



9 January 2012

Mr Roger Bailey  
General Manager  
Lithgow City Council  
PO Box 19  
LITHGOW NSW 2790

Dear Mr Bailey,

**Constitutional Recognition of Local Government – contribution of funds**

We write to update you on the process and progress for achieving Constitutional Recognition of Local Government, and to provide an indication as to what we believe your council's financial contribution to a national advertising campaign will be.

As you are aware, in 2010 in response to some strong ground work by the Australian Local Government Association (ALGA) and the LGSA, the Prime Minister of Australia, the Hon. Julia Gillard MP, committed to holding a referendum in conjunction with the next Federal election to include recognition of Local Government in the Australian Constitution.

In mid 2011 the Prime Minister set up an Expert Panel on Constitutional Recognition of Local Government. The Expert Panel released its findings on 22 December 2011. A copy of the Expert Panel's findings and all submissions can be found at <http://www.localgovrecognition.gov.au/content/final-report>

ALGA is leading the campaign on behalf of Local Government across the country, and to date more than 85 percent of councils in Australia have moved motions in support of Constitutional Recognition of Local Government.

In addition to all councils continuing to actively lobby for this important issue at a local level, ALGA will be asking all State and Territory Associations and their member councils to contribute financially to a large scale national advertising campaign to gain public support for a 'yes vote' when the time for a referendum comes. In order for the referendum to be successful it requires a 'double majority', which is a majority of 'yes votes' from a majority of voters, and a majority of states. As ours is the most populated state, success in NSW is critical to the success of a national campaign.

ALGA's planning for this national campaign is in the early stages, as they were waiting to review the response from the Expert Panel, however we do know that substantial funds will be required to execute this campaign. From previous ALGA research it is estimated that a national advertising campaign will cost in excess of \$10 million, and that NSW councils, based on size and population, will be expected to contribute approximately \$2.7million of this amount. This will be contributed to ALGA through the LGSA to coordinate a national advertising campaign.

Whilst ALGA and the State and Territory Associations are yet to determine the scope and content of a national advertising campaign, we do know that funds will be required from each council in NSW, and we hope by alerting you early in your current budget cycle it will allow you to factor this contribution into your budgets for the 2012/2013 and subsequent financial years.

In addition to the national advertising campaign, ALGA has recommended that each State and Territory Association commence their own local 'profile raising' activities, to promote locally the good work Local Government does in their state. The LGSA committed \$100,000 to this profile raising project in 2010/2011 and \$200,000 in the current financial year. This project, including toolkits, will be rolled out in 2012 in NSW.

At our December 2011 Board Meetings, it was agreed that the LGSA budget a further \$1,000,000 over the next two financial years on NSW specific 'profile raising' and promotional activities, in addition to the national advertising campaign. These funds will be drawn from the LGSA's current investments.

It was also resolved that the \$2.7 million required by ALGA for the national advertising campaign be sought from members by way of a special levy. Each councils' share of the levy will be payable in three equal instalments over a three year period, commencing 1 July 2012.

Councils should note that should the referendum or the national advertising campaign not go ahead for any reason, instalments paid to the LGSA will be refunded.

The levy has been calculated using the standard formula used when calculating other similar levies, such as legal assistance calls.

Your council's special levy will be \$17,081.71 plus GST. The Executives of both Associations resolved that this levy will be payable in three equal instalments over three financial years, in order to reduce the financial burden on councils.

We will be in contact with you with an update on the next steps required, following an assessment of Government's response to the report from the Expert Panel on Constitutional Recognition of Local Government. In the meantime, ALGA has developed background information for your council to use, and you are encouraged to view these at their website on <http://www.councilreferendum.com.au> for more information.

In addition to your council's valued financial contribution, there will be supplementary work for all councils to do for this campaign at a local level, and further information will be provided to you in early 2012. In the interim, for more details please call the LGSA's Director, Communications and Campaigns, Megan Graham on 02 9242 4015.

Yours sincerely



Cr Keith Rhoades AFSM  
President  
Local Government Association of NSW



Cr Ray Donald  
President  
Shires Association of NSW