

8-11-82

SPEECH DELIVERED BY

SENATOR THE HON. A.J. MESSNER

MINISTER FOR VETERANS' AFFAIRS  
MINISTER ASSISTING THE TREASURER

AT THE

1982 ANNUAL CONFERENCE OF THE

AUSTRALIAN COUNCIL OF LOCAL GOVERNMENT ASSOCIATIONS

ALICE SPRINGS

ON BEHALF OF

THE RT. HON. J.M. FRASER CH MP

PRIME MINISTER

MR PRESIDENT, LADIES AND GENTLEMEN

I AM VERY PLEASED TO BE ABLE TO REPRESENT THE PRIME MINISTER AND ADDRESS YOU ON THIS OCCASION.

I ALSO APPRECIATE THIS OPPORTUNITY TO BE HERE IN ALICE SPRINGS. APART FROM ITS OBVIOUS ATTRACTIONS, WE SOUTH AUSTRALIANS FEEL A SPECIAL AFFINITY FOR THE NORTHERN TERRITORY. IT WAS, AFTER ALL, A PART OF THE STATE UNTIL 1911 WHEN IT WAS TRANSFERRED TO THE COMMONWEALTH, AND BY BOTH HISTORY AND GEOGRAPHY WE REMAIN THE STATE WITH CLOSEST LINKS TO THE TERRITORY.

A LOT HAS HAPPENED, HOWEVER, SINCE SOUTH AUSTRALIA SHED RESPONSIBILITY FOR THE INFANT NORTHERN TERRITORY NEARLY 72 YEARS AGO. THE POPULATION OF THE TERRITORY IN 1911 (EXCLUDING ABORIGINES, WHO AT THAT STAGE WERE NOT INCLUDED IN CENSUSES) WAS A MERE 3,300. TODAY ALICE SPRINGS ALONE IS OVER 5 TIMES THAT SIZE, AND THE TERRITORY'S POPULATION IS 130,000 AND GROWING MUCH FASTER THAN THE REST OF THE COUNTRY. THE PROSPECTS ARE GOOD FOR A CONTINUATION OF THE ECONOMIC DEVELOPMENT THAT HAS PRODUCED THIS STRONG GROWTH. THE TERRITORY HAS NOW CEASED TO BE A WARD OF THE COMMONWEALTH AND, THROUGH SELF-GOVERNMENT, EXERCISES MOST OF THE POWER OF A STATE. AS FOR LOCAL GOVERNMENT - THE REASON WHY WE ARE HERE, AFTER ALL - ALICE SPRINGS, DARWIN, KATHERINE AND TENNANT CREEK ALL HAVE THEIR OWN LOCAL COUNCILS.

2.

SO YESTERDAY'S CHILD IS FAST BECOMING A LUSTY YOUNG ADULT, AND THE REST OF AUSTRALIA IS SITTING UP AND TAKING NOTICE. IN SOUTH AUSTRALIA WE LOOK FORWARD VERY MUCH TO DEVELOPING CLOSER TIES WITH OUR VIGOROUS NORTHERN NEIGHBOUR. THERE IS ALREADY TANGIBLE SIGN OF THIS IN THE NEW RAILWAY FROM TARCOOLA TO ALICE SPRINGS, AND WITHIN FIVE YEARS THE STUART HIGHWAY WILL BE SEALED ALL THE WAY. LOOKING TOWARDS THE TOP END, THERE IS THE PROSPECT OF THE LONG-AWAITED AND OFT-PLANNED RAILWAY LINKING DARWIN TO ALICE SPRINGS AND THE REST OF AUSTRALIA.

#### THE PAST YEAR

SINCE YOU MET LAST IN THIS GATHERING THERE HAVE BEEN A NUMBER OF IMPORTANT DEVELOPMENTS IN AUSTRALIA AND IN THE WORLD GENERALLY THAT HAVE HAD, AND WILL CONTINUE TO HAVE, A SIGNIFICANT BEARING ON THE TASKS YOU ARE ASKED TO PERFORM.

THE WORLD ECONOMY IS IN THE GRIP OF A VERY SERIOUS DOWNTURN AND ITS EFFECTS ARE FAMILIAR TO US ALL. IN ALL THE MAJOR INDUSTRIALISED COUNTRIES, PRODUCTION IS DEPRESSED AND UNEMPLOYMENT IS RISING. FOR AUSTRALIA THIS HAS MEANT:-

### 3.

- REDUCED DEMAND AND FALLING PRICES FOR OUR EXPORTS: OVERSEAS INDUSTRIES ARE REDUCING THEIR DEMAND FOR RAW MATERIALS SUCH AS IRON AND COAL;
- DEFERMENT OF MANY DEVELOPMENT PROPOSALS AS PROSPECTIVE OVERSEAS MARKETS FADE; AND
- INCREASED COMPETITION FROM IMPORTS.

