

Development towards local government fundamentally irrevocably changed the direction of local government.

Those Federal instrumentalities, which had substantial funds to make available for local government allocated those funds on the basis of social criteria. Councils putting forward submissions for road funds, or making a case before the Grants Commission, were asked to say to what extent the extra funds would improve transport or health or recreation, or to what extent those municipalities were socially disadvantaged *vis-à-vis* other municipalities.

In response to those requests some councils were unable to present adequate proposals. Others put in enormous extra work to express their input oriented information into an output or social form. Others, while doing the latter, saw the need to build a management system that would allow them to build a socially oriented system without extra work or the use of consultants.

Some Australian local government authorities remain in the first category—to the great disadvantage of the public they represent. Most are still in the second category, but looking with increased interest at re-orienting their management structure and their management system. Several councils are already developing that new orientation and reaping its substantial rewards.

It is no coincidence, Mr. President, that the councils leading that movement are in Victoria.

The Victoria Grants Commission will continue to effect, and will accelerate, the exciting changes to which I refer—changes that will see an improved dialogue between all spheres of government; new developments in the management of local government and, most important of all, an improved dialogue between local government and the public—the public whose social goals it is local government's responsibility to identify and meet.

With added and increasing discretion, with an orientation towards ends rather than means, and consequently a more visible social conscience, Victorian local government faces an exciting and challenging future.

Whether the new-found discretions and responsibilities will bring greater effectiveness and improve the quality of life to the extent which they theoretically promise will be determined by the capacity of local government to meet that challenge.

Mr. President, I thank you and honorable members opposite for your forbearance and for allowing me enough latitude to indicate, in a general way at least, some of the motives that bring me to this place and some of the aspirations that will both guide and sustain me for what I hope will be a long career in the service of the people of the Boronia Province and Victoria.

I conclude, Sir, by reaffirming my unequivocal and unreserved commitment to the principles on which the Victoria Grants Commission Bill is founded. I commend the Bill to the House.

The Hon. D. M. EVANS (North Eastern Province) : Before beginning my maiden speech and address to the House, like the previous speaker, Dr. Foley, may I offer my congratulations to you, Sir, on your election to the position you hold, the very august position of President of this Chamber, and thank you for the opportunity of addressing the House tonight.

I am very pleased to begin my career in this House by speaking on the Victoria Grants Commission Bill, allied as it is to local government, because prior to coming to Parliament as one of the members for North Eastern Province, one of the areas in which I attempted to serve the community was in that very field of local government. For the edification of Mr. Ward, it was in the Shire of Oxley and the area of

Lacey was part of my responsibility. I served in that capacity in a small rural shire for nine years. I am very proud that my family has had a long association with that shire. It goes back some 80 years to when the first member of my family served as a member of the Oxley Shire Council, and I am the third member to have served in this capacity. Our service spans something like 40 years. I am very proud indeed of that service.

I am also proud to succeed the Honorable Ivan Swinburne as a member for North Eastern Province. Mr. Swinburne served with great distinction in this House from 1946 to 1976, in which year, on 26th June, he completed 30 years in this House. During that time he served with very great distinction the people of Victoria and this Parliament. He was the Minister in Charge of Housing and Minister in Charge of Materials in the McDonald Government from 1950 to 1952. If I may digress for a moment, I recall a conversation that I had with the then Deputy Director of Housing, the late Mr. Jack Gaskin, some years ago. He told me that during Mr. Swinburne's service, General Motors- Holden's Pty. Ltd. were deciding whether to go to Melbourne or Adelaide, and the decisions which Mr. Swinburne made at that time were important to the decision which General Motors- Holden's Pty. Ltd. made to come to Melbourne. If ever a man had a monument, surely the work Mr. Swinburne did towards that decisive decision to allow General Motors- Holden's Pty. Ltd. to begin its career in Melbourne was one of immense importance to the State of Victoria.

