

Federal Election 2007

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Blurring Federal/State Government roles costing big bucks

Why is this issue important?

The roles and responsibilities of the different levels of government in Australia are becoming more and more confusing and unclear and are costing taxpayers “at least \$9 billion a year...an additional tax burden of \$1,100 a year to be imposed on every Australian household”, according to the Business Council of Australia.

In addition to this it is paramount when considering public sector accountability for there to be clear roles and responsibilities for all levels of government. In modern Australia we also need to reflect on the rightful roles and responsibilities of the private sector and the community sector in providing services in:

- Human services, including health, aged care, child care, disability services, housing and education.
- Infrastructure, including rail, road, ports, water and power.

What are the facts?

Following a series of High Court decisions which have removed any real limitations on the power of the Federal Government to intervene in a wide range of matters, the Howard Government has made it clear that it is prepared to use those powers to change the nature of service delivery and funding mechanisms.

This has become most apparent in the water issues surrounding the Murray Darling River System, the takeover of the hospital in Davenport and the intervention in the Northern Territory around Aboriginal issues.

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In addition, the new “ad hoc” forms of federalism based on greater Federal Government or centralist control have been facilitated by reforms in both competition policy and micro-economic policies since the 1980’s.

What would Anglicare Australia like to see?

Anglicare Australia would like to see all political parties commit to a transparent process of review and reform to federal-state relations over the next term of Government. This process should involve the Federal and State/Territory Governments as well as input from the business and community sector.

Any review needs to recognise that not only have the roles and responsibilities of Federal and State Governments changed, but the role of businesses and community organisations in delivering many services in areas such as health, aged care, employment services and child care have also fundamentally changed in the last 20-30 years.

Anglicare Australia is calling for all political parties to commit to a review and reform of federal and state relations over the next term of Government.

The Council of Australian Governments (COAG) is the obvious vehicle to take a lead on developing a national reform agenda in this area, however groups such as the Business

Council of Australia (BCA) and ACOSS also need to be involved in these processes as well as representatives from local government.

In a Civil Society Framework the rightful roles and responsibilities of all levels of government (The State); the business sector (The Market); and all parts of community, including the community services sector (The Community) are tied together in a sense of mutual understanding, respect and trust. We clearly have a long way to go and the inefficiencies and the lack of clarity are clearly “costing” the Australian community a great deal.

What does the Research say?

The BCA estimate a cost to taxpayers of \$9 billion a year if we don't address this issue is staggering and should be a fundamental motivation for all of us to address this issue as a matter of priority.

The fact that public sector practitioners such as Roger Wilkins (now at Citi) highlight that “the commonwealth raises some 80 percent of total revenue in Australia but is responsible for 60 percent of expenditure is bad for political accountability... this means that the states and territories are not answerable to the electorate for the taxes raised to support their expenditure. And the commonwealth, which raises the taxes, is not accountable for the way the money is spent.”

This situation, and the lack of clear public accountability benchmarks and frameworks means that we often get conflicting and confusing messages and data as the Federal and State/Territory Governments attempt to shift the blame for crises in areas such as health, education and housing.

Other Issues

Anglicare Australia is a major provider of services to the community through its own funding and from funding from State and Federal Governments. We look forward to playing a role in the development of a framework for the funding and delivery of services based on principles of accountability, transparency and appropriateness. In a Civil Society Framework community agencies like Anglicare Australia member agencies are an important part not only of the service system but also as a part of the policy and programme development process and the much needed advocacy voice for the powerless and excluded.

NOTES FOR THE MEDIA:

This release is part of a series published by Anglicare Australia calling for government action on the income divide, housing affordability, climate change, reconciliation, and State and Federal relations.

The Anglicare Australia network is made up of 43 agencies in Australia who spend \$635 million every year supporting disadvantaged Australians. 20,000 volunteers and 10,000 staff provide services to almost 500,000 people in every state and territory of Australia at every stage of life. Anglicare agencies feel strongly that there is more to supporting people than simply meeting their immediate need and seeks to speak out to provide a strong voice for Anglican care in Australia.
