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PRIME MINISTER

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**SPEECH BY THE PRIME MINISTER
INSTITUTE OF MUNICIPAL MANAGEMENT NATIONAL SEMINAR
CANBERRA - 30 MAY 1988**

For well over 100 years local government has been an integral element of the way Australians govern themselves.

Over that time there have been enormous changes in the role and functions of local government, and in its relationship with the other two tiers of the national structure of government.

Today there are over 800 local government bodies, over 8,000 elected representatives and some 170,000 people employed by local government bodies throughout Australia. Local government accounts for over 5 per cent of all public sector outlays and 4 per cent of total taxation revenues.

So it is timely for a seminar such as this to address the fundamental questions about the direction and the future of local government.

And I am delighted that I was able to accept your invitation to address the seminar, because I welcome this as an opportunity to express once more the commitment of my Government to local government.

I think it is true to say that no other Federal Government has enjoyed so close and constructive a working relationship with local government as we have since we were first elected in 1983.

That is because we were determined from our first days in office to build a relationship with local government based on a recognition of your legitimate and, indeed, crucial role in the system of government in Australia, and based on proper support of your ability to carry out and develop that role.

I am happy to say that the positive attitude extended by the Federal Government has been fully reciprocated.

I do not pretend that we have agreed on every issue.

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That would be an unrealistic expectation and probably an undesirable outcome.

But I do say that we have been able to work together constructively on a number of issues of direct relevance to both of us. Where we have disagreements we have been able to express them frankly.

I know some of you have been concerned about cuts to funding for Local Government in the May Statement.

But I want to make it clear that, within the overall fiscal restraint which was necessary, I ensured that Local Government was treated relatively favourably.

If the same cut had been applied to Local Government's recurrent funding as has been applied to the States', the forward estimates would have been cut back by some \$28 million in 1988/89. We have in fact held the cut to \$20 million.

Similarly while there has been a general cut in road funding reflecting high levels of expenditure at the peak of the National Highways program, funds for local roads have been maintained in real terms.

Today, however, our mutual commitment to local government faces a great test.

The Federal Government has decided to ask the Australian people to change the Constitution to extend formal recognition to local government.

We believe this move is right in principle. We believe it is right in timing.

And we believe it has broad support right across the Australian community. We know it has the overwhelming support of local government organisations throughout Australia.

The Opposition parties however have decided to oppose the referendum.

It might have been possible today, had there been bipartisan support for this referendum, to use the opportunity provided by this seminar to look forward to the future - to discuss the new and exciting era awaiting a local government system which had at last achieved due recognition in the Constitution.

But because of the refusal of the Opposition to support the referendum, we have to focus today on a less edifying, but now vital, threshold question: how can we make sure we win the referendum.

The answer is: we can win because we can persuade the people of Australia that constitutional recognition of local government is a thoroughly deserved expression and an important expansion of the democratic structure by which we rule ourselves.

Ladies and gentlemen,

In 1901, when the Australian people became an independent nation under the Constitution, Australia was a smaller, simpler society, based on a smaller economy and requiring a less sophisticated political structure for the management of its day to day affairs.

The province of Local Government then was largely confined to servicing property, through the provision of roads and and drainage and garbage collection.

The following 80 years have seen a growth in the functions and public expectations of all levels of Government which matches the growth in population and complexity of Australian society as a whole.

In that time successive Federal Governments have had increasingly to take a national perspective in developing and implementing their policies.

The States too, despite being responsible for administering the system of Local Government, have encountered their difficulties in reconciling the need to apply consistent policies with the specific requirements of individual communities.

These developments have left a gap between these Governments and the people at the community level.

In the last twenty years, it has been the Local Councils which have moved to fill this gap, taking responsibility for community services and forming an invaluable link between the community and the higher levels of Government.

The services provided today by modern Local Government reflect the needs and complexities of modern Australia.

They continue of course to do the basic property tasks such as providing roads. But they now also provide and sponsor a much wider range of services to meet the needs of their communities.

These include social and welfare services, town planning and environmental control, recreation and sporting facilities and cultural activities.

That massive transformation alone would suggest that the time is ripe for a reconsideration of a Constitution which was drawn up in the last century and which ignored local government.

