



# PRIME MINISTER

CHECK AGAINST DELIVERY

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**TOWARDS A CLOSER PARTNERSHIP  
SPEECH BY THE PRIME MINISTER  
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It is now one hundred years since the beginning of the process which led to the creation of the Commonwealth of Australia - in Barton's phrase, a nation for a continent, a continent for a nation.

The Federal compact hammered out through the 1890s resolved the competing claims of six distinct political communities, their capitals and centres of population separated by immense distances. It's easy to forget that our political union was never a foregone conclusion. It involved give and take, a capacity for compromise; and in the end, it was a triumph of hard work, common purpose and political leadership.

Today we face together challenges impossible to envisage a century ago. But the same qualities - the work, the will, the leadership - which were needed to create the Federation in the last decade of the nineteenth century are needed again, in the last decade of the twentieth century, to make the Federation work better.

The time has come to form a closer partnership between our three levels of government - Commonwealth, State and local.

Our first task is to move by sensible, practicable steps to get better co-operation within the framework of the Federal Constitution as it stands. That is where I propose we focus our main effort.

Our second task is to apply the spirit of national co-operation in a new approach to reform of the Constitution itself.

Today, I propose processes through which these tasks can be achieved - sustained and substantial processes to explore and map the areas where co-operation for common objectives is not only desirable but realistically achievable.

The goals are to improve our national efficiency and international competitiveness, and to improve the delivery and quality of the services governments provide.

We need to remove the impediments and the anomalies which stand in the way of those goals.

My friends, alone of the peoples of the world, we have a continent to ourselves. With all the marvellous diversity of our land, with all the rich diversity of our people, we share a commitment to a single national identity. Wherever we live in this wide country, we adhere to the same fundamental principles of parliamentary democracy, freedom of the individual and the rule of law. And the Federal system itself underwrites this diversity with unity.

Yet within this splendid unity, we have imposed on ourselves a burden of different rules and regulations and requirements which needlessly weighs against the tremendous advantages we can have as a nation-continent.

We are proud that as a modern and prosperous society we can provide quality services to people whether they live in the city or the bush - but too often, essential services are getting tangled up in bureaucratic overlap.

The battling family in the city fringe; the Aboriginal community in the remote outback; the frail aged at home or in hospital - they don't want to argue the toss about which bureaucracy provides the help to which they are entitled. And their least concern is some academic argument of Commonwealth versus State rights. And the instinct of the people is correct.

The real emphasis - our real concern - should be the rights and needs of citizens, not as, say, Queenslanders or Tasmanians, but as Australians.

Now that might sound just a cliché. But what happens in practice?

Schools in different States have different minimum starting ages, and different patterns of schooling at primary and secondary levels, and different curricula, and different ways of assessing Year 12 students - differences that give totally unnecessary headaches not only to students who may move interstate but also to employers and tertiary institutions who look to the schools system to provide meaningful standards for recruitment.

Lawyers and doctors and other professionals may have qualifications from the best universities in Australia or the world; skilled tradesmen may have the finest on-the-job experience - but to work outside their home State they need a licence from a State licensing board.

How sensible is it to shrink what is already a relatively small Australian market into separate State markets?

Yet that is what we do:

- when we force manufacturers to put different labels and different packages on the same products;
- when we give three different definitions to bread;
- when one State demands that margarine be sold only in a package shaped like a cube;
- when each State has its own separate design requirements for water meters; its own quality standards for chemicals used in agriculture.

Two States forbid a certain kind of heavy semi-trailer that is legal everywhere else; there is no uniformity between States on the time a truckie can spend behind the wheel; each State issues its own driver's licences. Only last month we at last managed to achieve in principle agreement to prevent unscrupulous truck drivers from getting multiple licences so they could flout the demerit points systems wherever they liked. It took years of work - so I suppose we can say with Galileo, 'Nevertheless, it moves'.

We cannot pretend to be serious about the global greenhouse effect if we think in terms of separate State and national strategies.

Now, my purpose today is not to prescribe the changes to be made to cure these absurdities and anomalies.

I am not specifying outcomes.

But I am describing the areas where I seek change through co-operation; and I am proposing a process through which change can be achieved - a process which will produce results.

I acknowledge, at once, the progress already being made thanks to the hard work of the various Ministerial Councils which bring together State and Federal Ministers and officials across a range of policy areas.

But the challenge is broader and more urgent - for us all.

My friends, we all need to do some fundamental re-thinking - and not just governments - but the major political parties, the business community, the unions, opinion-formers.

The question we all will have to answer is this: 'Are we ready for the 21st century?'. And if the changes we need to make are to be effective, we must all be prepared to take a fresh look at ourselves - our way of doing things, at the habits, the assumptions, the prejudices of the past.

