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PRIME MINISTER

(CHECK AGAINST DELIVERY)

**SPEECH BY THE PRIME MINISTER THE HON P J KEATING MP
INAUGURAL NATIONAL GENERAL ASSEMBLY OF
LOCAL GOVERNMENT
NATIONAL CONVENTION CENTRE CANBERRA
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Well, it's a pleasure to address this your first National General Assembly.

And let me congratulate those of you who took the initiative, who exercised the leadership, to make this historic meeting possible.

Although it is 160 years since the first local council was created in Australia, I think it is timely that you should come together to identify the key issues facing Local Government.

After all, these are times of great change for all levels of government, times that demand we take stock of where we are so that we can have a bigger say in where we go.

I think it's particularly appropriate that it is a Labor Prime Minister that speaks to your first National General Asscmbly because Labor governments have long recognised the key importance of Local Government in our Federal system.

It was the Whitlam Government that first introduced direct untied assistance to local government.

It was the Hawke Government that proposed the Constitution be amended to reflect the critical role of Local Government in our national life.

Despite that referendum not getting up, the current Labor Government has continued to work to strengthen the role of Local Government.

We have sought to give it a status in the community that it deserves, a status commensurate with a tier of government that employs around 160,000 Australians and spends around \$10 billion a year.

It's why we introduced the annual consultations between Local Government and the Commonwealth in 1989.

And why we also moved to give Local Government full membership of COAG.

This Government is committed to seeing that your aspirations and needs, and those of the people you serve, are heard in the highest forums of the land.

But it's more than just giving you a forum in which to speak - important as that is.

It's also about making things happen - in partnership.

Back in 1992 when the Federal Government was looking to give the economy some much needed stimulus the States were found wanting.

It was Local Government which stepped into the breach to join up with the Federal Government and deliver a Capital Works Program on time and beyond expectation.

It was a major exercise with Local Government and community groups putting in more than \$120 million to match the Commonwealth's contribution of \$350 million.

This was a great example of the Commonwealth working with Local Government to harness local knowledge, commitment and organisational strengths to achieve an important national objective.

And it reminded us that programs work best when they are delivered at the local level and reflect local needs.

That's something people in both Local Government and the Labor Party understand.

We also both understand how important it is to bring the people along with you, to hold a community together when times get tough.

This is the case now for many communities, particularly the rural communities in Queensland and New South Wales which are experiencing the worst drought on record.

For them, times have never been tougher than they are today.

There will be some of you here who have firsthand experience of the devastation that the drought has brought, of the enormous personal and financial burdens it has placed on so many in our rural communities.

Being in Local Government means that you have that special sort of relationship with people that only a local person can.

And more often than not it usually means you too shoulder part of the burden when things are tough, that you too lend a hand way beyond your professional responsibilities because that's the way things are done in the bush.

To those of you here and to the many others in Local Government who have played such an important role in helping to ease the hardship of the drought, let me take this opportunity to express the Government's great appreciation for all that you have done.

Yours is a contribution that will be remembered.

The drought is a big issue for the Labor Party - we're determined not to leave the people on the land behind.

We're concerned about the future of family farming, of the impact of the drought on rural society.

That's why we put in place the drought package that we did, a package which includes:

- the establishment of a Drought Relief Scheme which provides families with cash for basic necessities and gives them access to Family Payments and the Healthcare card

- the removal of the existing Austudy farm assets test for all families in exceptional circumstances

- increased resources for financial and social counselling;

- and further measures under the Rural Adjustment Scheme to assist farm businesses both now and during the recovery phase.

Since we announced the drought package just over six weeks ago, we've already been able to make a substantial contribution to helping farming families in the most severely affected areas.

So far, nearly 1,000 families have had their claims approved under the Drought Relief Scheme, and another 2,000 plus have lodged their claims with the Department of Social Security.

On top of this, another 6,000 families have applied for a certificate for the drought relief payment which is the first step in the process.

So, we are getting the payments out there, but we need to push this process hard to make sure all those eligible receive the assistance they so desperately need, and quickly.

To those of you that will be returning to communities experiencing severe drought, I would urge you to keep up your efforts to encourage those who are eligible for assistance to apply.

And also to let the local people know that if the situation deteriorates further that the Government is prepared to provide additional assistance on top of the \$164 million that has already been allocated.

The drought is a good reminder that the activities of Local Government extend right across the Australian community, that what might be a burning issue for some one in inner suburban Melbourne might have little relevance for someone in far north Queensland.

But whatever different challenges we might face from time to time, there is, I think, one challenge that we all face continuously.

And that is the challenge of leadership.

For my part, I have always thought that one of the keys to leadership is imagination, having a sense of what's possible and taking the odd risk

Because if you don't have that you won't be moved to chance your arm, to push for the big changes, the ones that really matter, the ones that affect peoples lives for the better and over the long term.

Leadership is not, and never has been, the preserve of any one person.

Nor is it something that flows from occupying a particular position.

It's about getting things done and being effective.

It's about generating and maintaining momentum.

It's about making sure the place is better off for your effort - a sense of stewardship if you like.

In sum, it's about recognising and seizing the right opportunities to make a meaningful difference to people's lives.