In addition, Mr. Swinburne was the Deputy Leader of the Country Party from 1954 to 1969 in this House; he was the Leader of the party in this House from 1969 to 1975, and the Leader of the National Party in this House from 1975 until 1976. He was also a man with a wide range of interests in the community.

The Hon. D. M. Evans.

He began his career with the Bright Shire Council as a councillor, and eventually became its president. It is proper that I should make these remarks about Mr. Swinburne during a debate on a Bill so connected with local government. Most of all I believe he was a great Parliamentarian. When I first came to this House as a new member, and I was introduced to many of those people whom I hope will be my colleagues for years to come, they said when they knew I was Mr. Swinburne's successor, that he was a great man, a great Parliamentarian; he made a tremendous contribution to the legislation of this House; his knowledge of procedure was great; his attention to detail was equally great. He was a man, too, with a tidy mind; whatever he undertook he completed and did well and with a minimum of fuss and effort. When I took over the North Eastern Province on the 27th June I found very little unfinished business. Mr. Swinburne had tidied up 30 years of work and the slim file left to me contained only one or two items. That surely is a tribute to the man.

Mr. President, many of the shires in Victoria began during the 1850s and 1860s as Road Boards. Roads at that time were based on a property tax, and quite fairly so. At that time property was almost synonymous with an ability to pay. The people who owned property normally also had an income. They had an income as a result of property, and of course as they required roads to get to that property, and roads were an essential service, it was reasonable that they paid for them in the way in which it was demanded they should do. However, times change. Possession of property today is somewhat different. Today, property, beyond a simple home, tends to be very much more a set of tools with which one earns a living, whether it be as a small businessman or a farmer. Possession of property no longer reflects, as it used to, an ability to pay. For this reason I believe due attention is

being given to the need to provide rates, apart from the simple tax to meet the needs of local government.

In 1970 the Parliament of Victoria instituted an inquiry into the financing of local government. This was conducted by the late Mr. Louis Voumard, a Queen's Counsel. At that time I had the honour, as a councillor, to go before that inquiry seeking sources of income. This was not only because I recognized the lessening ability of property owners to pay increased rates, but because I recognized that local government was expanding into a much wider range of responsibilities than it had hitherto. I applauded that extension of its services because I believe it was right, reasonable and proper that local government should act on behalf of local people in so many of those domestic issues that are best handled at the parish pump level. Therefore, I believed that unless a tax or a source of finance, apart from the simple property tax, is made available, because of the inequities in this day and age of the property tax, local government may fail to take up its responsibilities in this field simply because it no longer is prepared to burden property owners with a tax that is perhaps beyond that which should rightly be carried.

However, in 1973, as Dr. Foley reminded honorable members in his excellent address, as did Mr. Walton also in his opening remarks the Commonwealth Grants Commission was given responsibility in respect of local government, and I believe credit is due to the Labor Party Government which was in power in Canberra at that time for the initiative that it took. It was a good move and one that was welcomed by local government. To emphasize that under the Grants Commission some unequal results were achieved for local government is perhaps an unduly harsh criticism and I do not think it should be made

at this stage. The results of that initiative were there to be built on by succeeding governments. The principle was good.

I mentioned that there was unequal distribution and indeed there was. In my North Eastern Province, in 1975 the Shire of Chiltern received no money from the Grants Commission. In 1976 its distribution will be \$22,000. The Wangaratta shire which joins the Oxley shire, and incidentally the Chiltern shire, received \$10,000 in 1975, and \$32,000 this year. So those two shires are still suffering from a low or non-existent base figure of two or three years ago. I believe it is necessary that in 1977 the Victoria Grants Commission, which this Bill seeks to set up, should look closely at this situation and make certain that the errors of that particular allocation are not perpetuated. It would be most unfair if the process that was set in train two or three years ago were kept going and those shires were disadvantaged for ever.

