

Chapter 12

Recognising the Local Government Sector

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12.1 Introduction

In the wake of several failed attempts to secure recognition of local government in the Australian Constitution, the Australian Local Government Association (ALGA 2008, p 1) suggested ‘a number of outcomes for communities’ which could be achieved through constitutional recognition, being ‘not mutually exclusive options’:

1. Broad recognition of local government’s role in the federation (‘symbolic recognition’).
2. An acceptance of some principles relating to the existence and continuation of local government as an institution and local councils as democratic representative bodies (‘institutional recognition’).
3. A streamlined approach to local government funding resulting from a more direct financial connection between local government and the Commonwealth Government (‘financial recognition’).

Chapter 12 examines the present state of the ‘recognition’ debate by considering each of these three options and the critical issues that have emerged with respect to them.

Chapter 12 is divided into four main parts. Section 12.2 deals with the question of formal ‘constitutional recognition’ and traces the development of this notion from the debates which preceded the enactment of the Constitution in 1901 to the more recent attempts at constitutional recognition initiated by the Gillard Government. Section 12.3 discusses the ‘institutional recognition’ of local government as an integral sphere of government activity in the Australian polity. Section 12.4 examines financial sustainability and the difficulties faced by so many local councils in Australia, in part because of the constitutional and legal limits to local government’s capacity to raise its own revenues. Chapter 12 concludes in section 12.5 where it is suggested that the current weak position of local

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financial and asset management is largely being encouraged as matters for internal local government reform. In many comparable international local jurisdictions, traditional democratic roles of local government have been enhanced, giving local government a more important role in determining which services and at what level should be offered. This is less true in Australia.

One reason advanced for this situation has been the relatively weak leadership of the sector, fragmented by State and Territory, by divisions between elected members and appointed officials and between their State and national representative bodies, and by the highly diverse needs of individual councils. Australia has more than 250 councils with populations of less than 10,000, and 157 small to medium urban councils with populations below 70,000, found in both regional centres and metropolitan areas (Commonwealth of Australia 2012, p 245). Such diversity and fragmentation militates against single and/or strategic approaches to questions of efficiency and effectiveness in service delivery, capacity building and local democracy.

While it will be difficult to find a silver bullet to improve the contribution of this sector, one possible mechanism is to form an integrated, national and cohesive sector-wide advocate for local government which can meet State and national spheres of government more as equals. This is a huge challenge, for diversity is not only the current reality, it is also buried deeply in the establishment of local government itself, representing the fundamental importance of differences between communities and those who represent their particular interests. Nevertheless, in the absence of formal constitutional recognition for the near future, the sector needs to promote both financial and institutional recognition as serious alternatives.

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