WE CANNOT KEEP OURSELVES IMMUNE FROM THESE TRENDS. AND WHILE WE REMAIN LESS ADVERSELY AFFECTED THAN MANY OTHER COUNTRIES, THERE ARE TWO ADDITIONAL MATTERS OF CONCERN FOR AUSTRALIA. OUR INFLATION RATE IS PRESENTLY RUNNING ABOVE THOSE OF MOST OF OUR MAJOR COMPETITORS. FOR ALL OF US IN GOVERNMENT, BE IT FEDERAL, STATE OR LOCAL, THE REDUCTION IN THE RATE OF INFLATION MUST REMAIN A PRIME OBJECTIVE. THE SECOND PROBLEM I MENTION IS, OF COURSE, THE WIDESPREAD DROUGHT THAT IS DEVASTATING SO MUCH OF EASTERN AUSTRALIA.

IN SUCH TIMES THE PROBLEMS OF ECONOMIC MANAGEMENT FACING THE COMMONWEALTH GOVERNMENT INCREASE SIGNIFICANTLY. SUBDUED ECONOMIC ACTIVITY HAS CONCOMITANT EFFECTS ON REVENUE GROWTH. HIGHER UNEMPLOYMENT, THE NEED FOR DROUGHT RELIEF, AND THE GENERAL CASE FOR ECONOMIC STIMULUS, LEAD TO INCREASED EXPENDITURES OR TO TAX CUTS. BUT THE CONTINUING NEED TO CONTAIN INFLATION,

4.

AND THE ADVERSE EFFECTS OF HIGH INTEREST RATES, ARE A POWERFUL CONSTRAINT AGAINST ALLOWING THE BUDGET DEFICIT TO BALLOON OUT.

THE COMMONWEALTH GOVERNMENT HAS NEVERTHELESS BEEN ADDRESSING THE ECONOMIC CHALLENGES FACING AUSTRALIA IN A VIGOROUS AND POSITIVE WAY. THE HOUSING PACKAGE PROVIDED IN MARCH, THE ECONOMIC MEASURES AGREED AT THE PREMIERS' CONFERENCE AND LOAN COUNCIL MEETING IN JUNE FOLLOWED BY THE ASSISTANCE FOR INDUSTRY ANNOUNCED IN JULY AND THE MEASURES SET OUT IN THE BUDGET BROUGHT DOWN BY MY COLLEAGUE THE TREASURER IN AUGUST HAVE ALL BEEN DESIGNED TO SHIELD AUSTRALIANS SO FAR AS IS POSSIBLE FROM THE ADVERSE EFFECTS OF THE WORLD RECESSION AND TO PLACE US IN A POSITION WHERE WE WILL BE ABLE TO TAKE ADVANTAGE OF THE WORLD UPTURN WHENEVER IT COMES.

SO, AS WE ARE ALL AWARE, THE PAST YEAR HAS NOT BEEN AN EASY ONE FOR GOVERNMENTS AT ANY LEVEL. WE HAVE ALL HAD TO TIGHTEN OUR BELTS AND ENSURE THAT THOSE RESOURCES WE HAVE ARE USED AS EFFICIENTLY AND EFFECTIVELY AS POSSIBLE.

IN SUCH CIRCUMSTANCES THE COMMONWEALTH'S CONTINUING COMMITMENT TO ASSISTING LOCAL GOVERNMENT IS OF EVEN GREATER SIGNIFICANCE.

TAX SHARING

IN 1982-83 GRANTS TO LOCAL GOVERNMENT UNDER THE PERSONAL INCOME TAX SHARING ARRANGEMENTS HAVE RISEN BY 21 PERCENT. THIS CONTINUES A SERIES OF ANNUAL INCREASES WHICH HAS SEEN GENERAL REVENUE ASSISTANCE TO LOCAL GOVERNMENT RISE FROM \$80 MILLION UNDER THE LABOR GOVERNMENT TO \$424.9 MILLION IN 1982/83. AS A RESULT LOCAL GOVERNMENT HAS RECEIVED ABOUT \$1783 MILLION IN UNTIED GRANTS IN THE SEVEN YEARS OF THE TAX SHARING ARRANGEMENTS. THE FACT THAT THE GRANTS ARE UNTIED IS AS IMPORTANT AS THE AMOUNTS PROVIDED, BECAUSE THIS GIVES LOCAL AUTHORITIES THE FREEDOM AND RESPONSIBILITY TO DETERMINE THEIR OWN EXPENDITURE PRIORITIES.

