

Is it time to abolish state governments?

The headline is not meant to be provocative for the sake of this article.

The question of the abolition of state governments has been in circulation for a long time in a country where there is a general consensus that Australia is over-governed and has a three level structure that is cumbersome and wasteful.

The reflex reaction of Australians to a proposition that state government be abolished would inevitably be negative but, without debate or proper examination, Australia has been rapidly moving towards a centralist government model and promoting a shift in power and responsibility from the states to the Federal Government.

Many Australians were apparently comfortable with the idea of the Federal Government assuming greater power with the Howard Coalition on the Treasury benches and Labor administrations in every state and territory.

Indeed many of us, including State Liberals did not utter any criticism or caution as every Federal Minister and backbencher argued that various responsibilities and powers should be assumed by Canberra and the wisest and most effective policy options were to be found in central government policy.

However, John Howard's approach to Federal Government now requires examination, as do decisions on the future structure of government in Australia.

This is an important and wide-ranging debate that generates many options for electoral reform and change to the structure of government.

It is an important debate that Australians must address, defining the options and developing a coherent and consistent vision.

Australia's system of government evolved in the 19th Century, initially with colonial governments which were to become the state and territory administrations and then with the emergence of road boards that evolved into local governments.

Federation in 1901 created a national government that was initially based in Melbourne while Canberra was built.

The responsibilities of each level of government were comparatively well defined and the states had considerable influence in national affairs courtesy of tax powers – he who has the money, has the power.

The seismic shift in Federal-State relations was the referral of all state income tax powers to the Commonwealth Government during the Second World War, a move which substantially increased the national government's power and influence.

While there were some changes in the respective powers and responsibilities of the three levels of government over an extended period, the second major shift in inter-government relations occurred in the early 1970's when Whitlam's Labor agenda

substantially increased Federal funding of services that had been delivered by the states.

The money was offered, provided the states and other beneficiaries adopted Whitlam Federal Government policies and requirements.

Whitlam's agenda gave impetus to the fledgling debate about the future of state governments as he by-passed the states with funding direct to local government and the development of regional structures.

Local government dramatically expanded its range of services from its core business of roads, rubbish, recreation and regulation in areas such as building, planning and health to a broad range of people services and programs, many of which were previously delivered by or expected to be delivered by state governments.

There has been no turning back the clock after the Whitlam years. To win federal elections, governments ever since have promised more interventions and more direct allocations from federal budgets to fund state and, to a lesser extent, local government services and programs.

It is also worthwhile to note that certain international treaties and agreements signed by the Federal Government have allowed the central government to usurp the states in some areas.

Similarly, some federal legislation like Corporations Law has been something of a Trojan horse in trumping the states, albeit money has continued to be the major tool for change and the Federal Government appointed High Court an obliging accomplice for national government ambitions.

Teasing out the money factor, one of the best examples of intervention and the use of direct funding allocations to extend federal influence is education.

Education has been a clear state responsibility and one that the Federal Government could support with funding through allocations to state governments, allowing them to set the priorities and policies that would frame the delivery of education in their jurisdiction.

However, the Federal Government and a large education bureaucracy that doesn't actually run schools preferred to nominate its own education projects for funding, to suit its national policies and priorities.

In education and in most other areas of government service delivery, including health, roads and human services programs, the lines of responsibility and accountability are now blurred and confusing.

In its bid for re-election in 2007, the Howard Coalition Government was prepared to trample over any state responsibility provided there was a good media release in it.

Notwithstanding the merits of, say, the Mersey Hospital in Tasmania or the Springvale Road railway crossing grade separation in Nunawading, the Howard

Government, in its re-election bid, has rewritten the rule book on Federal–State relationships and opened the door for a dramatic re-shaping of government by the Rudd Labor administration.

In the run up to the 2007 election, there was not a Federal Minister I can think of, or that many backbenchers either, that did not argue that the Federal Government should take over responsibilities or could do a better job in virtually every government service area.

It will certainly be somewhat difficult going forward for Federal Coalition MPs to argue against any changes that Rudd might propose to services and government structures.

