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ARTICLE FOR "NATION" BY DON DUNSTAN, PREMIER OF SOUTH AUSTRALIA.

It was an appropriate arrival. Flying into Canberra from Melbourne for the Premier's Conference we could see for hundreds of miles sunlit fields, forests, mountains, but could not land. Canberra lay enfolded in impenetrable fog.

The Conference was an important one. We met to hear details of the new five year agreement. There was a chance that the Commonwealth would come to grips with some of the more serious disabilities of the Federal system. There was a chance that policies of joint State-Federal co-operation in areas like education, urban development, pollution, and city transit, could be worked out. We hoped - or at least my Government did - that a major change of heart and mind would occur. It didn't. It became an important Conference because of what it didn't do.

And it will be a memorable one for two other reasons. The South Australian Labor Government ended the interregnum of one-party participation in Premiers' Conferences; <sup>and</sup> it was punished for doing so. We remembered how during the 1968 State election Mr. Gorton had come to Adelaide to help the LCL and had said that it would be easier for a Federal Liberal Government to carry out its national policies if there were Liberal administrations in all States. He had said something about "keeping it all in the family". And we saw what he meant in 1970. New South Wales and Victoria received special per capita grants of \$2, giving each respectively an extra \$9M. and \$7M. Western Australia received a continuance of its

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special \$15.5M. grant. Queensland received \$2M. extra per year for the five year period. Tasmania remained a Grants Commission claimant State, and South Australia was told to return to that condition if it wasn't satisfied. "South Australia made up its mind three weeks ago", Mr. Gorton was reported to have said when the Treasury recommendation for assistance was rejected in Cabinet. It was a notable departure: politics for the first time since before the war appear to have influenced the treatment of a particular State at a Premiers' Conference.

But the matters which should now be discussed are far more fundamental than how one State or another was treated at the 1970 Conference. They concern the whole future of Federalism - the way in which the system is drifting - the direction of the drift and the lack of efficient and necessary control. They are matters which should be dealt with at a Statesman-like level. Amateurism leads to the occlusion of Federal systems.

The disabilities of Federal systems can I think be stated quite simply. They all display centralist drifts and tensions, constitutional conservatism, and a strong tendency to legalism. Some commentators hold that they mean weak government generally, deriving from an inevitable clash of priorities and objections between member States and the Central Government, and this may be so. But for Australia, the theoretical alternative of one absolute central sovereign Government is unacceptable. It would mean greater elimination of people's participation in Government than the present system does. There could only be

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arbitrary rule of diverse sectors by massive bureaucracies.

But it is clear that the present Australian constitution has given us a system of Federalism that is both unwieldy and nigh-on impossible to change. It has a totally disabling effect on the implementation of modern governmental policies, and perhaps its only virtue is that it can ensure a measure of non-conformity that, by and large, is beneficial to the country as a whole. South Australia's attitude to censorship, for instance, and the defence of literary merit allowed in its Police Offences Act, has been one area in which non co-operation with other States and the Commonwealth has had a small but healthy national effect. And this can also occur in such areas as social legislation, consumer protection, packaging and design controls, industrial legislation, and parliamentary enfranchisement.

But the system as a whole is inefficient and debilitating. And as the years pass and the writing of the Constitution becomes enveloped in the mists of time, that well-known contagion of Federated States can be seen developing—high-minded reverence for the Founding Fathers. Any criticism of their document becomes a kind of political blasphemy. They are even now being seen as immeasurably wise and far sighted, despite the fact that when they drew the document up about the only matters they considered crucial to national government were defence, an end to customs barriers, and an efficient post office. In fact, they were State politicians representing the interests of their own areas only. Nor did they number among them a Jefferson or Franklin to add the good prose or the democratic ethic Americans enjoy in their Constitution.