THE COMMONWEALTH IS AWARE OF THE DEBATE WITHIN THE ASSOCIATION ON WHETHER THE GRANTS SHOULD CONTINUE TO BE BASED ON 2 PERCENT OF PERSONAL INCOME TAX COLLECTIONS IN THE PREVIOUS FINANCIAL YEAR OR BE RELATED TO TOTAL TAX COLLECTIONS. IT IS EASY TO UNDERSTAND THE CONCERN OF LOCAL GOVERNMENT WHEN THERE IS SPECULATION ABOUT BROADENING OF THE TAX BASE TO REDUCE THE BURDEN ON PAYE TAXPAYERS. LET ME JUST SAY THAT THE COMMONWEALTH WOULD BE PREPARED TO CONSIDER ANY CASE FOR CHANGE WHICH LOCAL GOVERNMENT COLLECTIVELY THROUGH THIS ASSOCIATION WAS TO PUT FORWARD.

THE COMMONWEALTH IS ALSO AWARE THAT LOCAL GOVERNMENT WOULD LIKE TO SEE ITS SHARE OF PERSONAL INCOME TAX COLLECTIONS (OR SOME BROADER TAX BASE) RAISED FROM 2 PERCENT TO SAY 3 OR 4 PERCENT. THIS IS AGAIN UNDERSTANDABLE - ALL LEVELS OF GOVERNMENT FACE A SITUATION WHERE THE DEMANDS ON THEIR RESOURCES ARE EVER-GROWING. I AM SURE THAT NO ONE WISHES ME TO REITERATE VIEWS ON THIS ISSUE WHICH HAVE BEEN EXPRESSED ON PREVIOUS OCCASIONS, BUT MY COLLEAGUE, THE HON. IAN WILSON, MP, MADE SOME IMPORTANT POINTS WHEN, AS PARLIAMENTARY SECRETARY TO THE PRIME MINISTER, HE ADDRESSED YOU IN 1980:-

- . THOSE WISHING A GREATER SHARE OF THE PUBLIC'S MONEY NEED TO BE ABLE TO JUSTIFY CLEARLY THEIR NEED FOR IT
  - YOU MUST JUSTIFY SUCH A REQUEST ON THE BASIS OF YOUR REVENUE NEEDS; YOUR TAXING CAPACITY; YOUR TAXING EFFORT AND ANY INCREASE OR DECREASE IN LOCAL GOVERNMENT'S FUNCTIONS AND RESPONSIBILITIES;
- . AS FAR AS POSSIBLE, THOSE MAKING A CLAIM ON THE PUBLIC PURSE SHOULD TAKE THE RESPONSIBILITY FOR LEVYING THE TAXES, CHARGES, ETC. REQUIRED TO RAISE IT, WITHOUT LEAVING THE "DIRTY WORK" TO OTHERS; AND

- . TO MAINTAIN ITS INTEGRITY AS AN INDEPENDENT ENTITY, LOCAL GOVERNMENT MUST TAKE RESPONSIBILITY FOR A LARGE PART OF ITS OWN REVENUE RAISING.

AT THE SAME TIME, IT IS ONLY FAIR THAT I SHOULD NOT GIVE ANY FALSE ENCOURAGEMENT. AS I HAVE NOTED, THE PRESSURES ON THE COMMONWEALTH'S BUDGET IN PRESENT ECONOMIC CIRCUMSTANCES ARE VERY GREAT. AND MANY OTHER SECTORS OF THE COMMUNITY COULD QUITE LEGITIMATELY POINT TO THIS YEAR'S 21 PERCENT INCREASE IN UNTIED FUNDS FOR LOCAL GOVERNMENT AS BEING CONSIDERABLY MORE GENEROUS THAN THE TREATMENT THEY HAVE RECEIVED.

ONE ASPECT OF THE TAX SHARING ARRANGEMENTS WHICH IS OF CONSIDERABLE AND GROWING CONCERN TO THE COMMONWEALTH, HOWEVER, IS A TENDENCY BY SOME STATE GOVERNMENTS TO USE THE INCREASED FUNDS MADE AVAILABLE BY THE COMMONWEALTH FOR LOCAL GOVERNMENT AS AN EXCUSE TO REDUCE STATE FUNDING OF PROGRAMS WHICH DIRECTLY AFFECT LOCAL GOVERNMENT. A RECENT INSTANCE OF THIS OCCURRED IN THE NEW SOUTH WALES BUDGET. THE NEW SOUTH WALES GOVERNMENT WITHDREW ITS CONTRIBUTION TO THE LOCAL GOVERNMENT ASSISTANCE FUND AND REDUCED ITS COMMITMENT TO THE MANDATORY PENSIONER REBATE SCHEME. THE NEW SOUTH WALES MINISTER FOR LOCAL GOVERNMENT AND LANDS, THE HON. A.R.L. GORDON, MADE IT CLEAR IN HIS SPEECH TO THE NEW SOUTH WALES LOCAL



