Last week, a bill was introduced into the House of Representatives which could be of significant assistance to local governing bodies. The bill will give local government bodies access to the Grants Commission.

It is the Government's intention that local governing bodies should form themselves into groups, which would be approved by the Commonwealth Minister for Urban and Regional Development. Once the groups had been established, an organisation representing them would then be able to make an application to the Special Minister of State, who would decide whether the application for support would go to the Grants Commission or not. The Prime Minister, I think, described the proposal as a topping up proposal to assist shires which had standards below those in neighbouring shires or regions.

As it appears, the proposal will therefore not be one that will provide some general assistance for all shires. One of the problems of the approach that has been adopted is that a shire that has taxed itself relatively highly, as most have in Western Victoria, could be penalised because it has established services and facilities of a higher standard than a shire that was not so heavily taxed.

There are many features that come into this. Some local government areas are basically better off than others, and we won't really know until the procedures start to work how much benefit there will be for particular local government areas. I will be sending local government bodies a copy of the Prime Minister's speech and a copy of the bill, so they can study it.

There are other problems associated with this measure. Local government bodies are established by State law and I believe a much more suitable solution would have been one that provided the States with adequate finance so that they could make the extra money available to local government bodies and municipalities. That would preserve the position of the local government and of the States.

Mr. Whitlam has repeatedly said that he is in favour of a unitary State. By that he means a State in which all substantial powers reside in Canberra. I do not believe that that would be good for Australia. If the States are destroyed, there can be no check against a central Government and any democracy needs to work in a system of checks and balance.
There will be some advantage for some local government areas. In the strict terms of the Prime Minister's speech and of the bill, there will be many areas that will not benefit from these particular proposals, but that has yet to be determined. I suppose it is possible that the Grants Commission could decide that all local government areas need additional finance and that they would therefore all get some extra support. If all local government bodies do get extra support, I would applaud it, because with the increased responsibilities being put upon them, they need extra funds. Often those responsibilities are put upon them by acts of government offering a subsidy for one service or another, so long as the local government body does something on its own account. They are now expected to provide services over a much wider field than was once the case.

While I want additional funds to be available, I very much regret the mechanism that the Government has chosen, because I think it is cumbersome and unnecessary, and I believe that an approach that would have provided payments based on the numbers of inhabitants to all local government bodies, would have been reasonable, so long as you coupled it with special provisions which would tackle areas of particular disability or hardship. I welcome the intention, therefore, to provide additional funds for shires and municipalities. I don't like the way it's being done, because it will seriously undermine the authority of States, which I believe needs to be maintained as a check against arbitrary centralised power in Canberra.