



PRIME MINISTER

FOR MEDIA

21 OCTOBER 1988

The Commonwealth has decided to take up the constructive suggestion of the Premier of South Australia, John Bannon, as a way of resolving a disagreement over the transfer of the Emergency Relief Program to the States.

Emergency Relief is provided to people in immediate need for ad hoc assistance. It is provided through voluntary organisations with money supplied by both the Commonwealth and the States.

Both the States and the Commonwealth had administrative apparatus to support the program. In the interest of removing administrative overlap the Commonwealth proposed to transfer the program to the States at the last Premiers' Conference with the continuing Commonwealth financial support coming through general revenue assistance.

Several States objected on the grounds that Emergency Relief is an income support program, and that they preferred Commonwealth funds to be clearly identified.

Emergency relief programs have been run historically by the States, whereas the Commonwealth has contributed to them directly only recently. The involvement of two levels of government in such programs leads to confusion in the minds of potential recipients, and adds needlessly to the costs of running welfare activities.

For these reasons, and in particular given the States' continued representations to me to rationalise Commonwealth administrative overlap with the States, it was sensible to include Emergency Relief in the offer document for transfer to the States at the Premiers' Conference.

Taking up Mr Bannon's suggestion that the program be transferred by way of a specific purpose payment meets one of the States' main concerns. The arrangement can commence immediately, with funds allocated this financial year being subject to future indexation, using the Consumer Price Index as from 1989-90, so that real value is maintained.

Other than requiring that the money be used for payment to non-government agencies for emergency relief, I would not see the Commonwealth involved in program determination or administration. It should be understood that the States will maintain their effort in this area and that the above represents the Commonwealth's financial limit.