GOVERNMENT ASSOCIATION IN GOULBURN IN OCTOBER THAT THE STATE GOVERNMENT'S DECISIONS WERE BASED ON A VIEW THAT THE 21 PERCENT RISE IN FEDERAL REVENUE SHARING MONEY GAVE LOCAL GOVERNMENT THE CAPACITY TO ABSORB THE REDUCTIONS IN STATE FUNDING. THE COMMONWEALTH, HOWEVER, IS FIRMLY OF THE VIEW THAT SUCH AN APPROACH IS A MAJOR IMPEDIMENT TO THE DEVELOPMENT OF A CO-OPERATIVE AND HARMONIOUS RELATIONSHIP BETWEEN THE THREE SPHERES OF GOVERNMENT.

#### LOAN COUNCIL

THE COMMONWEALTH'S PACKAGE TO THE LOAN COUNCIL THIS YEAR PRODUCED SOME HISTORIC DECISIONS. THE STATES NOW HAVE FREEDOM TO DETERMINE THE SIZE OF THEIR ELECTRICITY BORROWINGS AND TO SET THE INTEREST RATES ON THEM. THIS WILL MAKE THE STATES RESPONSIBLE FOR THEIR OWN ELECTRICITY PROGRAMS, AND THAT GREATER DEGREE OF RESPONSIBILITY WILL BE WELCOMED BY THE COMMUNITY.

UNDER THE 'GENTLEMEN'S AGREEMENT' ORIGINATING IN 1936, THE LOAN COUNCIL HAS APPROVED AN AGGREGATE ANNUAL NEW MONEY BORROWING PROGRAM FOR 'LARGER' SEMI-GOVERNMENT AND LOCAL AUTHORITIES. AT THE JUNE 1982 MEETING, THE LOAN COUNCIL APPROVED A NEW MONEY BORROWING PROGRAM FOR THE STATES' 'LARGER' NON-ELECTRICITY AUTHORITIES FOR 1982-83 OF \$878 MILLION (EXCLUDING ADDITIONS FOR INFRASTRUCTURE FINANCING).

THE LOAN COUNCIL ALSO DECIDED AT THAT MEETING TO INCREASE FROM \$1.2 MILLION (THE LIMIT WHICH HAS APPLIED SINCE 1979-80) TO \$1.5 MILLION, THE ANNUAL LIMIT TO WHICH SMALLER AUTHORITIES CAN INDIVIDUALLY BORROW WITHOUT REQUIRING A LOAN COUNCIL PROGRAM. THE LOAN COUNCIL FURTHER APPROVED WORKING ARRANGEMENTS THAT WOULD ALLOW THE STATES, IF THEY WISHED, TO ESTABLISH CENTRAL BORROWING AUTHORITIES TO RAISE FUNDS, INTER ALIA, ON BEHALF OF 'SMALLER' AUTHORITIES.

THE COMMONWEALTH IS PHILOSOPHICALLY ATTACHED TO THE CONCEPT OF PROVIDING GENERAL PURPOSE RATHER THAN SPECIFIC PURPOSE FUNDING FOR BOTH STATE AND LOCAL GOVERNMENTS. BUT WHILE MAJOR EMPHASIS IS PLACED ON THE TAX SHARING ARRANGEMENTS, THERE REMAIN SEVERAL AREAS WHERE SIGNIFICANT CONTRIBUTIONS ARE MADE FOR SPECIFIC PURPOSES.

#### COMMONWEALTH ROAD FUNDING

IN THE BUDGET, THE COMMONWEALTH ANNOUNCED THE ESTABLISHMENT OF THE AUSTRALIAN BICENTENNIAL ROAD DEVELOPMENT (ABRD) PROGRAM. THIS IMAGINATIVE PROGRAM IS A MAJOR INITIATIVE INVOLVING EXPENDITURE OF ABOUT \$2,500 MILLION TO SIGNIFICANTLY UPGRADE AUSTRALIA'S ROAD SYSTEM BY 1988. REVENUE RAISED BY WAY OF A SURCHARGE ON PETROL AND DIESEL

10.

FUEL EXCISE WILL BE PAID INTO A SPECIAL TRUST FUND FROM WHICH THE AUSTRALIAN BICENTENNIAL ROAD DEVELOPMENT PROGRAM WILL BE FINANCED.

