. Over the coming weeks information to support councils in their individual campaigns at the local level will be collated and distributed. In the meantime the Fact Sheets distributed to councils in 2010, including a brochure which can be adapted by councils to reinforce the importance of continued funding to provide vital services to their communities, and the *Case for Change* distributed in 2012, are documents which can be used immediately to raise awareness in the community and in local media. These documents are also available on ALGA's website. Further materials will be prepared during the campaign and councils are urged to read *ALGA News* (at <http://alga.asn.au/> and clicking on the "media" tab) which will give updates of campaign activities and messages on a weekly basis, every Friday. Information will also be posted to our dedicated constitutional recognition website at <http://www.councilreferendum.com.au/>.

Some points you can raise when speaking about the referendum are:

- This referendum is important for our communities to ensure that they can continue to receive the level of services and infrastructure they need.
- The Roads to Recovery program has been extremely important for our community (give example of a road/s funded by the program and the amount of funding received for this project through R2R).
- Community infrastructure programs directly funded by the Commonwealth have enabled our communities to benefit from (give examples of upgrades to pools, libraries, sporting complexes etc. in your community and the value of these facilities).
- Bipartisan support has been shown in the past to be essential for the success of referendums, and council urges (give the names of your local member/members) to support this referendum.
- This referendum is about communities - it will not change the relationships between councils and state governments. It will simply formalise Commonwealth funding direct to communities which has been occurring for decades, but which has always been open to legal challenge. This referendum will put an end to this legal uncertainty.

In addition, ALGA has prepared a general set of points on the referendum and I have attached a copy of these for your further reference.

To run an effective campaign requires adequate funding and the most important thing that councils can do straight away is to provide the funding sought by their state association.

We need to put all our combined resources into making this referendum a success. I will continue to keep you updated on progress and the state and territory associations will be implementing their campaigns at state level.

Your sincerely

Felicity-ann Lewis  
President