



## PRIME MINISTER

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TEXT OF ADDRESS GIVEN BY SENATOR CARRICK ON BEHALF OF THE  
PRIME MINISTER AT THE MUNICIPAL ADMINISTRATION SEMINAR

I am pleased to be able to open the fourth National Local Government Seminar.

As you will know, the Government is committed to the most far-reaching reform of inter-governmental relations since Federation.

The theme of this Seminar - "Local Government - the changing scene" - therefore seems most appropriate, and I welcome the opportunity to discuss with you the implications of the Federalism policy for Local Government.

The Government's Federalism Policy will result in a new scene for Local Government.

It will ensure that the voices of individuals and community groups are heard, and that meaningful participation in the democratic process is enhanced.

Local Government has existed in Australia as long as most of the States. The first steps in the establishment of Local Government in Australia were taken in the late 1830's. The enthusiasm for Local Government in these early years is shown by this statement from a document of the period:

"Local Government and democracy are essentially intertwined, and it is difficult to see how the one can survive without the other . . . . States, where national democracies are not supported by the practice of Local Self-Government, will not develop that wide and solid political capacity in their citizens which is the chief bulwark against autocracy."

This viewpoint expresses the rationale behind our moves to give Local Government more control over their own decision-making and finances.

While the previous Labor Government followed a centralist philosophy, our Government is committed to a policy where Government decisions are made as close as possible to the people they affect.

The previous Government believed that the national Government must be directly involved in local affairs, even to the extent of usurping many local government responsibilities. They believed that all wisdom and experience resided in Canberra.

They introduced legislation to express this philosophy.

The Commonwealth Grants Commission Act of 1933 was replaced by the Grants Commission Act of 1973.

To implement this legislation, States were divided into artificial regions formed by groupings of local authorities.

Applications for assistance were only considered from local governing organisations approved by the Minister for Urban and Regional Development.

The regional organisation was a forced extension of local government.

Rather than giving proper life to local government, regional organisations formed a fourth level of Government. Regional organisations did not include all local government. Those that objected to losing their individual identity and refused to be grouped into a region, missed out in the financial lottery.

The grants given on the recommendation of the Grants Commission, were for topping-up purposes and were given to reduce inequalities.

By virtue of the very nature of the grant, however, not every council received money. Some councils had to be used as the measuring stick against which the others were to be compared.

The regional approach generally failed to take into account the fact that each council faced different problems.

The kinds of local authorities that were grouped into each region were generally quite different with respect to the particular problems that they faced as local authorities.

Our approach in these matters is quite different.

The present Commonwealth Government is the first since Federation to be unequivocally committed to an accurate assessment of the needs and responsibilities of all levels of Government.

The Government's Federalism Policy will contribute to a new structure of Federal-State-Local Government relations.

Local Government is of growing significance in the local community. It has "grass-roots" contacts. It must have the ability to respond to the massive difficulties which inflation, limited revenues, and expanding demands are imposing on it.

Today Local Government covers every aspect of the life of the individual and family, and affects economic growth and the quality of life for the community.

Local Government has the potential to improve the quality of life and services provided for local communities.

Our Federalism Policy will make major reforms in the finances and functions of local government. It will make for a new partnership between the Federal and State and Local Government spheres.

Local Government shall no longer be a poor relation.

At the basis of the new Federalism Policy is the principle of tax sharing.

The Government proposes to earmark a fixed percentage of personal income tax for distribution through the states to Local Government.

Taxpayers will know what this percentage will be.

The money is intended for two distinct purposes.

Part of each State's total grant will be for distribution between all authorities in the state. It will be essentially on a per capita basis, but there could be a weighting involved (e.g. related to area).

The second component will be an equalisation or "topping-up" grant to take account of any special needs of particular authorities.

Funds to be distributed on the equalisation or needs basis will be allocated by State Grants Commissions.

We will not dictate to the States the precise machinery or manner by which they will handle the distribution of these funds.

We will make available to the States the qualitative material on Local Government finance which the Commonwealth Grants Commission has assembled in the course of its enquiries, in order to assist them.

The April Premiers' Conference made a firm decision that Local Government would participate in the new tax sharing arrangements as from 1976/77.

Further, it was agreed to establish State Grants Commissions in those States which do not already have such a Commission.

In line with this policy the Commonwealth Grants Commission has been asked to advise on certain aspects of Local Government finance.