THE PROGRAM HAS THE FOLLOWING BICENTENNIAL OBJECTIVES:-

- . TO BRING THE NATIONAL HIGHWAY SYSTEM TO ACCEPTABLE STANDARDS;
- . TO ASSIST THE DEVELOPMENT OF MAJOR URBAN AND RURAL ARTERIAL ROADS AND, WHERE DESIRED BY THE STATES, TO ASSIST WITH APPROVED URBAN PUBLIC TRANSPORT PROJECTS;
- . TO ACCELERATE THE CONSTRUCTION OF CURRENT DEVELOPMENTAL ROAD PROJECTS, INCLUDING ROADS OF NATIONAL TOURISM IMPORTANCE; AND
- . TO ASSIST LOCAL GOVERNMENT AUTHORITIES TO UPGRADE THEIR ROAD SYSTEMS.

THE AUSTRALIAN BICENTENNIAL ROAD DEVELOPMENT PROGRAM IS ADDITIONAL TO THE EXISTING COMMONWEALTH FIVE YEAR, \$3,650 MILLION ROADS PROGRAM. UNDER BOTH PROGRAMS, FUNDS ALLOCATED IN 1982/83 TOTAL \$914 MILLION (AN INCREASE OF \$229 MILLION OR 33% OVER 1981/82) AND \$1,208 MILLION IN 1983/84 (AN INCREASE OF \$294 MILLION OR 32% OVER 1982/83).

WITH REGARD TO LOCAL ROADS, \$27 MILLION HAS BEEN ALLOCATED UNDER THE AUSTRALIAN BICENTENNIAL ROAD DEVELOPMENT PROGRAM DURING 1982/83 TO ASSIST LOCAL GOVERNMENT UPGRADE THEIR LOCAL ROAD SYSTEMS. WHEN COMBINED WITH THE FUNDS ALREADY BEING PROVIDED UNDER THE FIVE YEAR PROGRAM, THIS WILL BRING THE TOTAL COMMONWEALTH CONTRIBUTION FOR LOCAL ROADS TO ABOUT \$200 MILLION, AN INCREASE OF SOME 24 PER CENT OVER THE 1981/82 ALLOCATIONS.

THE AUSTRALIAN BICENTENNIAL ROAD DEVELOPMENT PROGRAM MARKS AN IMPORTANT STEP FORWARD IN THE COMMONWEALTH'S EFFORTS TO UPGRADE THE AUSTRALIAN ROAD SYSTEM. THIS PROGRAM, AS WELL AS THE ASSISTANCE PROVIDED UNDER OUR FIVE YEAR ROADS PROGRAM, SHOULD ALLOW THE AUSTRALIAN ROAD SYSTEM TO BE DEVELOPED TO A HIGH STANDARD BY 1988 ENABLING SUBSTANTIAL ECONOMIC AND SOCIAL BENEFITS TO BE DERIVED BY ROAD USERS AND THE NATION AS A WHOLE.

#### AERODROME LOCAL OWNERSHIP PLAN

ALSO IN THE TRANSPORT FIELD, THE COMMONWEALTH BUDGET PROVIDED FOR A VERY SUBSTANTIAL INCREASE IN FUNDING FOR THE AERODROME LOCAL OWNERSHIP PLAN. IN 1982/83 \$40 MILLION WILL BE SPENT

ON WORKS AT SUCH WIDELY SPACED CENTRES AS TAMWORTH, CAIRNS, DEVONPORT, COFFS HARBOUR, BUNDABERG, PORT HEDLAND AND WYNYARD.

THE AERODROME LOCAL OWNERSHIP PLAN IS LONG STANDING GOVERNMENT POLICY AND A CO-OPERATIVE ENDEAVOUR BETWEEN COMMONWEALTH AND LOCAL AUTHORITIES TO PROVIDE, OPERATE AND MAINTAIN AERODROMES SERVING LOCAL COMMUNITIES. THE AERODROME LOCAL OWNERSHIP PLAN IS ALSO CONSISTENT WITH GOVERNMENT PHILOSOPHY AS EXPRESSED IN THE RCF ANNOUNCEMENT THAT STATE AND LOCAL GOVERNMENTS ARE CLOSER TO THE RECIPIENTS OF MANY SERVICES AND ARE BETTER PLACED TO ADMINISTER THEM.

