PRIME MINISTER’S

ELECTORATE TALK

27 JUNE 1982
There were three main issues at the Premiers' Conference and Loan Council:

1. Funding levels for the states following the Grants Commission report.
2. Giving the states responsibility for their own electricity borrowings.
3. And greater Commonwealth authority in national economic management.

In the overall result, all states have received significant real increases in their funds.

- On present estimates the overall increase on last year's base grants will be 17.1%.
- And they could only have received more through higher taxes.

The Commonwealth's package to the Loan Council produced some historic decisions.

Giving the states freedom to determine the size of their electricity borrowings, and to set the interest rates on them will make the states responsible for their own electricity programs.
AND THAT GREATER DEGREE OF RESPONSIBILITY WILL BE WELCOMED BY THE COMMUNITY.

THE PREMIERS ALSO AGREED TO PROVIDE MORE INFORMATION ABOUT THEIR ELECTRICITY AUTHORITIES

- TO PUBLISH AUDITS AND TARIFF RATES AND SO END ANY SECRET DEALS ON SPECIAL ELECTRICITY TARIFFS.

THIS INFORMATION WILL OPEN THESE AUTHORITIES UP TO FAR MORE PUBLIC SCRUTINY

- AND HELP IN MAKING THE STATES MORE RESPONSIBLE FOR THEIR ACTIONS IN A REAL SENSE.

THE LOAN COUNCIL GAVE THE COMMONWEALTH GREATER FLEXIBILITY TO USE INSTRUMENTS WHICH ARE VITAL IN NATIONAL ECONOMIC MANAGEMENT

- THROUGH A TENDER SYSTEM FOR SELLING COMMONWEALTH BONDS, AS RECOMMENDED BY THE CAMPBELL COMMITTEE

- AND THROUGH DELEGATED AUTHORITY TO SET TERMS AND CONDITIONS FOR THE SALE OF AUSTRALIA SAVINGS BONDS.

THOSE BONDS HAVE RECENTLY BEEN UNCOMPETITIVE
FOLLOWING EARLIER REFUSALS BY THE STATES TO ALLOW THE INTEREST RATE ON THEM TO BE MOVED, AND THIS HAS MADE MONEY SUPPLY MANAGEMENT CONSIDERABLY MORE DIFFICULT THAN IT IS IN THE BEST OF CIRCUMSTANCES.

NO LONGER WILL WE NEED AGREEMENT FROM STATE PREMIERS TO ADJUST RATES.

NO LONGER WILL NATIONAL ECONOMIC OBJECTIVES IN THIS AREA BE CONSTRAINED BY STATE POLITICAL CONSIDERATIONS.

THIS YEAR'S TAX-SHARING ARRANGEMENTS, FOLLOWING THE $60 M. THE COMMONWEALTH PUT IN LAST YEAR AS A FIRST STEP TOWARDS THE NEW SHARES, MEANS A 17.2% INCREASE FOR NSW, AND 16.8% FOR VICTORIA.

AND IF THE LABOR PREMIERS OF THOSE TWO STATES CANNOT MANAGE THEIR AFFAIRS ON THE BASIS OF THAT SORT OF INCREASE, THEN THEY SHOULD LET SOMEONE ELSE TRY.

IMMEDIATE ADOPTION OF THE GRANTS COMMISSION'S REPORT WOULD HAVE MEANT AN ACTUAL REDUCTION IN DOLLAR TERMS FOR TWO OF THE SMALLER STATES.
NO AUSTRALIAN WOULD WANT TO IMPOSE THAT SORT OF HARDSHIP ON THE SMALLER STATES.

THE GRANTS COMMISSION ITSELF SUGGESTED PHASING IN THE RECOMMENDATIONS

AND THE COMMONWEALTH HAS GUARANTEED TO THE THREE SMALLER STATES WHO STOOD TO LOSE THAT THEY WILL RECEIVE SOME REAL INCREASE IN THEIR TAX SHARING FUNDS OVER THE NEXT THREE YEARS.

VICTORIA'S OVERALL INCREASE OF 16.8% ALSO MEANS A 16.8% INCREASE FOR HOSPITALS BECAUSE WE BUILT THE BASE SUM FOR RUNNING HOSPITALS INTO THE TAX FORMULA LAST YEAR, SO THAT BASE SUM ESCALATES AT 16.8% ALONG WITH ALL THE OTHER AMOUNTS.

BUT NOW, AGAINST THE BACKGROUND OF THAT INCREASE, THE CAIN LABOR GOVERNMENT IS THREATENING TO REDUCE HOSPITAL SERVICES FOR THE PEOPLE LIVING IN THREE SPECIFIC FEDERAL ELECTORATES, INCLUDING WANNON.

NEVER BEFORE HAVE THE PEOPLE OF PARTICULAR ELECTORATES BEEN THREATENED IN THIS WAY

USING CONSTITUENTS IN THIS CALLOUS WAY IS A NEW LOW IN AUSTRALIAN POLITICS
- AND THE CAIN LABOR GOVERNMENT WILL SURELY PAY THE PRICE OF THIS EXPLICIT DISCRIMINATION, BECAUSE ORDINARY AUSTRALIANS WILL NOT STAND FOR THIS KIND OF TACTICS BY GOVERNMENTS.

BEFORE I CONCLUDE TONIGHT, I WANT TO SAY SOMETHING ABOUT THE BRISBANE GAMES

- AND MR WHITLAM'S TRIP TO AFRICA.

THE COMMONWEALTH GAMES ARE ONE OF THE WORLD'S GREAT SPORTING EVENTS

- AND AUSTRALIANS WERE DELIGHTED WHEN ANY SHADOW OF BOYCOTT WAS LIFTED LAST MAY THE GAMES FEDERATION'S AGREEMENT TO FULL PARTICIPATION.

MR WHITLAM MAY HAVE DENIED ANY INTENTION TO ADVISE AN AFRICAN BOYCOTT OF THE GAMES, BUT HE ALSO SAID HE WAS 'VERY MUCH CRITICISING AUSTRALIA'

- HE AGREED THAT SO FAR AS HE WAS CONCERNED THE AFRICANS 'REPRESENT A TOOL TO BRING ABOUT DOMESTIC CHANGE IN AUSTRALIA'

- AND SO FAR FROM REFUSING TO CONDONE A BOYCOTT, HE SAID HE WOULD "TELL THE AFRICANS THAT IT IS
UP TO THEM TO DECIDE HOW THEY CAN MAKE THEIR VIEWS ON THE TREATMENT OF ABORRIGINES KNOWN'.

I LEAVE IT UP TO THE PEOPLE OF AUSTRALIA TO JUDGE WHAT MR WHITLAM IS REALLY ABOUT ON THIS VISIT.
The idea of a former Australian Prime Minister going overseas as official observer to a group which is so clearly mishandled in a boycott of the Games by African countries, is an attack on Australia's good reputation among non-African countries and should be opposed.
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