And in particular I point today to the challenge facing us in these areas:

- micro-economic reform;
- financial relations;
- delivery of services;
- the national agenda for social justice;
- industrial relations;
- the protection of the environment;
- and Constitutional reform.

I mention micro-economic reform first, because it is common ground that it is absolutely essential, if we are to have a more competitive economy. It means we must improve the performance of the structures which underpin the national economy - it means better ports, a more modern transport system, faster communications, cheaper power.

My Government has acted to reform the financial system, tariffs, aviation, telecommunications, taxation, and its own business enterprises - areas of virtually exclusive Commonwealth control. We still have unfinished business on our agenda.

In advancing to the next stage, the co-operation of the States is essential.

The division of responsibility enshrined in our Federal system need not and must not be an insuperable barrier against co-operation.

Look at the progress two sovereign nations - Australia and New Zealand - have made in integrating our economies under the Closer Economic Relations agreement. Look indeed at the progress the twelve sovereign nations of the European Community are making: there will be less impediment against trade of goods and services between them in 1992 than there is now between the States of Australia.

Here, key areas of our economy remain balkanised.

The limited arrangements which do exist to share electricity between States are hamstrung by inefficient pricing restrictions, hidden cross-subsidies between different consumers and planning decisions which seem to accept State borders as market barriers. Our aviation system remains hobbled by regulatory fragmentation. And our railways remain burdened with the legacy of differences between our colonial engineers.

A cargo container being sent by rail between Sydney and Perth may be subjected to:

- 3 non-integrated rail systems;
- 4 changes of locomotives;
- 5 different safe working systems;
- 6 different sizes of loading gauge;
- 10 different engineering standards of the basic standard gauge rail track;
- 12 or more hours at sidings or junctions for crew changes, refuelling, inspections.

How, under such circumstances, can rail avoid being a drain on the taxpayer? And what of the impact of this situation on Australia's international competitiveness?

And how, with this set-up, can rail compete with road? One offers door-to-door overnight service, tailored to suit modern just-in-time inventories. The other must contend with up to three rail authorities controlling the progress of its freight, leading inevitably to confusion about who has responsibility for delivery.

We need to tackle these issues. In rail, for example, the Commonwealth and the States are giving serious consideration to a National Rail Freight Initiative, involving new investment in track and terminal facilities; guarantees - perhaps contractual commitments - to high priority schedules; and new industrial relations standards.

It is no exaggeration to say that the Initiative, to be successful, will require Commonwealth-State co-operation on a scale we've seldom seen hitherto in this country.

But we must strive to achieve that co-operation - and not just in rail transport, but over the whole range of micro-economic reform. It is not so much an option, as an imperative.

My friends, in this national endeavour, we must, of course, work within a basic macro-economic framework. Australia must have one central level of effective economic management. The level and incidence of taxation and public sector borrowing should be primarily determined at a national level.

But let me say this, in the spirit of my genuine desire for a closer partnership with the States: the imperative of national economic management need not preclude worthwhile change in Commonwealth-State financial arrangements.

We are prepared, for example, to look at changes to the Premiers' Conference arrangements.

Further, I announce today that the Commonwealth will respond positively to the Premiers' requests in regard to financial institutions taxes. We will relinquish the bank accounts debits tax to the States.

A third point: the Premiers want more of their Commonwealth funds in untied rather than tied form. And it is certainly legitimate to ask whether tied arrangements limit program efficiency. We may find a need to move away from tied grants in a number of areas; and in other areas, a need to change our arrangements so that we get better value for money. It is timely and proper to consider this aspect of our funding arrangements. We are ready to do so.

Friends, in the post-War period, the functions performed by our Governments - Federal, State and local - have changed radically.

Behind this change, forcing its pace, there has been I believe the irresistible and irreversible thrust of an historic process - the working out in Australia of the idea of progress and equality and the just expectations of a free people.

But too often in practice the result - especially in health and welfare services - has been duplication of effort - duplication, for example, of accounting and monitoring, duplication of consultation and complaints mechanisms.

Too often the financing and administration of a service is shared between, or rather divided between, different tiers of governments. Too often different governments are providing closely related services, without proper co-ordination.

Such arrangements can actually distort the very design of programs in the interests of shifting costs from one level of government to the other - literally, passing the buck - instead of serving the interests of the clients.

Surely, when we think of all the money, skills and good intentions put into these efforts, there must be a better way of serving the needs of the people.

We must find, as a nation, a better way of integrating the legitimate policy interests of the Commonwealth and State Governments and achieving more integrated and more effective delivery of programs and services to our citizens.