The campaign to recognise local government is a campaign to ensure the Constitution is relevant to the fundamental realities of our contemporary Federal system.

As the American founding father Thomas Jefferson said on the issue of constitutional reform: "some men look at constitutions with sanctimonious reverence, and deem them like the Ark of the Covenant, too sacred to be touched. They ascribe to the men of the preceding age a wisdom more than human, and suppose what they did to be beyond amendment ... We might as well require a man to wear the coat that fitted him as a boy, as civilised society to remain ever under the regime of their ancestors."

The growth in the sophistication and size of local government shows that it certainly needs a new constitutional coat.

The Commonwealth Government is doing its best to see you get it.

Indeed, Federal Labor Governments have a great record in recognising and supporting the immense contribution which Local Government makes to the Australian community.

Through the development of the Australian Assistance Plan in the early 1970's came the acceptance that the Commonwealth could make direct payments to Local Government

In 1986, my Government introduced the Local Government (Financial Assistance) Act as the principal conduit of Commonwealth funding for local government.

This was the first piece of Commonwealth legislation to require local government to be consulted over the allocation of resources - a-precursor of the referendum proposal which would extend the first constitutional recognition.

Under the Act, Local Government in 1988/89 will receive some \$650 million dollars in direct general assistance from the Commonwealth.

We also became the first Federal Government to appoint a minister specifically responsible for local government.

Tom Uren, as you all know, was a passionate advocate of the cause of local government and earned respect across the political spectrum for his tireless dedication to the promotion of local government's service to the community.

Since Tom's retirement from the Ministry, Senator Margaret Reynolds has taken up the responsibility with an enthusiasm and commitment that reflects her own long experience in local government before entering Parliament.

And under the new administrative arrangements I established after the last election, local government matters are brought to the direct attention of Cabinet by Clyde Holding, who is also an informed and persuasive advocate of your cause.

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It has been the determination of all these ministers that local government be involved in a genuine partnership with the Commonwealth and the States.

As I said at your eighth national conference in 1984, we seek and we need the cooperation of local government in the great tasks of community development and economic reconstruction which are before us.

To this end we invited local government representatives to participate in the National Economic Summit, which we saw as an invaluable and essential means of involving the entire community in understanding and resolving the issues that face us.

The care and diligence that went into local government's work at the Summit, and subsequently in the Economic Planning Advisory Council all attest to your real capacity to play a role in national policy making.

Another element of the Government's support has been the establishment of the Office of Local Government.

The Office's existence is a recognition of the need for Commonwealth support for Local Government to be more than just financial - that there needs to be direction and theoretical underpinning for those involved in it.

That office has become a respected source of information, advice and support, a focus for local government in approaching the Commonwealth, and a valuable element in improving the coordination of Commonwealth programs affecting local Government.

As part of the process leading to the referendum on recognition of Local Government, the Office of Local Government put two submissions to the Constitutional Commission strongly arguing the case for recognition.

All these elements of growth in Local Government's role attest to the general recognition that it has become an indispensable part of the Government of Australia. It is this growth which has resulted in the call for formal Constitutional recognition of local government.

Since 1979, four States have moved to grant the formal recognition which Local Government deserves by recognising them in their Constitutions. Only Queensland and Tasmania now do not afford this recognition.

Recognition of Local Government in the Commonwealth Constitution is a natural progression and a logical complement to these moves at the State level.

Proposals for constitutional recognition have been argued as far back as 1975, and before that the Whitlam Government had asked, in a referendum, for the power to deal directly with local government in financial matters - which would have, in effect, afforded constitutional recognition.

The call for recognition has attracted support across the political spectrum - such as the motion carried in favour of recognition at the 1985 Constitutional Convention in Brisbane with bipartisan support.

The Federal Opposition included constitutional recognition of local government as part of its election platform for the 1987 elections.

As recently as February of this year, the Opposition Leader, John Howard, expressed his support for a constitutional recognition of local government.

In a letter to the Attorney-General, Lionel Bowen, Mr Howard expressed his full support for the suggestion by a municipal council in his electorate "for a chapter to be inserted in the Constitution dealing with local government".