With the benefit of wall-to-wall Labor administrations throughout Australia, Rudd can implement the changes that Howard Government MPs so frequently trotted out for the sake of good media releases without the real prospect of actually having to implement those changes.

The question for Australians now is whether to sit back and let Rudd and Labor shape the future of government in Australia or, to engage in a debate to define the future options and encourage the input of all Australians on a change agenda.

The future of state governments

As I said at the outset, I am serious when I argue that we should debate whether or not we retain state governments at all.

There are valid arguments about the importance of consistency in policy and administration in a country with a population that is a little more than half that of the state of California.

There are also valid arguments about duplication and waste, red tape and additional costs to business and the community associated with compliance with different policies, laws and regulations at each level of government.

Many people in the community had hoped, if not expected, that the introduction of the GST by the Howard Government would have led to a redefinition of the responsibilities and accountability of each level of government but the process never eventuated.

Australia started out with colonial governments but today's communications and transport mean that our governments are no longer constrained by geographies, nor in this country, by the history of civilisation, save for consideration of settlement by indigenous Australians.

Greater sophistication of systems and processes, communications and media provide checks and balances that would seem to permit greater centralisation of government or at least, more streamlined administrations.

So there is a valid question as to whether or not we should retain state governments in Australia.

If the view is that state governments should be retained for effective and efficient government and as a bulwark of our democracy, providing checks and balances against a central government, there is clearly a need for us to decide if the current structure and responsibilities they have, are right.

In structural terms, we should consider whether or not there is an ongoing need for the upper house, given that so much legislation is becoming more uniform throughout Australia and the role of a house of review in legislation terms, seems somewhat anachronistic.

However, the Victorian Legislative Council has arguably worked more effectively as a house of review, at least in the short term, under the proportional representation model introduced by the Labor Government.

While its review function has included legislation, the more important evolving role is related to the scrutiny of executive government, of the Ministers who have become so much less accountable to the Parliament itself under the Bracks and Brumby Labor governments.

If the Legislative Council is retained, we should consider whether or not the appointment of Ministers in the upper house be discontinued, that is, to focus the house entirely on the review and scrutiny roles by limiting ministerial appointments to the Legislative Assembly.

There is clearly a need to review and redefine the responsibilities of the state governments vis-a-vis the Federal Government and local governments. It needs to be decided if there are state government responsibilities that should, in whole or part, be referred to the Federal Government.

What services or programs should state governments and, for that matter, local governments deliver in the 21st Century? Hospitals and other health services are an obvious area but what about ports, water, energy, education and urban transport systems?

Depending on what responsibilities are retained by state government, we need to determine the representation issues in respect of the State Parliament.

One of the major issues for Victoria, notwithstanding popular public opinion, is that it is becoming increasingly difficult to attract high calibre individuals to State Parliament because the financial compensation and satisfaction does not match opportunities in the private sector.

Given our more advanced communications, transport and systems within government and scrutinising government today, should we consider the option of having half as many MPs and paying them twice as much?

Having half as many MPs would be expected to encourage political parties to select better quality candidates and indeed higher calibre individuals would be likely to be attracted by the better remuneration and a prospectively more effective, streamlined Parliament.

The reality is that the introduction of Freedom of Information processes, the Ombudsman and more user-friendly government agencies as well as constraints on the cavalier pork-barrelling of times past, the constituency role of the MP has changed.

While an MP garnishes their election prospects with involvement in their electorate, the role today is more focused on the Parliament as well as developing and selling policy rather than the champion at court for every elector on every issue.

That change means that the size of electorates is arguably of less consequence today than in the past and, in any event, while there would be an overall saving in running the State Parliament with half as many MPs, electorate office resources could be enhanced to the greater benefit of electors.

Interestingly, a smaller State Parliament would potentially develop greater credibility with the Federal Government, with business and with the electorate at large if, as I would suggest is likely, higher calibre individuals were elected from all parties.

Irrespective of the size or structure of the State Parliament into the future, there is also a need to decide whether or not first past the post voting is the best system for election of Members to the Legislative Assembly.