THROUGH THE PROVISIONS OF THE AERODROME LOCAL OWNERSHIP PLAN THE COMMONWEALTH UNDERTAKES TO UPGRADE AERODROME MOVEMENT AREAS TO AN AGREED STANDARD TO MEET CURRENT AND FORESEEN AVIATION NEEDS, AT FULL COST TO ITSELF AT THE TIME OF TRANSFER. THE COMMONWEALTH ALSO AGREES TO PROVIDE FUNDS FOR FIFTY PER CENT OF AGREED AERODROME DEVELOPMENT AND MAINTENANCE COSTS, INCLUDING TERMINAL FACILITIES, ON A CONTINUING BASIS. THE LOCAL AUTHORITY ACCEPTING OWNERSHIP OF THE AERODROME RECEIVES THE FACILITY WITHOUT COST OR CHARGE BY THE COMMONWEALTH AND RETAINS ALL REVENUES RAISED FROM THE AERODROME AS OFFSET AGAINST ITS SHARE OF DEVELOPMENT AND MAINTENANCE COSTS.

LOCAL GOVERNMENT ALSO WILL BENEFIT SIGNIFICANTLY FROM THE \$207 MILLION BEING MADE AVAILABLE BY THE COMMONWEALTH IN THE NEXT TWO YEARS FOR CAPITAL PROJECTS TO ASSIST THE AGED AND HANDICAPPED OF OUR COMMUNITY, ANNOUNCED BY THE MINISTER

FOR SOCIAL SECURITY, SENATOR THE HON. FRED CHANEY, ON  
11 AUGUST 1982.

AGED OR DISABLED PERSONS' HOMES

UNDER THE AGED OR DISABLED PERSONS HOMES ACT 1954 LOCAL GOVERNMENT AUTHORITIES ALONG WITH RELIGIOUS, CHARITABLE AND CERTAIN OTHER ORGANISATIONS, ARE ELIGIBLE TO RECEIVE ASSISTANCE FOR THE CAPITAL AND OPERATING COSTS ASSOCIATED WITH THE PROVISION OF CERTAIN KINDS OF ACCOMMODATION FOR THE AGED.

GRANTS ON A \$2 FOR \$1 BASIS UP TO CERTAIN MAXIMUM LIMITS MAY BE MADE TO MEET THE COST OF ERECTION, EXTENSION OR PURCHASE OF THE ACCOMMODATION. THE MAXIMUM SUBSIDIES ARE REVIEWED PERIODICALLY, AND FOR APPROVED PROJECTS COMMENCING AFTER 1 JULY 1982 THE SUBSIDY LIMITS HAVE BEEN INCREASED FROM \$12,100 TO \$14,000 FOR A SINGLE UNIT AND FROM \$14,035 TO \$16,240 FOR A DOUBLE UNIT OF ACCOMMODATION, WHILE A MAXIMUM OF \$1,920 A UNIT IS PROVIDED FOR LAND.

IN 1969 THE ACT WAS AMENDED TO PROVIDE FOR THE PAYMENT OF PERSONAL CARE SUBSIDIES IN RESPECT OF PERSONS AGED EIGHTY YEARS AND OVER RESIDENT IN HOSTEL ACCOMMODATION AND RECEIVING PERSONAL CARE SERVICES PROVIDED BY AN APPROVED ORGANISATION. IN 1973 THE SUBSIDY WAS EXTENDED TO HOSTEL RESIDENTS AGED LESS THAN EIGHTY YEARS WHO REQUIRE, AND ARE RECEIVING, APPROVED PERSONAL CARE. THE SUBSIDY HAS BEEN

INCREASED FROM \$20 TO \$30 PER PERSON A WEEK FROM JULY 1982.

PAYMENTS TO LOCAL GOVERNMENT UNDER THIS PROGRAM IN 1982/83 ARE ESTIMATED TO BE JUST OVER \$8 MILLION, DOUBLE THE AMOUNT PROVIDED IN 1981/82.

IN ADDITION, UNDER THE STATES GRANTS (HOME CARE) ACT OF 1969 THE COMMONWEALTH PREVIOUSLY AGREED TO PROVIDE \$4 MILLION A YEAR FOR THREE YEARS FROM 1980/81 FOR CENTRES, RECOMMENDED BY STATE GOVERNMENTS, WHICH PROVIDE WELFARE SERVICES MAINLY FOR ELDERLY PEOPLE.

THIS IS OF PARTICULAR INTEREST HERE IN ALICE SPRINGS, AS MY COLLEAGUE SENATOR KILGARIFF OPENED THE ALICE SPRINGS SENIOR CITIZENS CENTRE IN WELLS STREET JUST LAST WEEK. IT IS A VERY GOOD EXAMPLE OF WHAT CAN BE ACHIEVED THROUGH CO-OPERATION BETWEEN VARIOUS LEVELS OF GOVERNMENT AND DIFFERENT SECTIONS OF THE COMMUNITY. THE COMMONWEALTH GOVERNMENT AND THE ALICE SPRINGS TOWN COUNCIL HAVE CONTRIBUTED A TOTAL OF \$90,000 TOWARDS THE COST OF THE RENOVATION OF PREMISES, PROVIDED BY THE TERRITORY GOVERNMENT FOR THE ALICE SPRINGS SENIOR CITIZENS' ASSOCIATION.

