



10 December 2012

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

Dear Mr Gregory

The Mid Murray Council represents a community of 8,136, covering an area of 6,266 square kilometres and 3,383 kilometres of roads (340 kms sealed, 3,043 unsealed) and 220 kms of River Murray riverfront. The Council is democratically elected under the Local Government Act 1999 (SA) to represent and provide infrastructure and services to our community. The Mid Murray Council was formed on 1 July, 1997 through the amalgamation of the District Council of Mannum, District Council of Morgan, District Council of Ridley-Truro and part of the District Council of Mount Pleasant.

The Council formally resolved to support the option of financial recognition of Local Government in the Australian Constitution on 15 March 2011.

In December 2010, the Australian Rural Roads Group produced a report entitled "Going Nowhere; the Rural Local Road Crisis – Its National Significance and National Reforms". The report indicated that "each year, Local Governments nationwide are together falling up to \$2.8 Billion short of the funds needed simply to maintain the current local road network roads in a safe condition. Higher government grant funding processes are too small and not targeted at rural productivity: between 2001-2008, Australia produced over \$250 billion in gross agricultural production, and at the same time the mining boom has relied heavily on rural road infrastructure, yet over the same 7-year period all local roads – urban, regional, rural and remote combined – received only \$3.3 Billion in Commonwealth road grants".

In addition, an independent report by PriceWaterhouse Coopers in 2006 estimated the impact of underfunding of Local Government was a \$14.5 Billion backlog in repairing aging infrastructure such as roads, swimming pools, libraries and town halls. The Commonwealth Government's Regional and Community Infrastructure Program provided \$1.0 Billion in the 2008/09 and 2009/10 financial years for infrastructure renewal, but much more funding is needed to reverse this decline.

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It is considered that Local Government played a critical role in 2008/09 by delivering 3,300 small community infrastructure projects to local communities across Australia to protect Australia against the impact of the global financial crisis. Indeed, the Mid Murray Council undertook a number of projects with Commonwealth funding.

Local Government's services and facilities provided have expanded significantly over the last 20 years. There has been a large rise in size, scope and role of Local Government. In addition to providing infrastructure, Council provides over 150 different services to its communities throughout the District. Some of these include stormwater and drainage systems, community wastewater management systems, waste management, planning, building and environmental health, parks and gardens, health and wellbeing and advocacy on particular community issues (retention of Cadell Ferry Service), cultural, social and welfare services.

A High Court case in 2009 placed the direct funding from the Commonwealth Government to Councils at risk. "The Roads to Recovery (RTR) program alone provides this Council with about \$470,000 each year so you can see the sort of negative impact on services or rates if this funding was withdrawn. This uncertainty is creating a lack of confidence in the sorts of partnerships which Councils can forge with the Commonwealth.

This Council supports an amendment to Section 96 of the Constitution so that it would 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 validate programs such as Roads to Recovery without creating any broader capacity for the Commonwealth to legislate about Local Government. Council values the relationship it has with the SA Government but is aware State funding for Councils in SA is the lowest per capita in the nation.

Council supports a referendum being held at a time most likely to achieve a successful result. The current support from all political parties and independents in the Federal Parliament is an important factor in giving a referendum the best chance of success.

Another key factor in the success of a referendum is likely to be the level of understanding in the community about the Australian Constitution, the role it plays in society today and how it can be amended. Council supports a publicly funded national education and awareness campaign to support an informed vote in the community.

Finally Council is a member of the Local Government Association of SA and supports its work and that of the Australian Local Government Association (ALGA) in representing Local Government on this issue.

Yours sincerely

Russell Peate  
CHIEF EXECUTIVE OFFICER