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Title:

Speech by the South Australian Premier, Don Dunstan, to the ALP National Conference,
Perth

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SPEECH BY THE SOUTH AUSTRALIAN PREMIER, DON DUNSTAN, TO THE A.L.P. NATIONAL CONFERENCE, PERTH. JULY 4, 1977.

Mr. Chairman, Delegates :

Two vital and interrelated issues affect all Australians today. They are the policies which the Fraser Government is following of creating more and more unemployment and of starving the State Governments of the ability adequately to give their people proper community services.

These policies are more than complementary - they go hand in hand as both Mr. Fraser and Mr. Lynch cheerfully admit.

They are essential components of this Federal Government's attack on the living standard of Australian wage and salary earners and their families.

As Neville Wran has pointed out, unemployment is a visible, tragic and deliberate result of the economic policies so eagerly followed by Mr. Fraser, a man who no longer bothers to hide his contempt and disregard for the working people of this country.

But just as significant, and just as instrumental in the overall policy of bringing about a great leap backwards in Australian life, is Mr. Fraser's so-called "New Federalism".

Just as so many other instances of broken promises and deliberate deceit show that Mr. Fraser cares nothing for truth, his Federalism policy has been shown to be a totally dishonest sham.

The extent to which Mr. Fraser has deceived the people was shown at the Premiers' Conference and Loan Council Meeting in Canberra on Friday. Neville Wran, Bill Neilson and myself were not the only bitter opponents of Mr. Fraser. The Premiers of Western Australia, Queensland and Victoria were equally critical, and no-one could call Sir Charles Court or Mr. Bjelke-Petersen friends of the working people.

They joined us because they realised that Mr. Fraser is trying to reduce the States to nothing more than agents of his social and economic policies.

The importance of Federal/State relations hinges on the fact that while the national government has the major role in formulating and implementing policies which will shape our community, State Governments are responsible

for most of the services which affect people's daily lives. When children go to school, that school is part of an education system administered or assisted by the State Government. When people need hospital treatment, they go to hospitals which are administered or assisted by State Governments. The list goes on, through public transport, community welfare, police, road building, to name only some of the areas of State Government responsibilities.

For that division of responsibilities to work effectively to the benefit of people living in the States, there has to be co-operation and balance between the States and the Federal Government.

Without those positive attitudes, sustained and sustainable social development isn't possible.

When the Federal Labor Government was in power, the Liberal Party made great play with States' rights - it became an electoral stick with which we were continually beaten.

This present Prime Minister when in Opposition paraded himself as the champion of the States. He has now implemented policies which are the most centralist in Australia's federal history, and Sir Charles Court, Mr. Bjelke-Petersen and Mr. Hamer have at last woken up to the fact that they've been conned by this man.

Only eighteen months ago, Mr. Fraser presented his New Federalism, and what an impressive document it was claimed to be by the Liberals at the time. What a litany of lies it has turned out to be.

Mr. Fraser promised co-operation : we have been given 18 months of coercion.

Mr. Fraser promised Federalism : we have been given 18 months of centralism.

Mr. Fraser promised a better financial deal : we have been subjected to 18 months of sustained attempts not only to stop the States getting a better deal, but also continual efforts to take away what we had under previous arrangements.

Mr. Fraser promised flexibility : we have been given 18 months of instructions and threats, even down to the level of telling us to sack government employees so that private contractors could take over.

This whole process culminated in Friday's Loan Council and Premiers' Conference. This wonderful New Federalism, which Mr. Lynch and Mr. Fraser had been claiming up until only a few weeks ago would give the States \$90 million more than the previous Labor Government formula, gave five of the six States not one cent more.

In fact, some States have to pay money back to the Federal Treasury. Without the guarantee that none of the States would get less than their entitlements under the Whitlam agreement - a guarantee which South Australia insisted on - the States would, in fact, have got less than the year before.

Mr. Fraser as much as admitted that the New Federalism wasn't working by presenting us, when we went into the Conference, with a completely new formula for working out revenue entitlements.