#### CHILDREN'S SERVICES

UNDER THE CHILDREN'S SERVICES PROGRAM GRANTS ARE MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES AND COMMUNITY ORGANISATIONS TOWARDS THE COST OF THE ESTABLISHMENT AND OPERATION OF A

RANGE OF CARE AND ASSOCIATED SERVICES FOR CHILDREN, INCLUDING EDUCATIONAL SERVICES FOR YOUNG CHILDREN.

IN 1981-82 GRANTS PAID DIRECT TO LOCAL GOVERNMENT AUTHORITIES UNDER THE CHILDREN'S SERVICES PORGRAM TOTALLED \$11.5 MILLION, PAYMENTS IN 1982-83 ARE ESTIMATED TO BE \$19.5 MILLION.

#### DROUGHT RELIEF

MUCH OF THE COUNTRY IS IN THE GRIP OF ONE OF THE WORST DROUGHTS ANY OF US CAN REMEMBER. WITH EXPECTATIONS OF THE WHEAT CROP BEING HALF THE LEVEL OF LAST YEAR'S AND GRAZIERS HAVING DIFFICULTY MAINTAINING HERD AND FLOCK SIZES - COUPLED WITH UNFAVOURABLE MARKET CONDITIONS OVERSEAS - THE IMPLICATIONS FOR THE ECONOMY AT NATIONAL, STATE AND REGIONAL LEVELS ARE OBVIOUS. A DISASTER OF THIS MAGNITUDE CREATES PARTICULAR PROBLEMS FOR GOVERNMENTS AT ALL LEVELS AND EACH HAS TO PLAY ITS PART IN RESPONDING TO THE SOCIAL AND ECONOMIC CHALLENGE ISSUED BY AN ADVERSE ENVIRONMENT.

THE GOVERNMENT HAS RESPONDED SWIFTLY AND POSITIVELY TO THE SERIOUSNESS OF THE CURRENT DROUGHT BY INTRODUCING TWO SUBSTANTIAL RELIEF MEASURES NOT PREVIOUSLY AVAILABLE, THE FODDER AND INTEREST PAYMENT SUBSIDIES. THESE MEASURES, ESTIMATED TO COST MORE THAN \$350 MILLION, ARE BEING WHOLLY FUNDED BY THE COMMONWEALTH. THESE INITIATIVES DEMONSTRATE YET AGAIN THAT THE COMMONWEALTH IS PREPARED TO GO BEYOND THE CONSTRAINTS OF ESTABLISHED FUNDING ARRANGEMENTS IN RESPONSE TO NATURAL DISASTERS WHEN THE CIRCUMSTANCES ARE



SO SEVERE AS TO WARRANT SUCH ACTION.

IN ADDITION, THE COMMONWEALTH GOVERNMENT HAS TAKEN THE LEAD IN ENCOURAGING THE STATES TO EXTEND THE RANGE OF RELIEF MEASURES ELIGIBLE FOR COMMONWEALTH ASSISTANCE UNDER THE ESTABLISHED NATURAL DISASTER RELIEF ARRANGEMENTS. THE SPECIFIC MEASURES VARY FROM STATE TO STATE AND CARRY-ON LOANS, FREIGHT SUBSIDIES FOR TRANSPORT OF STOCK, FODDER AND WATER, AND SLAUGHTER SUBSIDIES ARE DIRECTED AT PRIMARY PRODUCERS AND SMALL BUSINESSES. THERE ARE, HOWEVER, A NUMBER OF APPROVED MEASURES IN DIFFERENT STATES WHICH PROVIDE DIRECT ASSISTANCE TO SHIRES AND TOWN COUNCILS FOR EMERGENCY WATER SUPPLIES. WHERE A STATE IMPLEMENTS SUCH MEASURES, THE COMMONWEALTH FUNDS EXPENDITURE IN A FINANCIAL YEAR ABOVE THE STATE'S BASE AMOUNT ON A \$3 COMMONWEALTH TO \$1 STATE BASIS.

A NUMBER OF APPROACHES HAVE BEEN MADE TO THE COMMONWEALTH BY SHIRES AND TOWN COUNCILS SEEKING FUNDS FOR SHORT-TERM JOB CREATION SCHEMES FOR THE DURATION OF THE DROUGHT.