And the Liberal shadow ministry urged its backbench to support the local government referendum as well as the freedom of religion referendum.

But this support had vanished by the time the Opposition came to respond in Parliament to the Government's referendum bills.

The Opposition decided to oppose the referendum not because of any matter of principle.

They have not found the proposition wanting on its merits.

They oppose it simply for the sake of opposing it - a case study in political opportunism.

They oppose it because, having decided to oppose two of the referendums, they decided to oppose the other two, including the local government one in the patronising belief that the Australian voters could not discriminate among the four proposals.

They opt to campaign with consistency - "no" to all referendums - even at the cost of campaigning against measures they actually support.

Their intemperate language reveals that the Opposition parties know little about the fundamental importance of the referendum proposal.

If it succeeds, the referendum will insert a new section, Section 119A in the Constitution. This section will provide

- for each State to provide for the establishment and continuance of a system of local government
- for local government bodies to be elected in accordance with the laws of the State
- for local government bodies to be empowered to administer, and to make by-laws for, their respective areas in accordance with the laws of the State.

The Opposition's assertion that the new section is mere tokenism ignores the real significance of the constitutional change we propose.

It is important first to local government, which has long awaited acknowledgement of its very existence.

It is important for the Constitution, that it should more accurately reflect the reality of the Federal system.

It is important for the Australian system of public administration that we make the fullest and best use of the existing machinery of government.

Above all it is important for Australian democracy that we accept the fact that local government bodies have authority derived from the communities that elect them, to whom they are accountable and which they represent.

The real test of what is and is not "tokenist" for Local Government should not be what comes out of the tortured internal processes of the Liberal Party but what Local Government thinks of the proposal itself.

And you and like-minded organisations have made it clear you support it fully. -

So the Opposition parties are endeavouring not only to patronise the Australian voters they are also patronising Local Government.

Constitutional recognition of local government will unambiguously confirm the position of local government as an element of the Australian system of representative democracy and as an integral part of the Nation's structure of public administration. The Constitutional Commission put it this way in its May 1988 report:

"Recognition in the Australian Constitution in the form proposed will give local government the necessary status as a third sphere of government, and the necessary standing to enable it to play its full and legitimate role in the structure of government in Australia, and as an equal partner in consultations about the allocation of responsibilities and resources within that structure:"

It must be appreciated that the referendum does not diminish the States and does not add to Commonwealth powers.

The proposition does not give the Commonwealth Parliament power to establish local government bodies in the States.

It expressly recognises that the form and structure of local government is a matter for the States.

Ultimately, the referendum seeks to enshrine the position of local government as one of three tiers of Government in a smoothly running Federal system - each tier with its own powers and responsibilities and each tier dedicated to improving the quality of services it delivers to its constituents.

A "yes" vote by the Australian people will establish once and for all the status of local government and its right to advise and be consulted by State and Commonwealth authorities on relevant matters.

Indeed, because Local Government is the closest to the community of any level of government, the other tiers stand to gain considerably from listening to local government advice.

Local government is ideally placed to recognise duplication of services and inefficiencies by state and commonwealth departments.

It can recognise more easily poorly designed programs and poor coordination.

And in many cases it can assist in the design and delivery of programs at all levels of government to maximise efficiency.

If the referendum is not carried, then the knowledge, advice and assistance which local government has to offer may be overlooked and set aside. All Australians would be the poorer.

Ladies and gentlemen,

Local Government in this country has traditionally been less about party politics and more about getting things done for the community. Its bipartisanship has been one of the great aspects of our national life.

In its approach to this referendum, the Liberal Party has got things the wrong way around: they're putting party politics ahead of the interests of the community.

It disappoints me that it has not been possible to sustain the bipartisan support for Local Government right through the referendum campaign.

Australians have an unfortunate tradition of voting against referendum questions which lack the support of both the major Parliamentary parties.

But I have a great confidence that in our Bicentenary year the Australian people will dispense with that tradition, by voting for all four referendums. They are simple, sensible and essential reforms.

But to achieve this, it will be necessary for everyone in local government to go out and argue what we all know to be true: that the time has come for Local Government to receive its proper recognition in the Constitution of Australia.
