



PRIME MINISTER

FOR MEDIA

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ELECTORATE TALK

There were three main issues at the Premiers' Conference and at the Loan Council. First, giving the States responsibility for their own electricity borrowings and the greater Commonwealth authority in national economic management and third, the funding level for the States following the Grants Commission report.

The Commonwealth's package to the Loan Council produced some historic decisions, giving the States freedom to determine the size of their electricity borrowings and to set the interest rates on them, will make the states responsible for their own electricity programs, and that greater degree of responsibility will be welcomed by the community.

The Premiers also agreed to provide much more information about their electricity authorities, to publish audits and tariff rates and so end any secret deals on special electricity tariffs. This information will open these authorities up to far more public scrutiny and help in making the States more responsible for their actions in a real sense.

The Loan Council also determined that the Commonwealth have greater flexibility to use instruments which are vital in national economic management through a tender system for selling Commonwealth bonds as recommended by the Campbell Committee, and through delegated authority to set terms and conditions for the sale of Australian Savings Bonds. This will make money supply management simpler than it has been for the Commonwealth in the past. The Commonwealth will be able to take the decisions in its own right where before it has been necessary to consult in detail with six Premiers. No longer will we need agreement from the state Premiers to adjust rates, no longer will national economic objectives in this area be constrained by state political considerations.

In relation to the tax sharing grants all States have received significant real increases in their funds. On present estimates the overall increase on last year's base grant will be 17.1% and they could only have achieved more through higher taxation. This year's tax sharing arrangements, taking into account the \$60 million the Commonwealth put in last year as a first step towards the new shares, means a 17.2% increase for New South Wales and a 16.8% increase for Victoria. And if the Labor Premiers of those two states cannot manage their affairs on the basis of that sort of increase then they should let somebody else do the job for them.

Immediate adoption of the Grants Commission report would have meant an actual reduction in dollar terms for two of the smaller states. No Australian would want to impose that kind of hardship on the smaller states; no Australian would regard that as a fair deal.

The Grants Commission itself suggested phasing in the recommendations and the Commonwealth has guaranteed to the three smaller states who stood to lose that they will receive some real increase in the tax sharing funds over the next three years. No one can suggest with any validity that it is discrimination against Victoria and New South Wales when they are getting 16.8% and 17.2% respectively compared to Western Australia and Tasmania, which will be getting a 12.2% increase under the Commonwealth's guarantee.

But now, against the background of a 16.8% increase for Victoria, the Cain Labor Government is threatening to reduce hospital services for the people living in three specific Federal electorates including Wannon. Never before have the people of particular electorates been threatened in this way. Using constituents in this callous way is a new low in Australian politics, and the Cain Labor Government will surely pay the price of this explicit discrimination because ordinary Australians will not stand for this kind of tactic by Governments.

The Cain Labor Government has made it perfectly plain that they picked out the people of the electorates of Wannon, Corangamite and Gippsland because they are represented by three Federal Ministers.

Before I conclude tonight, I would like to say something about the Brisbane Games and Mr Whitlam's trip to Africa. The Commonwealth Games are one of the world's great sporting events and all Australians were delighted when any shadow of a boycott was lifted last May by the Games Federation's agreement to full participation. Mr Whitlam may have subsequently denied any intention to advise an African boycott of the Games, but I would like to remind you all of the terms of the original press statement that was issued which also announced his participation in the delegation. Part of that press statement said this:

"To participate in games such as the Queensland Commonwealth Games with New Zealand participating, and further in a country such as Australia that denies the right of self determination of her indigenous population, is to waive that responsibility."

That is quite plainly an indication that the delegation was going to urge African states not to participate and that was in the original press release on account of this particular delegation.

But Mr Whitlam has also said on other occasions that he was "very much criticising Australia" and that he agreed that so far as he was concerned that the Africans "represent a tool to bring about domestic change in Australia." So far from refusing to condemn

a boycott he said he would "tell the Africans that it is up to them to decide how they can make their views on the treatment of Aborigines known." I think it is the first time that a former Australian Prime Minister has gone overseas so explicitly to criticise and seek to damage his own country. I leave it up to the people of Australia to judge what they think of Mr Whitlam and what Mr Whitlam is really about on this visit.

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