THE OVERALL AIM OF THE COMMONWEALTH'S APPROACH TO DROUGHT RELIEF, BOTH WITHIN THE NATURAL DISASTER RELIEF ARRANGEMENTS AND IN THE SPECIAL MEASURES INTRODUCED FOR THE DURATION OF THIS DROUGHT, IS TO HELP TO MAINTAIN THE VIABILITY OF DROUGHT-AFFECTED PRIMARY PRODUCERS AND SMALL BUSINESS SO THAT THEY CAN OPERATE AS NEAR TO NORMALLY AS POSSIBLE AND MEET NORMAL OPERATING EXPENSES SUCH AS RATES, EMPLOYEES'

WAGES ETC. THIS HAS FLOW-ON EFFECTS FOR OTHER SECTORS OF THE LOCAL ECONOMY HELPING TO MAINTAIN ACTIVITY AND EMPLOYMENT. THIS APPROACH HAS BEEN SUCCESSFUL IN THE PAST AND IS MORE LIKELY TO MAINTAIN PERMANENT EMPLOYMENT IN RURAL AREAS THAN SHORT TERM JOB CREATION SCHEMES. IN THIS REGARD THE COMMONWEALTH IS DISAPPOINTED THAT ONE STATE, NEW SOUTH WALES, HAS NOT SEEN FIT TO IMPLEMENT THE COMMONWEALTH'S PROPOSAL THAT CARRY-ON LOANS BE EXTENDED TO SMALL BUSINESSES. THIS PROPOSAL WAS FORMULATED HAVING IN MIND THE PARTICULAR PROBLEMS OF SMALL BUSINESSES IN DROUGHT-AFFECTED RURAL TOWNS, AND I UNDERSTAND THAT ALL OTHER STATES HAVE AGREED TO IT.

#### ACIR

I SHOULD NOW LIKE TO TURN TO A VERY IMPORTANT ASPECT OF THE DEVELOPMENT OF RELATIONS BETWEEN THE THREE SPHERES OF GOVERNMENT IN AUSTRALIA. APART FROM INSTITUTING THE TAX SHARING ARRANGEMENTS WITH STATE AND LOCAL GOVERNMENT THE COMMONWEALTH ACTED SHORTLY AFTER ITS ELECTION IN DECEMBER 1975 TO ESTABLISH A BODY, WITH REPRESENTATIVES FROM THE COMMONWEALTH, STATE AND LOCAL SPHERES AND FROM THE GENERAL COMMUNITY, WHICH COULD EXAMINE IN AN OBJECTIVE AND ANALYTICAL WAY, THE ROLES AND RELATIONSHIPS BETWEEN THE THREE SPHERES OF GOVERNMENT. THE CREATION OF THE ADVISORY COUNCIL FOR INTER-GOVERNMENT RELATIONS REPRESENTS ONE OF THE MOST SIGNIFICANT INITIATIVES IN THIS AREA SINCE FEDERATION. BY MEANS OF ITS REPORTS, DISCUSSION PAPERS AND INFORMATION

PAPERS AND THROUGH THE OPPORTUNITIES IT PROVIDES FOR POSITIVE INTERACTION BETWEEN GOVERNMENTS, IT HAS ALREADY HAD A CONSIDERABLE INFLUENCE ON THE WAY WE VIEW OUR OWN AND EACH OTHERS' RESPECTIVE ROLES IN THE GOVERNMENT OF THE NATION.

THE COMMONWEALTH WAS PLEASED - WITH THE AGREEMENT OF STATE GOVERNMENTS AND YOUR ASSOCIATION - TO WELCOME OUR HOST TERRITORY AS A FULL MEMBER OF ACIR. WE ALL LOOK FORWARD TO THE SPECIAL CONTRIBUTION WHICH THE TERRITORY'S REPRESENTATIVES CAN MAKE, GIVEN THEIR SPECIAL VIEWPOINT AS A GOVERNMENT IN TRANSITION TO STATEHOOD AND AS AN AREA WHERE LOCAL GOVERNMENT IS AT AN EARLY STAGE OF DEVELOPMENT.

FINALLY, IT IS CLEAR THAT, DESPITE THE DIFFICULT CIRCUMSTANCES WHICH WE ALL FACE, THE COMMONWEALTH HAS MADE AND IS CONTINUING TO MAKE A SIGNIFICANT COMMITMENT TO SUPPORT LOCAL GOVERNMENT AS A SEPARATE BUT INTEGRAL PART OF THE AUSTRALIAN SYSTEM OF GOVERNMENT AND ADMINISTRATION. I THANK YOU FOR THE OPPORTUNITY TO ADDRESS THIS IMPORTANT CONFERENCE WHICH HAS A NUMBER OF WEIGHTY MATTERS TO CONSIDER IN THE THREE DAYS OF ITS DURATION.