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SPEECH BY THE PRIME MINISTER, THE HON. E.G. WHITLAM, Q.C.,
M.P., TO A DINNER GIVEN BY THE LAND DEVELOPMENT CONFERENCE
OF VICTORIA, MELBOURNE, 13 FEBRUARY 1973

The decisive issue at the last election was the future of our cities. It was the response of those who must live in those cities - particularly the growing areas of Melbourne and Sydney - which decided the outcome. The national swing to my party was about 3%. In outer Sydney and Melbourne it was never less than 5% and as high as 11%. Cities and city life became one of the great issues in a national election campaign because the Australian Labor Party believed that the national Government must increasingly share with State and local Government responsibility for rebuilding our existing cities and building new ones. That was the central theme of my campaign.

You will forgive me if I quote myself, but I do so only to re-affirm my central conviction of the relevance of the cities to practically every other national issue which Australia must face. I said in the Policy Speech:

"Increasingly, a citizen's real standard of living, the health of himself and his family, his children's opportunities for education and self-improvement, his access to employment opportunities, his ability to enjoy the Nation's resources for recreation and culture, his ability to participate in the discussions and activities of the community are determined not by the hours he works, but by where he lives. This is why Labor believes that the National Government must involve itself directly in cities. Practically every major national problem relates to cities."

Believing this, we have moved promptly to implement our undertakings. A Department of Urban and Regional Development has already been created. It will be a major policy department of the Government. It is to have a creative, initiating and coordinating role in policy as well as an administrative responsibility for the application of that policy.

The department will have a responsibility for creating a National Urban strategy - a statement of a national attitude to urban and regional growth, a statement of priorities in the urban field and a guideline statement for Government and private action. This strategy will be concerned with the future of all urban areas, old as well as new.

I am reminded of the definition of an urban planner as a person who rearranges the deck chairs on 'The Titanic'. Despite the tone of fatalism that is often reflected in debate on urban affairs, I am convinced that we can - that we must - succeed. We are all in the same boat - whatever its name.

We should not be discouraged by the failures of the past. There is a new factor which should not be underestimated: the full resources and expertise of the Australian Government are now committed to the task.

While the Labor administration is mindful of the important contribution the various State Governments can make towards determining national policies on the cities and regions, we reject the implicit downgrading of the role of the National Government. The shibboleth of States rights must no longer be used as an excuse to deny the rights of the majority of Australians. Certainly, we know that only with State co-operation will we be able to solve the problems of the cities.

We recognise, however, that the National Government must involve itself in the problems of all urban areas, the old as well as the new, the existing cities as much as the new ones which we believe must be built before the end of this century.

If I might again refer to the Policy Speech - my colleague, Mr. Beazley, refers to it as the New Testament to distinguish it from the Old Testament embodied in the Party platform - I said:

"A Labor Government will have two over-riding objectives :
to give Australian families access to land and housing
at fair prices and to preserve and enhance the quality
of the national estate of which land is the very foundation."

There should be no doubt about our determination to halt the rise in land prices. There is scarcely an undertaking we gave to which we are so firmly committed. We are convinced that if any serious effort is to be made to get land prices down, then Governments must participate in the buying, development and leasing or selling of residential land. It is a practice long accepted in most comparable countries. Yet because it has not been the Australian practice - I presume because it was regarded as socialism - the price of land in every State capital has more than trebled in the last decade. The Commonwealth Banking Corporation has conducted periodic surveys of land prices. They show that in Melbourne between 1968 and 1971 the average price for a block of land which the Bank classified as modest, increased by 45%.

In Canberra, alone the local authority - which happens to be the National Government - owned, developed and leased the residential land. In Canberra alone were prices held stable. Two years ago the rules were changed and the result was Canberra experienced last year the most expensive land boom in Australia. So, at no gain to the community, hundreds of Australians obliged to live in Canberra for their living, are being needlessly burdened by high land prices. Conversely, hundreds of thousands of Australians can be saved millions if only the Commonwealth will make grants to the States to enable them to acquire, sub-divide, develop and sell or lease at cost substantial tracts of housing land. We propose to do it.

The experience of Canberra indicates the value of a leasehold tenure system. This has now been accepted by both the New South Wales and Victorian Governments. The agreement signed at Albury on 25 January by myself, Mr. Hamer and Sir Robert Askin states:

"It is proposed that the development corporation, unless there are exceptional circumstances, will follow a policy of providing fully serviced sites for development on a long-term leasehold tenure, normally 99 years."

There is the special problem of land speculation in areas designated for concentrated development. In these cases the duty of Governments to act is clear and inescapable.

