

MESSAGE FROM THE ALGA PRESIDENT

A referendum to recognise local government is in everyone's interest

The Federal Government has announced its support for a referendum to change the Constitution to protect its ability to fund vital community services and infrastructure through programs like Roads to Recovery and the Regional and Local Community Infrastructure Program for local government. We hope that the Government will have the necessary multi-party support to hold the referendum at the time of the Federal Election on 14 September. This is an opportunity to shore up funding for our communities and should be welcomed by towns and cities across the country.

The proposed change is a simple, pragmatic change to one section of the Constitution – Section 96. The change will confirm the power of the Federal Government to fund local government. It won't change the status of local government, or its powers, or its relationship with the state government. It will, however, remove the legal uncertainty about the Federal Government's ability to fund local communities directly through their councils. This uncertainty was created by two recent High Court cases – the *Pape Case* and the *Williams Case* – which cast doubt on the Commonwealth's funding powers.

The change to the Constitution would formalise what has already been happening for more than ten years. Over the past decade, billions of taxpayers dollars have been invested in tens of thousands of local projects including roads, footpaths and bridges, community halls, ovals, childcare centres and swimming pools.

To those who suggest there will be unforeseen consequences from such a change, I ask them to consider that there have not been any consequences over the past ten years during which Governments have provided direct funding to councils.

If the referendum is passed, councils will remain the responsibility of the State Governments. The proposed change to the Constitution makes this quite clear. The States will still be able to amalgamate councils, de-amalgamate councils, change council boundaries and dismiss councils in limited circumstances.

This referendum would be different from previous referendums on local government. It's not about the status of local government. It's about fixing a problem and removing uncertainty about the funding of vital local community services and infrastructure. Local communities deserve that support and this is what the referendum is all about.

Direct federal funding is important because the Federal Government collects more than 80 per cent of all tax revenue in Australia. This was not the case when the Constitution was written. We need a relatively small change to the Constitution to take account of today's circumstances. The local services and infrastructure we are talking about cannot

be funded by the State Governments because they don't have the revenue. That is why the Federal Government had to introduce direct funding of councils to begin with.

For the referendum to have the best chance of success, it must be supported by the Federal Government, the Federal Opposition, the Greens and the Independents. This is a significant referendum and should be above political differences.

Adequate resourcing of local councils to ensure they can meet the needs of their communities is in everyone's interest. The referendum will be critical to resolving the legal uncertainty around existing direct funding programs and allowing them to continue. For that reason everyone should support this referendum if it is held on 14 September.

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