

**Submission to the Australia 2020 Summit on  
Future Directions for Rural Industries and Communities**  
by Mark Drummond, 8 April 2008

**RURAL COMMUNITIES AND INDUSTRIES NEED STRONGER LOCAL  
GOVERNMENTS**

Australia's federated system of government, created in the 19th century, no longer meets 21st century imperatives of globalisation. Each region is an important national economic unit, yet there is no national approach to planning and development at the regional level. Local governments are generally too small, state governments too large. The result is poor regional planning, inadequate coordination between the three levels of government, duplication and wastage. Distance from services and isolation, apparent or real, add to the impact of these factors on regional business. All this affects regional business confidence and, without confidence, business cannot grow on a sustainable basis.

(Keniry, J., Blums, A., Notter, E., Radford, E. and Thomson, S. (2003), *Regional Business: A Plan for Action*, Commonwealth Department of Transport and Regional Services, Canberra, p. 5)

There are few functions which the State Parliaments now perform which would not be better performed by the Australian Parliament or by regional councils. The States are too large to deal with local matters and too small and weak to deal with national ones. Three-quarters of the acts which each State Parliament passes are repetitions of the acts which each State Parliament passes. The same applies to regulations gazetted by each State government. Most of this legislation does not refer to local matters but to matter which are the same from one end of Australia to the other. ... The present State boundaries were imposed on Australians a century ago ... There is no economic reason for preserving them. They merely serve to maintain the domination of the commercial and political interests which are centred in the State capitals.

(Gough Whitlam, from his 1957 paper titled 'The Constitution Versus Labor')

Rural industries and communities are always subject to Australia's unforgiving natural environment, and rural exporters typically incur significant transport costs moving their produce to ports, let alone to often distant ultimate export destinations. Australia – and rural Australia in particular – therefore needs *especially* competent and supportive government structures. But whereas our Constitution provides Tasmanians with a State government and 12 Senators, most parts of rural Australia are without any Senator with first-priority concern for their localities. And with local government so powerless in Australia – accounting for just 7% of total government spending, compared to about 18% in Canada and 25% in both the US and UK – the 35% of Australians who live outside the capital cities are governmentally disempowered to an extent matched in few if any OECD countries.

To optimally support rural Australia at the critical scales of individual people, households and families, farms and other firms, cities and towns, water catchments, local and regional communities, country-continent, and the globe, we should constitutionally recognise and significantly strengthen local government and either (1) amalgamate Commonwealth, State and Territory government to form a single national government or (2) otherwise ensure that our rural industries and rural communities are in absolutely no way impeded by duplicated and generally excessive red tape, taxation, regulation, and bureaucratic interference.