It is my belief that we should be ready to review all the services which the Commonwealth and the States deliver.

But I suggest the health and welfare fields would be the most useful starting point for review.

What I propose today is a process of program rationalisation through joint examination with the States - a process which yields practical results. I do not want a voluminous comprehensive report at the end of some long unspecified period of study. I want proposals to come forward case by case; to be dealt with on their merits, case by case; and specific decisions to be made, case by case.

Let us enter this process with these watchwords: precision and decision.

In all this, the Australian Government can never avoid or evade its genuine national responsibilities.

In the first place, there are groups for whom the national government has special responsibility - veterans, Aborigines, newly arrived migrants and refugees, for example.

Moreover, only the national government can effectively identify certain problems, which can vary widely in their regional or local incidence, yet which may require a national policy, financed nationally, for their solutions.

But the experience of the years tells us that there are important services which would be improved if the Federal Government were not directly involved in their delivery.

I emphasise that the joint review I propose is aimed at achieving better services, better delivered. Any cost savings - and of course there should be savings - would be a bonus.

And I give the assurance that, to the extent State Governments take over any administrative responsibilities for programs previously run by the Commonwealth, they will be compensated, and compensated fairly.

There are two objectives:

- first, to put into better order the existing service delivery system,
- and then, to make sure that as we take up new challenges, and governments undertake new commitments, we don't create a new set of problems, through overlapping and duplication of responsibilities.

This is especially relevant and important for the success of the national strategy for social justice my government pledged to pursue in seeking the people's mandate for a fourth term.

It is a national strategy; but the co-operation of the States and local government is essential.

The Australians living in the rapidly expanding urban fringes are experiencing a special set of social problems - not enough affordable housing; poor access to employment, public transport, schools, hospitals and recreation.

Their problems - real problems, human problems, things that people have to cope with every day of their lives - are compounded by our failure to co-ordinate the delivery of services across the levels of government.

The co-operation of States and local government will be needed not only to implement the strategy, but to supply the information needed to identify and tackle the problems.

And I believe that if we can move forward together with the States on a new social justice agenda, the common effort itself can give rise to a new spirit of co-operation which can spread out to other fields.

One such area is industrial relations.

We have a profusion and confusion of industrial relations systems. As a result, there are wide variations between awards and work practices, determined by seven major tribunals and a host of smaller ones. It encourages leapfrogging in wages and conditions and fosters uncertainty for unions and employers alike as to whether their industry is covered by Federal or State rules, or both.

It's not just an inconvenience - it's an impediment to stable wage fixing and sound economic policy.

The Commonwealth and the States are already working to improve the legislative framework. But the potential exists for much more co-operation and co-ordination. My own inclination is that it is a field in which the Commonwealth should have ultimate responsibility, and I note with special interest that the Premier of New South Wales for one has not discounted such a development.

My friends,

Anyone familiar with the history of my Government would know we have not shirked our national responsibility for the environment. And we are not about to abandon that responsibility.

But my Government has always preferred co-operative solutions. Indeed, the environment must increasingly become an area in which common ground and common purpose come to replace controversy and confrontation.

The Commonwealth and States are already co-operating on national air and water quality standards; the Landcare program; management of the Great Barrier Reef Marine Park; and the Tasmanian World Heritage Area.

My Government is determined to make sure that Australia moves firmly along the path of ecologically sustainable development.



We are working with business, unions and conservation groups - and we seek the involvement of the States. That involvement includes their joining the sectoral working groups which will make policy recommendations to the Government. These groups are to start their work shortly.

There is clear merit in working together on these issues. Commonly agreed environmental processes and guidelines, where possible, will better achieve the objectives of the Commonwealth, States, industry, workers and the community.

The same co-operation essential to the review of Commonwealth-State program delivery which I have already outlined will need to be applied to the sustainable development process, if we are to achieve the best results for Australia.

Ladies and gentlemen,

I must emphasise that there is an essential ingredient if we are to produce substantial results from the exercise I propose.

It requires a commitment of leadership. Success will depend, in the end, on both myself and the Premiers being closely involved at strategic times, particularly in decision-making. We must not allow the overall thrust to be lost in a mire of bickering and intransigence in particular subject areas. Of course the detail is important - but it needs to be worked through rather than allowed to become an excuse for saying that it is all too difficult.

Accordingly I anticipate a number of special Premiers' Conferences on these issues.

I have today written to the Premiers proposing a Special Premiers' Conference take place on 31 October and 1 November in Brisbane. As far as I am concerned, everything I have discussed today is on the table - from micro-economic reform and program delivery to industrial relations and the environment. And I welcome further suggestions from the Premiers as to what they want discussed.