I welcome the action of the South Australian Government, which in March 1972 introduced legislation to stabilise land prices in the area of the proposed new town of Murray, and I welcome the announcement on 17 January this year by the West Australian Government to control land prices in an area north of Perth. My Government is particularly heartened by the action of the New South Wales Government in proposing the stabilisation of land prices in the Gosford-Wyong, Mendi-Molsworthy, Campbelltown-Camden area.

The action by the New South Wales Government follows the decision of the Australian, New South Wales and Victorian Governments at their meeting in Albury-Wodonga on 25 January to stabilise land prices in that area at values applying on 3 October 1972. The agreement signed at Albury-Wodonga includes the following unambiguous statement of principle:

"The three Governments are agreed that land speculation should not be allowed to prejudice the success of the project and it is not intended to buy land at prices which reflect the increment in value arising from the intended development of the new growth complex.

The price of land to be acquired for the purposes of the project within the designated areas will be based on the market level of prices prevailing at the date of 3 October 1972, but with any necessary adjustment for general land price changes (due to factors other than the announcement of the development of the complex) during the period up to the date of actual purchase."

The principle of backdating land price controls is clearly accepted, not only by the new Labor Government but by the Liberal Governments of our two largest States.

I should add a further warning. The National Urban and Regional Development Authority is presently conducting a number of studies in a number of areas which may be suitable for future development. The fact of feasibility study is in no way to be taken as a Government decision to support some particular centre for future growth. Knowledge that such a study is being carried out is a very poor basis for speculating in land in such an area. The large number of studies initiated should be sufficient proof of that.

In giving these warnings - CAVEAT EMPTOR - I don't want it to be thought that I believe that land speculation is the only problem for our policy of limiting the escalation of Australian residential land prices. It has been the neglect and apathy of Governments, not the action of private citizens, which have made the price of land and housing the social and economic problem it is today. At the core of the problem has been the downgrading of local and semi-government by both Federal and State Governments. Because of the lack of adequate access to the Nation's financial resources, Local and Semi-Government authorities are now quite unable to provide the services for which they are responsible. These community services are too frequently required of developers, or even worse, not provided at all. In the face of ever-pressing demand, the limited supply of serviced land forces prices upwards.

My Government is determined that representatives of Councillors and Aldermen will have responsibilities in cutting up the national cake of borrowing as genuine partners in the Federal system.

Australia has 900 local Government bodies. These bodies seldom co-operate on a regional basis and too often have to compete for resources within their own region. As well as giving local Government representation on the Loan Council, we propose to amend the Commonwealth Grants Commission Act so that the Commission will be involved in promoting equality between regions as hitherto between the States. It will be requested to recommend the amount of Commonwealth assistance needed to remove the inequalities of servicing developing regions.

The Labor Government is also committed to a more direct role in ensuring the availability of land. In my Policy Speech I proposed the creation of a Commonwealth-State Land Development Commission in each State, to acquire substantial tracts of land in new areas and to lease or sell at cost fully serviced housing blocks. In this project we seek the full co-operation of State Governments and I have already written to the Premiers on this matter.

I want to emphasise that there is no reason at all why increased responsibility by the National Government should mean diminished opportunity for private developers. On the contrary, I believe our national interests go hand in hand and that we share a common interest in promoting the quality and efficiency of our cities.

The Government's objective is that every Australian family should be able to obtain land and housing at reasonable prices. This is surely in your interest. Our objective is that Local and Semi-Government should have adequate access to the Nation's finances. This is surely in your interest. Our objective is that Local Government should be able to perform its proper functions and provide modern and efficient services for residents and rate-payers. This is surely in your interest. Our objective is to reduce the multiplicity of standards and codes which so needlessly add to the cost of land and housing. This is in your interest. Our objective is to have planned and pleasant communities where home ownership is a source of real pride rather than unending and mounting frustration. This is in your interest.

If I may, I will repeat something I said in this same place to your conference in June 1971 -

"The great contribution which developers can and should make to the creation and recreation of our cities is to assemble and co-ordinate the varied resources and skills of the surveyor, architect, quantity surveyor, builder, tradesman, designer, landscaper, interior decorator and to see that finance is available from a bank, insurance company, building society or solicitor. Few of these specialists can apply their skills as well in isolation as they can apply them under the aegis of a developer. Very few homebuilders can, single-handed, assemble such skills as well as a developer can assemble them."

I believe we can have cities of which we can be proud and in building them I believe developers can play a role of which they can be proud - through a calling of which they can be proud.