With proportional representation in the Legislative Council, minor party candidates have a genuine opportunity to pursue their platforms and policies and, in that context, it may be better going forward to argue for first past the post voting for the election of Members for the Legislative Assembly.

While there are many other issues that might be considered as part of a reform agenda for the State Parliament, I certainly believe there is merit in the suggestion by a colleague, that the Speaker of the Legislative Assembly should be an MP who will retire at the next election and who ceases to be a Member of the Government when elected Speaker.

Under this proposal, the Government would be allowed to appoint an alternate MP for the Speaker's electorate ensuring that voters in that seat continue to be fully represented by an MP who can participate fully in the proceedings of Parliament while providing a greater opportunity for impartiality and independence for the elected Speaker.

Federal issues

Apart from defining the responsibilities of the Federal Government and perhaps revisiting financial partnerships, according to the division of responsibilities, there is also clearly a need to address the length of terms of government.

The Victorian State Government now operates on fixed four year terms whereas the Federal Government term of office is only three years.

Extending Senate terms from six to eight years is apparently the main brake on an extension of Federal Government terms to four years although there are also people who argue that three years provides more accountability.

Flexibility in the timing of elections usually advantages Prime Ministers and incumbent governments and some would even argue that non-fixed terms might provide advantages over set terms.

My view is that Australians and Victorians have been short-changed by governments more focused on winning the next election than on the longer term needs and opportunities of the country and state.

I favour four year fixed terms for Federal Government elections and I am not particularly concerned about extending the tenure of Senators from six to eight years.

What I would suggest as a means of achieving more effective and accountable government going forward is to have Federal Government elections every four years on a fixed date, with elections for all of the states and territories on the same day in something of a “super-Saturday” two years later, with fixed four year terms for all jurisdictions.

It would probably be better to stage elections in March than November to allow incoming governments to assume control of the budget process for the next financial year.

The “super-Saturday” proposal would prevent a Federal Government from playing off states one against the other on the basis that a state with a looming election is more likely to strike deals than states that are still early in their electoral cycle.

In my view, there would be a potential for more constructive and transparent inter-government relationships.

Further, the bickering, politicking and posturing associated with current inter-government forums would be significantly reduced if the responsibilities of each level of government were properly defined and accountabilities were distinct and understood by the electorate at large.

Interestingly, concerns about extending the terms of Senators from six years to eight years could be addressed by electing a third of the Senate at the Federal election, a third on “super-Saturday” in conjunction with state elections and a third at the next federal election.

This Senate election formula would re-establish a connection between the states and the state’s house in the Federal Parliament.

While it is arguably less important than the structure of the three levels of government, the determined responsibilities of each level and the processes used to elect governments, Australia should also revisit the republic issue.

Public opinion polls indicate that Australians overwhelmingly support a republic but they differ on the election process for a head of state. The process issue determined the result of the Howard Government referendum not the fundamental question.

We should not seek to minimise or avoid debate on the republic issue.

Local government

With a strong background in local government including 17 years as a councillor of the City of Nunawading, I have a high regard for this level of government which is closest to the people.

However, reform should be examined in the context of changes that might be made in respect of the responsibilities of state and federal governments.

Obviously, if a decision was made to abolish the states, the regional government concept approached by Whitlam in the 1970's would warrant examination in terms of the responsibilities, funding mechanisms, structure and the election processes of a continuing local government.

Exasperated by the politicisation of local government by the Labor Party, many people have indicated to me they would prefer appointed commissioners to run councils than the existing party functionaries more focused on Labor state and federal agendas than their communities.

Commissioners might not enjoy broad support in a community where democracy issues have a strong resonance but, at the least, there is an apparent need to address current election processes where postal ballots have encouraged the use of dummy candidates to harvest preferences for a frontrunner candidate.

At the very least, it would seem that postal ballot elections should be tied to a first past the post vote system that would ensure only genuine candidates actually nominate and campaign.

The secret ballots and dummy candidates have diminished democratic processes and deceived electors.

Bruce Atkinson MLC
State Member for Eastern Metropolitan Region
Deputy President, Legislative Council