However, I must say that every person in local government will welcome the increase of 74.8 per cent in the untied grants in 1976. It was most welcome to hear Mr. Lynch, the Treasurer of the Federal Government, state last Thursday night in the House of Representatives in Canberra that the 1.52 per cent of the Commonwealth collection of income tax for the current financial year was a minimum amount that would be given to local government; not only a minimum percentage, but should the taxation earning method of the Commonwealth be altered it was also a minimum in money terms. So that no less than 1.52 per cent and no less than \$140 million will be given to local government in this and succeeding years. Hopefully, that amount can be increased to cover some of the problems associated with inflation. However, at the time that \$140 million was announced, some guidelines were set down as to the method of distribution and the

way in which the finance should be shared amongst the various local government bodies in Victoria. It was suggested that 30 per cent of that amount should be given on a population area basis, the amount of population to area to be decided by State Governments, with a minimum of 30 per cent. The Victorian Government has used a figure of 40 per cent. To some extent I consider—I am a little critical here—that the particular criterion used and distribution of 40 per cent on a population area basis—85 per cent for population and 15 per cent for area—rather militates against a shire council and the urban municipalities that I represent in north-eastern Victoria.

I believe the State Government may have lost an opportunity to help out in the present rural slump of which we are well aware. Over the past two or three years the farming community has suffered from a grievous loss of income, both from falling commodity prices, and more recently the disastrous drought which has hit large areas of Victoria and which hopefully is now improving. Nevertheless, it has affected the northern areas of the State and the effect is continuing. The Government also did not take sufficient account of the unemployment situation in many of the rural and urban municipalities, running at something more than twice the level of unemployment, according to present figures, that obtains in Melbourne and nearby areas. So there was a major problem—and an opportunity was lost.

Clause 14 (1) of the Bill states—

The Minister may on his own motion or at the request of the Commission make written submissions to the Commission as to any factors which appear to the Minister to be of special significance in relation to all or any municipalities in the relevant financial year.

I hope my remarks may carry some weight with the Minister when he makes his submission to the new Victoria Grants Commission when it begins its task. Certainly from time to time as the opportunity

arises, my task and that of my colleagues in the National Party, will be to draw to the Minister's attention fairly and reasonably anything that should be done. Nevertheless, I must still congratulate the Grants Committee on the way in which it carried out its work. The committee did not have a great deal of time and it was under pressure from municipalities which were about to do their annual accounting, draw up their estimates and strike their rates. They wished to know how much finance they were to receive for their shire from the commission. Therefore the Grants Committee set about its work swiftly and with a will. Considering the difficulties under which the committee worked, it carried out that task extremely efficiently. I congratulate the members of that committee, Councillor Roy Harle, the chairman, Mr. George Pentland, the secretary of local government, most particularly Mr. David Moye who served on the previous Commonwealth Grants Commission and whose appointment to the Grants Committee was widely welcomed by the councils in my area and in Victoria. His appointment to the new Victoria Grants Commission would also be particularly welcome.

Of greatest importance, of course, is the fact that these grants to local government are untied. They can be used for whatever purpose is desired. If they wish councils can use them to expand their work in social welfare, kindergartens or other areas. Alternatively, if there are major difficulties, and many rural shires are facing such difficulties in raising their rates, or perhaps later in collecting those rates, at least these shires will have the opportunity of using this finance in the way best suited for their particular needs.

There is an expanding role for local government. There are 211 councils in Victoria, and I draw on the Minister's second-reading speech for that figure. Twenty-two of these are in the North Eastern Province, which is more than 10 per cent of

the total. Therefore, when I have gone around all the councils in my province, and I hope to complete that round within the next few weeks, I shall have sat in at least 10 per cent of council meetings in Victoria to gain some understanding of the problems of the municipalities which I represent.