~~But~~ We are now left with the results of their work: a system of sovereign governments whose boundaries bear no relation to physical, social or economic geography, and which are limited in their attempts to legislate efficiently in such important areas as trade practices or national transport because the framers of the Constitution on the one hand did not believe Governments should be concerned with the economy or business practices, and on the other they foresaw no problems emerging. Then again, to change their Constitution we have the additional disability that when transfers of powers between the States and the Commonwealth are at issue, a referendum must be carried by a majority of citizens in a majority of States. Considering the history of constitutional change in Australia, the prospect is gloomy, even though I think it can be argued that a majority of people would like to see fewer politicians, more work from them, and more efficient national and regional policies.

Ideally, the direction in which we should be moving as a nation is towards a complete restructuring of governmental responsibilities with a Central Government exercising effective national control, and with subordinate legislatures in self-contained regions throughout the country. However, to introduce changes of that magnitude would require a referendum carried by a majority in all States, and a plan which is based upon real regional development. One can't just draw lines on a map - the lines must relate to something real before voters will be impressed. The ideal is most unlikely to be achieved for many years.

Therefore the problem we are faced with now is how to make the present system work. That it doesn't

work is clear enough to any observer of the yearly line-up at Premiers' Conferences who watches as an imperious Commonwealth meets the thinly supplicant States and all indulge in the fiction of sovereign, federal equality.

The last Premiers' Conference could have been the beginning of a new era in State-Federal co-operation, for it will only be through co-operation that the creaking system will work. At present, with the Commonwealth controlling all growth taxes, with its ability under Section 96 to impose budgetary priorities on the States, and with its decided reluctance to enter into direct involvement with the States in areas like urban planning, the States are faced with urgent needs for which they are responsible but for which they have no adequate resources. Without any prior consultation, we sit back and watch special <sup>COMMONWEALTH</sup> grants being made in, say, education - like the absurd provision in South Australia of a complicated telescope and building to house it ~~from the Commonwealth~~ to a school whose classrooms were both temporary and <sup>POTENTIAL</sup> fire hazards. In public transport, we are reluctantly involved in the continuance by the Commonwealth of roads grants <sup>AND</sup> which make no allowance for the overall development of comfortable cities with effective modern transit systems, ~~but~~ which leave the States with immense town planning problems. And the same can be said for social services, urban redevelopment, decentralization, and a host of other problems in which the Federal Government effectively acts as a separate agent from the State Governments whose responsibilities these things in fact are.

The increased revenue assistance grants, the new betterment factor, and the new debt forgiving that the Commonwealth put forward at the Conference were a hesitant move in the right direction, as far as a five

year holding operation goes. But what in fact is essential to the States is not only a better financial deal that takes into account their increasing areas of responsibility, but also a system of State-Federal co-operation in which Section 96 priorities are jointly worked out. Joint-Secretariats must be set up in each area of common interest. They would have to be bodies responsible to the joint meeting of Federal and State Ministers involved in a specific area, and not merely a Commonwealth paid organization responsible to a Federal Minister and which reported<sup>s</sup> to the joint meeting. And the idea is not as perhaps as strange as it may sound. Effective State-Federal co-operation in setting priorities was very easily and smoothly achieved in the running of the War Services Land Settlement Scheme. There should be major efforts in planning by the Hospitals Commission, and we should have schools and pre-schools Commissions. Urban development and redevelopment must be undertaken with the Commonwealth recognizing responsibilities in the area also. The role of the Commonwealth Grants Commission should be expanded to service the Commissions and Secretariats, and the Interstate Commission should be re-established to exercise the control and planning of trade and commerce and interstate government relations generally.

There are interial factors in Australian Government that I often feel gives it the shape of a great mound of dough - push it, and though the top starts moving the bottom clings to the board. But nevertheless, some action is possible now - and much will be necessary soon - to solve the inadequacies of the present system. It has happened in the United States, Canada, and Western Germany - they have found

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solutions and are working them. If we in Australia are to solve the problems of the next 20 years, at the end of which 90 p.c. of our population will live in urban areas, we will also need a great deal more adventure in our policy making. And the lead must come from Canberra; one can only hope it is given soon.

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