The Commission will not report on amounts of assistance for individual authorities.

It will advise the Commonwealth Government on the appropriate distribution of funds between States of assistance to be provided to Local Government in 1976/77.

A working party of officials from the States and the Commonwealth has been set up to work out what matters should be taken into account in allocating funds within the States.

On Thursday the Treasurer will be giving an indication of the assistance which Local Government might expect to receive under the new arrangements in 1976/77

Decisions on the detailed allocation of Local Government Grants will no longer be made in Canberra, but by each State in close consultation with Local Government itself.

We wish to see existing Local Government facilities and capabilities utilised in place of the present proliferation and overlapping of authorities and functions.

The reforms we are proposing to the federal system will establish the framework for a far more efficient approach to problems affecting State and local communities.

The great issues of concern; social welfare, education, health, housing, urban development, can only be handled adequately through a Governmental framework in which each sphere of Government considers the problems appropriate to it.

Efficiency and effectiveness are both harmed if the central Government presumes to decide questions on which awareness, information and expertise are located at local and state levels.

Such unjustified presumption on the part of the Federal Government can only lead to poorly conceived programmes and to harmful conflict between the different spheres of Government.

If we are to achieve the best consideration of the problems which concern us all, we must restructure our forms and institutions of Government - and our attitudes - to achieve partnership and co-operation, rather than domination by a few people in Canberra.

The goal of improving relations between the spheres of Government will be further advanced by the establishment of the Advisory Council for Inter-Government Relations.

Local Government will be looked to for an important contribution to the work of the Council.

The Council is seen by the Government as a vital institution of co-operation within the various forms of Government.

It will be an independent body of major status with wide ranging advisory and investigatory powers.

The Advisory Council for Inter-Governmental Relations will examine in depth the problems which emerge between the various branches of Government and will consider the definition and rationalisation of functions.

Local Government will be represented and will through their Premiers be able to have matters discussed at the Premiers' Conference for reference to the Council for examination and report.

Progress towards the establishment of the Council is advancing satisfactorily.

At the April Premiers' Conference the charter for the Council was agreed upon.

All Premier's have already been asked to submit nominations for citizen members of the Council.

The Commonwealth Government will introduce the appropriate legislation to establish the Council during the current parliamentary session.

As the Council develops I believe its influence will do much to enhance the status of Local Government.

The Council will provide an effective vehicle to encourage public debate on the practical resolution of local problems.

As a consequence of the Government's Federalism Policy I see Local Government being assured of its continuing role.

We will not attempt to force on local authorities artificial regions or changes of boundaries.

Local Government must be given the opportunity and assured resources to do its job, free from the constrictions forced upon it by the previous government.

The Commonwealth's proposals for a new system of financial assistance for Local Government were welcomed by the Premiers and warmly supported by the Australian Council of Local Government Associations.

One of the important areas where Local Government can - and does - play a role is in the delivery of welfare services.

This is a role which merits further exploration.

Welfare services provided at the local level are responsive to the users' needs and wishes.

Local Government has the capacity to mesh together voluntary and statutory welfare services and link them to other Local Government planning functions.

This is - in many ways - a natural Local Government function, because of the proximity of Local Government to the people and its unequalled knowledge of local conditions and problems.

Local Government should be fully aware of its special position and the considerable potential it has for enhancing citizen participation in decision-making.

The Government's proposals on Local Government follow what I see as one of the main objectives of Government: the creation of a society and an environment in which individuals may best fulfil themselves.

If this is to be achieved individuals must be free to participate fully in Government and the forms of Government must be decentralised to permit maximum response and effective involvement.

Clearly the scene for Local Government in Australia is changing.

The Labor Government tried to take Australia rapidly down the road to a centralist, tightly regulated bureaucratic state, built on ever-rising taxes and a growing dominance of Government over people.

The task of the present Government is to effectively demonstrate that there is a realistic alternative.

We believe our Federalism policy will re-establish the integrity of the federal structure.

Our proposals are designed to bring a greater degree of responsibility and autonomy to both State and Local Government where decisions that affect people in their own areas can be made by the people who know most about them and live close to them.

Local Government now has a chance to assert itself, to display its capabilities and its readiness to adjust and progress.

Much will depend on Local Government in helping Australia meet the challenges that the 1980's and beyond will bring.

I have much pleasure in declaring this Conference open.