I draw attention to the premier town contest of a week or two ago. Many councils used a great deal of imagination in drawing up their submissions for the premier town contest in a wide range of areas, education, general development, industrial development, and so on. I draw attention to the four major towns in my electorate. In Shepparton tremendous imagination has been used in the development of the city and in the development of the international village project which is now under way. Shepparton's driver-training complex is the only one of its type in Australia and perhaps in the world. Honorable members who have not been to Shepparton's driver-training complex and had the pleasure of doing a wheelie or two with the Minister for State Development and Decentralization, as I did a few weeks ago, should take the opportunity of visiting there because it really is a tremendous set-up. It shows the imagination of the council of Shepparton. The civic buildings, the car parking and general development of the city is fostered and helped by an alert and imaginative local government body in the city council.

The City of Benalla was a keen contestant in the premier town contest and showed much imagination. I put in a plug for Benalla's Rose City Wine from Bailey's Bundarra vineyards. If Mr. Elliot has the opportunity, he should try some of their products. Then there is Wodonga, the growth centre city, in the northern part of the North Eastern Province, which was the winner of the industrial award section of the premier town contest. This again is a council with a tremendous respons-

ibility. It has the development corporation in its area, helping with the development of the city, and hopefully as things progress, able to help a little more than it has in the past few months. It is a council that certainly has an enormous responsibility to ensure that local opinion is given due recognition in the development of the city and that the people who live there are able to express their needs and aspirations.

Finally, we come to Wangaratta, the premier town of 1976. Again, this town has a council which has shown considerable imagination in developing its city. The development committee has made available through the council and with the co-operation of the city council an area of land for industrial development, and the development of a most imaginative sporting complex, the H. P. Barr reserve on the old golf course. Wangaratta is the town which won the battle for I.B.M. Aust. Ltd., a major American firm. To digress, I understand their gross annual income, at least until a year or so ago, exceeded Australia's total gross national product. I.B.M. Aust. Ltd. has its Victorian branch in Wangaratta.

Although it is a great honour to win the premier town contest, another result was that the contest stirred up people to look about and see how other towns and firms went about decentralization. Perhaps they learned a little by the direct stimulation of this contest to go out and bring business to their own areas and employment to the people who live there. Surely decentralization must exist, not only to direct the people who are willing to come to non-metropolitan areas—that is simply a matter of choice—but also to offer disincentives for people to stay in Melbourne. It must physically take people who would otherwise stay in city areas to decentralized areas. Otherwise the policy will not work; it will be a failure, and miss the point. There must be positive disincentives for firms and businesses established in

the metropolitan area. There must be positive encouragement to go into the country. Surely councils should be encouraged to play a major role in decentralization.

I also mention the responsibilities which I visualize will arise for local government. Planning is very much a hot issue at present. From my experience and from discussion I have had with people throughout the North Eastern Province, planning is best handled by local government at its own level.

In that way a greater degree of flexibility can be introduced. Shires and districts vary one from the other and what may be appropriate for one shire or district may not be appropriate for another. Therefore, planning which is very necessary—development cannot take place without some rhyme, reason or control—is best done by local government. It is able to make judgments according to a knowledge of the area, the people concerned and the needs of that particular community.

Education gives a good example of how things are best run at the local level. In the past year or so there has been successful regionalization of education and much of the building work, renovations and general maintenance of facilities through the State education system have been handled and channelled through the local regional director, the regional advisory committees and the district advisory committees working under them in which local people play a part in decision-making regarding schools, where they should be established, and so forth. This is a clear indication of the way in which people at a local level, knowing their own needs, can work best to serve the community.