The first meeting should choose what should be dealt with first and set in motion the immediate processes to make decisions.

Further, before the Conference, I plan to establish a Commonwealth-State Steering Committee chaired by the Secretary of my Department with equivalent State Government representation. Its main role will be to arrange for the preparation of papers for this first Conference and then in broad terms to co-ordinate and advance future work.

Moreover, I propose to set up forthwith a special group in my Department headed at a very senior level to provide continuing support.

Of course, detailed involvement will be needed from Commonwealth, State and other areas of specialist knowledge. There must be consultation with interested groups.

Such involvement and consultation will ensure decisions are well informed. I repeat, however - they will not represent a barrier to timely decision-making at the highest levels.

Clearly, many of the issues for consideration directly involve local government.

I have therefore proposed to the Premiers that the Local Government Association be invited to participate at the Conference, on issues relevant to them.

In my letter to the Premiers, I have emphasised that my Government is prepared to commit itself to new processes pursued in a new spirit to improve our Federal system, and urging that they and their Governments make the same commitment.

Ladies and gentlemen,

I now come to the area of reform which we must acknowledge has proved most difficult to achieve - the Constitution itself.

It is true that there have been very significant changes in the way we govern ourselves, within the existing Constitution.

The most significant of these has been the uniform taxation system - a war-time measure which has profoundly changed the relations between Federal and State Governments in peace-time.

High Court decisions have done more to alter the Constitution than all the referendums.

And there has been, without change to the text of the Constitution, quiet and constructive adjustment in the roles of the Federal and State Governments in such areas as family law.

Thus, without actual change in the written Constitution, there has been considerable change in the role and responsibilities of the three levels of government.

That is why, in these remarks, I have focussed my thinking in terms of a broad process of change, through consultation and co-operation - a process we can get moving on now.

But, I also believe we have to seek new paths towards a more contemporary Constitution.

One of the reasons why so many valuable proposals have been defeated at referendums over the last ninety years has been that, almost invariably, they have become entangled in party political controversy.

Now, I do not condemn that out of hand. In itself, it reflects the strength of our democracy - and the main source of that strength is the vigour of our great political parties.

Nevertheless, it is a plain fact of our history that it is almost impossible to amend our Constitution in an atmosphere of partisan controversy.

Therefore, I believe we need to take a new approach - creating a continuing process to identify the areas of agreement, to achieve Constitutional change.

Next March and April will mark an important Australian anniversary - the centenary of the First Australasian Constitutional Convention.

As I pointed out at the beginning, the work of creating the Australian Commonwealth took ten years. There is gathering interest about what we do over the next ten years, the years remaining before the Centenary of Federation in 2001.

I want to give momentum to that interest.

A Steering Committee is being established to develop arrangements and an agenda for a Constitutional Conference next year to mark the centenary.

I am delighted to be able to say today that the former Governor-General Sir Ninian Stephen has indicated his willingness to chair this Steering Committee.

This is not to be a government-run conference - but the Commonwealth government intends to support it financially and in other ways - and participate in it. And I hope State governments will do likewise.

My hope is to break away from the situation where the Commonwealth Government considers and puts to referendum proposals for amendment of the Constitution only to find that we do not have the requisite support from the States or other parties, or support that evaporates in the heat of partisan controversy. We owe it to the future of the country to test a different approach, one in which proposals emerge from collective discussion and deliberation.

Some proposals may emerge which can be taken forward in the next couple of years. Equally, in some areas the process might not bear fruit until closer to the Centenary year of 2001. How long, for example, must we all go on accepting the merit of the four year term without achieving it?

I may say that I take encouragement from recent comments by the Leader of the Opposition Dr Hewson, indicating his and his Party's wish to bring a bi-partisan attitude to questions like the 4-year term. If that support is sustained, I would propose a referendum on a four year term at the next Federal election.

But whether we are looking at early proposals or ones to be put later in the decade, we should start now.

For the Commonwealth's part, we shall be there in April, we shall listen with close attention and we shall participate constructively.

I will be personally involved, and I sincerely hope the Premiers and the Opposition leaders will join with me in this very important exercise. Continuing involvement at this level will ensure the success of proposals for change which will certainly emerge.

Friends,

In all that I have said today, the operative word is 'achievable'.

We cannot re-write the Constitution. We cannot replace the Federal system.

But we can make the Constitution and the Federal system under which we live work better.

I have outlined an achievable, yet wide-ranging agenda for change and reform in the way we govern ourselves.

I have proposed a process - or rather, a range of processes - by which we can move together towards reform in a measured manner. It is a process which, I am convinced, can give us a workable machinery to create a closer partnership, a genuine partnership, for the better governance of this great nation.

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