He wanted a major change to the system, but in the co-operative spirit that he has adopted, he didn't consult with the States about this proposal but tried to present it as a fait accompli.

New Federalism is dead. Stage one, the revenue sharing arrangements, has totally failed and in fact almost took the States backwards.

State two, the States' dubious privilege of levying separate income tax is unworkable because the States do not want it as a gift. South Australia, for one, will not accept a system which tries to make people in the less populated States pay higher income taxes than the rest of Australia.

New Federalism was a fraud, and it is now a fraud exposed. What will happen from now is that the Fraser and Lynch policies will be stripped of their sham, and the masquerade will have to finish.

The Fraser-Lynch policies will increasingly be seen for what they are : deliberate, systematic attempts to lower living standards in this country and to take community services away from working Australians and their families.

While New Federalism has been unmasked, the policies it was intended to cloak will continue unabated. That was made clear at the Loan Council meeting which followed the Premiers' Conference.

With undisguised pleasure, Mr. Lynch told the States that their Loan Funds would be cut, that Specific Purpose Grants would be either abolished or halved and that there would be no Federal Government help for State Unemployment Schemes.

Loan Funds finance the States' building programmes, which cover construction work for schools, hospitals and the range of other government building projects. On Friday the States were kept to a 5% increase in Loan Funds, despite the fact that all six Premiers wanted a 15% increase. Every Premier told Mr. Fraser and Mr. Lynch what would happen to his State, in human terms by way of more unemployment and in social terms by way of facilities not built, if we were not given a 15% increase. And every Premier pointed out that, with increases in construction costs, a 15% increase was really only marking time. We could keep going with our present commitments but not expand.

Mr. Fraser and Mr. Lynch refused to budge, and the result will be thousands more people losing their jobs throughout Australia. In South Australia we are reviewing construction projects which will cost almost \$100 million, and the effects of large cuts will be catastrophic for the people who build these projects. And they are the private enterprise firms which win government contracts, and who employ the people whose jobs are now threatened.

The level of Specific Purpose Grants will not be fully known until the Budget, but Mr. Lynch was pleased to announce that the Hospitals Programme would be more than cut in half - from \$108 million last year to \$50 million this year. Hospital construction and improvements will now be extremely difficult.

The National Sewerage Programme, which was helping the large cities provide sewerage to outlying suburbs, has been completely abandoned.

The Australia School Dental Programme has been cut heavily, and so the list goes on.

The inevitable result will be greater unemployment and fewer services to the people in the States, but the present Federal Government does not see that in any light other than laudatory.

Indeed Mr. Lynch in his speech to the Premiers said time and time again that real wages have to be cut and that still more people have to join the dole queues - or as he expressed it, there has to be "an upward drift in unemployment for several months".

Having created this unemployment, the Federal Government admits to no responsibility to help the States give work to the jobless. When I asked Mr. Lynch to help us fund our Unemployment Relief Schemes, he flatly refused. People should stay on the dole, he believes.

When I asked the Prime Minister for assistance in paying car industry employees the wages lost through working a four day week, he refused, despite the fact it would cost the Federal Government less than paying unemployment benefits to the people who will be sacked.

Mr. Fraser's economic and federalism policies are part of his overall determination to take Australia back to the right wing doctrines of the 1930s. He is the most rigid and doctrinaire leader this country has had since Stanley Melbourne Bruce, and our only consolation is that Bruce was defeated by the Labor Party in 1929 against great odds.

Mr. Fraser's policies not only produce, but require, a huge pool of unemployed, a reduction in the level of services given to people in the States, no security of employment for workers, and no fair division of this nation's wealth among all Australians.

Under this Government, the wealthy and the privileged - of whom he is the doyen - will accumulate more wealth and privileges.

The great majority of Australians - the wage and salary earners and their families - will lose out daily through fewer jobs, lower wages, less hospitals, worse schools, reduced social welfare and fewer freedoms.

This is what Mr. Fraser means by a life that isn't easy.