I do not believe we can afford to lose sight of the fact that other funds are at present sent to local government. Most certainly it is incumbent on the Governments of Victoria and of the Commonwealth to be certain that they do not simply substitute funds that are presently going to local

government with the new funds from the Grants Commission. We must be careful to ensure that the Country Roads Board funds are maintained at a reasonable level. I know from my experience in a municipal council that the Country Roads Board grants that have come in from year to year have stayed relatively stable for the past four or five years but that what the money itself will buy has decreased. Real attention must be paid to that segment of local government finance. It should not be allowed to deteriorate any further. It will be my responsibility, together with that of my colleagues in the National Party, to ensure that it is not allowed to happen, that from time to time the matter is drawn forcibly to the attention of the Government. The Government cannot allow the funds received from the Grants Commission to be simply substitution funds. The same principle applies to subsidies for libraries, for health services, for kindergartens, for social welfare, to Municipalities Assistance Fund grants and so on. Surely, the purpose of the finance from the Federal Government is to allow local government to take on extra responsibilities.

Local government is a creation of the State Government. It is a State Government instrumentality. It is the nearest government to the people. It is parish pump politics certainly, and perhaps a parish pump is not a lovely instrument but it puts water in people's homes with a great deal of discretion and in the way in which they want it. As a child of the State Government, local government should not be allowed to starve. That is the real responsibility of the State Government. Local government needs a little extra nourishment. That extra nourishment would allow it to grow and prosper and hopefully take a fuller and better part in the way in which Victoria develops. I thank honorable members for their courtesy in listening with some attention and a great deal of quietness to the remarks that I have made tonight.

I thank honorable members whom I have met since I became a member of this House, and who have welcomed me here, offered me some encouragement and wished me well. In closing I mention one person, the late Jack Tripovich. I found him to be a most helpful and welcome person when I first came here. His was the general attitude of the members of this House. I look forward to working in this House with members on both sides and most certainly with members of my party, the National Party, for the good of Victoria.

The Hon. N. F. STACEY (Chelsea Province): Tonight it seems that I am the third of a trio of maidens, although I am reliably informed that it will soon be a quartet. I am encouraged by the unanimity of views expressed on this Bill and encouraged by the reception given to earlier members of this choir. I feel I shall not be able to emulate the quality of the tune of my colleagues but I sincerely add to the chorus my congratulations to you, Mr. President, upon your election to the chair of this House.

This Bill recognizes the vital part played by local government in the provision of services and assistance to people at the community level. It should be remembered that history teaches us that democratic government began at the village level. The Saxon conquest of England saw the beginnings of our form of government. Local and national affairs in early England were not relegated to a favoured few but were settled in the councils of the people at their several moots or meetings.

The Norman conquest produced an oppressive central government which developed the feudal system of land tenure involving an economic subjugation of the common people. This was opposed to the concept of local administration based on local franchise.

We who, like our colleagues in local government, are elected on a local franchise are aware that the enactment by the Legislative Council of

New South Wales in August, 1842, of the Melbourne Municipal Corporation Act established local government in this State as the predecessor of this sovereign State. It is interesting to note that one motivating force for the Corporation of Melbourne was the establishment by La Trobe of a Board of Health, following the arrival of the ship *Salsette* in January, 1841, bearing the disease typhoid. On this ship was John Charles King, who, at the age of 25 years was, in December, 1842, appointed the first Town Clerk of Melbourne. King was briefly a member of this Parliament in 1859 and Commissioner of Public Works.

This Bill had its beginnings in the Liberal Party policy of September, 1975. This was a fundamental outline of the policy of federalism. Although this Bill is concerned primarily with finance, it is the philosophy of federalism which we believe will be of even greater consequence for the people of this State and this country in the years ahead.

The drive for centralist government and domination of the people which began with the Norman conquest reached its peak in Canberra Government just twelve months ago. The trend of government today recognizes not the three tiers or layers of government, but the three spheres of government. Spheres cannot be stacked one on top of each other but exist as separate forms joined together with the common purpose of protecting and enriching the life of all citizens. This Bill provides a means of equitably sharing out a portion of national income tax receipts to permit local government to perform those functions which it is best placed to administer.

This new recognition of the function of local government is of recent origin. The Federal Constitution makes no reference to local government. This State constituted a Local Government Department in 1958—less than twenty years ago. Local authorities are creatures of State legislation. Local government has been defined as government by