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Synopsis of Paper to ANZAAS

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THE LEADER OF THE OPPOSITION,
HON. DON DUNSTAN, Q.C., M.P.

SYNOPSIS OF PAPER TO ANZAAS, 19/8/69.

There are two immediate tasks facing politicians to ensure that Australian people get the services they need and demand within the framework of the creaking Federal Constitution.

The immediate task is to settle the perennial question of the division of monies between the States and the Federal Government which is now, because of the actions of the present Federal Government, at its most critical stage ever. The Federal Government, possessed of revenues from the growth rate taxes, ties the States to a level of expenditure not sufficient to discharge their responsibilities. The States have the job of providing for Education, Health and Hospitals, and Development. In comparable countries, in each of these areas, the increase in annual expenditure by the Government is greater than the rate of increase in population or productivity. The States, however, have been kept to a level of expenditure limiting their increase to population and wage movements.

In the last nine years, the Commonwealth has taken over 100% increase in revenue from the growth rate taxes but the States' share has only increased by 70%. It is absurd for the Commonwealth to say at the Premiers Conference "We cannot let you have money to run services comparably with other countries" and then to produce the kind of Federal Budget which we have just seen. There must be a re-writing of the States Grants provisions.

But the second and more long-term task calls for quite different solutions. The Australian States are facing two major problems, one is in obtaining balanced industrial development to ensure a better growth rate. In order to do this, there must be effective planning with participation both by Government and private

investors to ensure that the gaps in our economy are filled in. The phenomenal growth rate of Italy has only been obtained by this process of planning co-ordinated growth and stimulating it by joint public and private investment in the areas where private investors have not taken the necessary action. No State has the ability to proceed in this way because of the limitations of the 1927 Commonwealth/State Financial Agreement.

The second major problem is that of urban growth and movement. Australia is already overwhelmingly an urban community. It will become more so. Our present budgetary structures as well as socially formed motives of home buyers ensures that we will have sprawling low-density cities. The States urgently need to undertake urban renewal projects and to plan better means of urban movement without pouring motor cars on to elevated freeways. In both these major areas of need, the Commonwealth so far has refused to co-operate. If the Federal Constitution is to work so that these problems are dealt with, it will not be a matter of demanding more money from the Commonwealth for the States to spend, but of joint Commonwealth-State action. What we need is an appreciation on the part of both Commonwealth and State Governments that creative governmental action in the planning field is the only way ahead. If these problems are to be solved it will be by co-operation, joint involvement of both Commonwealth and State Governments and not in the traditional tug for monies.