That's the thinking that lay behind the drought assistance measures and it's certainly the thinking that lay behind *Working Nation*, the White Paper on Employment and Growth.

In *Working Nation* we wanted to ensure that unemployed people, particularly long term unemployed people shared in the economic recovery.

We also wanted to ensure that regional Australia got its share too, that this wasn't just a recovery in the big cities.

And it was for this reason that we announced the Regional Development Strategy, a strategy designed to harness the enormous leadership potential that lies in the men and women of regional Australia.

It's not a strategy that seeks to replicate the quick fix solutions of the past or to adopt a scatter gun approach.

Nor does it see throwing buckets of money as the answer to the regions' most pressing problems.

As McKinsey revealed in their *Lead Local Compete Global* study, given the task of rejuvenating a region, regional leaders said they would far prefer \$2 million and 20 committed local leaders rather than \$50 million minus the local leaders.

And that's why I believe the challenge of regional Australia is primarily a challenge of leadership.

As McKinsey also pointed out, you can take two different regions in Australia with the same factor conditions, the same level of infrastructure, the same level of human and natural resources but one region will prosper while the other fails.

And the reason one region succeeds is because it has leadership.

It has leaders who share a vision for their region and who are prepared to bring all the key players together to chart a common course.

And what's true of the regions is just as true for local councils that go to making up regional Australia.

Of course, adopting a Regional Development Strategy that focuses on leadership assumes that the leaders exist, that regional Australia has within it a real wealth of talented men and women.

Well, it has.

It's something that was clearly borne out in the work of the Regional Development Taskforce which was chaired by Bill Kelty, and included your energetic President, Councillor Peter Woods.

The Taskforce itself played an invaluable leadership role in getting regional communities to think about their long-term future.

It found that right across the country there were people looking for new opportunities to quicken the pace of economic development in their region, people who wanted to build on the strength of their region and find their region a place in the international economy.

And I think this is something that will come increasingly into play as more local councils become involved in competitive tendering, contracting out, resource sharing and enterprise bargaining.

Our overall economic policy objective of sustainable low inflation growth can only be achieved if the right conditions for growth can be created in the regions.

And in this endeavour, the Commonwealth and local government share considerable common ground.

We agree that effective local government participation is vital to the success of regional development activities.

We agree that the three tiers of government should work in partnership to plan for economic and regional development and to deliver appropriate programs.

And we agree that the need for effective local government has never been greater.

And it's because of this common ground that we want to see Local Government take a leadership role in implementing the Regional Development Strategy.

Since its announcement in *Working Nation*, the Regional Development Strategy has remained very much on track.

By Christmas, we hope to have around ten regions active in the program.

And over the life of the program we hope to extend it to around forty Regional Economic Development Organisations.

The first region to take advantage of the program is likely to be the Northern Rivers Region of New South Wales which I visited earlier this year.

During my visit, I was particularly heartened to see how the people around Lismore share a common vision for their region and are committed to breathing life into that vision.

They have got themselves together and are now planning a regional development strategy based on sustainable, value adding agricultural production and niche export marketing.

Importantly, they have developed bi-partisan political support for the regional development activities.

There are also a number of other regions in Queensland, Victoria, Western Australia and South Australia which are getting ready to participate in the program.

This is great news.

It shows a nation with regions that are prepared to work on a future for themselves rather than rely on outside funding only.

Recent analysis of economic data shows that quite a number of regions are strongly outgrowing the capital city areas in activity and employment.

And some of the regions have even greater potential with significant growth in population.

These are the areas giving the lead to regional Australia.

Before I finish let me make reference to one other area where Local Government can support the efforts of the Federal Government and that is in the area of social justice.

I'm thinking here of two groups whose potential to add to our national endeavour has not been sufficiently recognised or tapped.

I am thinking of our indigenous people and our women.

Over recent times, the Federal Government has taken unprecedented steps to accord our indigenous people a proper and just place in the nation.

So I'm pleased to see that your National Agenda reflects that same objective.

And I trust that it's something that you will give effect to in the course of your deliberations at this historic meeting.

I'm also pleased that Local Government has more women representatives than for most other Australian governments.

But at around 20 per cent it is still too low.

Achieving more equitable representation of men and women in Local Government, as elected representatives and mayors, and also in senior management, is about keeping faith with our democratic and egalitarian traditions.

It is also, fundamentally, about recognising and using the full array of leadership and talent at our disposal.

I would urge you to look carefully at this issue, to consult with women Councillors and women Local Government staff, and to put in place a practical strategy to increase women's participation in Local Government decision-making and management.

Let me wind up.

As a key player in regional Australia, Local Government has both the opportunity and the responsibility to provide the sort of leadership that the Commonwealth's new approach to regional development seeks to encourage.

It is an opportunity and a challenge I know you are more than capable of accepting.

And through it, I want us to continue to work together - in partnership - for the good of the nation.

How effectively we work together will, however, depend to a great deal on the outcomes of this first National General Assembly.

And while I know your diversity makes it difficult, Local Government will play a far greater role in achieving national objectives if it speaks with a unified voice.

That is the challenge before this first National General Assembly.

But whatever the outcome, the Federal Government will continue to look for a Local Government system that plays an increasingly important role in the affairs of our nation, a system that combines local priorities with broader national goals.

Thank you.