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## PRIME MINISTER

FOR PRESS

23 SEPTEMBER 1976

### ADVISORY COUNCIL FOR INTER-GOVERNMENT RELATIONS

This Bill provides for the establishment of an Advisory Council for Inter-Government Relations.

The formation of the Advisory Council is a further step in the implementation of our programme of reform to improve the functioning of Australia's political institutions.

Honourable Members will by now be familiar with the main thrust of that programme. It is designed to strengthen the federal system by giving the states and local government an assured source of revenue; by matching revenue to responsibilities and by a more appropriate allocation of functions among governments.

The Advisory Council gives life to the Government's commitment as outlined in our federalism policy statement of September 1975.

The Council should be looked at in the context of our overall federalism reforms. These reforms attempt to restore a proper balance between responsibilities and finances in Australia. The work of the Council will supplement other reforms, such as our tax sharing proposals which will be the subject of separate legislation soon to be put before this House.

The Advisory Council is intended to bring together representatives of the Commonwealth, state and local Governments and private citizens to review and consider matters relating to the improvement of cooperation between the different spheres of government.

The Council will operate under the Premiers Conference. By reference from the Premiers' Conference, the Advisory Council will examine problems which emerge between the various spheres of government. Under the Premiers' Conference the Council will give continuing attention to the range of intergovernmental problems in the federal, state and local government spheres.

It will be a most important source of advice on the most desirable allocation of governmental functions, responsibilities and revenues.

The Bill provides for a Council of 22 members: five representatives of the Commonwealth (three Government Members and two Opposition Members.); six state representatives (one from each state Parliament); six local government representatives; and five citizen representatives.

Three Commonwealth Government representatives will be nominated by the Prime Minister, two will be nominated by the Leader of the Opposition in the House of Representatives.

So far as the local government membership is concerned, the states agreed to three local government representatives. We regret having to increase that number without the prior agreement of the states but we have come to the conclusion that six representatives of local government are necessary for the effective operation of the Council and for the reasonable presentation of local government.

So far as is practicable, the six local government members should be persons associated with local government in different states.

Citizen representatives to the Council will be selected by the Commonwealth Government in consultation with the States.

The Chairman of the Council will be one of the five citizen members. Members will normally have a three year term.

Provision is also made in the Bill for the appointment of deputy members, and attendance by one observer from each of the Northern Territory and the Australian Capital territory Assemblies.

The body will be distinctly bipartisan and the Government wishes to ensure that its independence is preserved. The Council is clearly not dominated by numbers of Commonwealth representatives. The Council will fulfil its function best if its members approach their tasks with a broad perspective, considering Australian Government as a whole system.

The Body which this Bill proposes to establish has been modelled on the United States Advisory Commission on Inter-governmental relations.

The United States Advisory Commission is a 17 year-old bipartisan body in which representatives of national, state and local governments and private citizens study the operations of the federal system in the United States.

The American commission conducts studies and investigations of specific inter-governmental conflict points and drafts proposed legislation and administrative orders to carry out its recommendations. The Commission is a successful and highly respected body which has done much to improve the American Federation.

It is our intention that the Australian counterpart also establish itself as an independent and highly respected body.

The Bill to establish the Council provides that the Premiers' Conference, or a majority of Governments participating may request the Council to institute inquiries. Local government, through their state Premiers will be able to have matters brought to the Premiers' Conference for reference to the Council for examination and report.

This Bill makes provision for the Advisory Council to furnish reports of its inquiries and investigations to the Prime Minister, to the Premier of each participating State and to the Australian Council of Local Government Associations.

The Advisory Council is also required to make an annual report on its activities. This report will be made public by being laid before both Houses of this Parliament within 15 sitting days after the Prime Minister has received a copy.

This Bill is the result of a great deal of consultation and thought. All State Premiers, as well as the Australian Council of Local Government Associations, have had an opportunity to comment on the proposed Council which has been modified in the light of their comments. The Charter of the Advisory Council was approved at the April Premiers' Conference. And before that Senator Carrick discussed details of the Council with State Ministers.

The costs of the Council will be shared by agreement among the three spheres of Government. At present it is intended that the Commonwealth and the States each meet 45% of the Council's cost, the remaining 10% being contributed by local government. Since this arrangement may be subject to change or re-negotiation as the Council develops it has not been written into the Bill.

Honourable Members will also note that the Bill contains no reference to staffing. This is to ensure maximum flexibility and the opportunity for participation by officers drawn from all spheres of Government.

A Secretariat to service the Council will be based in Hobart. The staff will be small in number but of a calibre which will assist the Council to achieve the status and prestige which we envisage for it. Where necessary, it is hoped that other people and institutions can be used to research proposals.

The Secretariat will be based in Hobart. While the initial meetings will be in Hobart, when the Council is well established it is expected that it will feel free to meet in other centres around Australia.

An important role of the Council will be to promote discussion and disseminate ideas. To reach a wide audience and to present to that audience an independent view on possible solutions to problems of inter-government relations.

Such a role should do much to dispel the notion, so prevalent in recent years, that all wisdom resides at the centre.

The Council possesses only advisory powers. The Council does not exist to pre-empt the decisions of governments. It exists to provide an effective vehicle to encourage public debate on the practical resolution of problems facing governments in Australia.

It exists to make Governments fully aware of the options which face them. The Governments concerned will be solely responsible for the decisions they make.

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