

## More States, please

NO, IT isn't time to ditch the States ("Time to ditch the States?" *The Land*, September 10, p16-17).

What is needed are more States, not less. This was foreseen by the framers of the Constitution in Chapter VI.

It is a notorious fact that since the 1942 Uniform Tax legislation, the Commonwealth raises more revenue than it needs, leaving Australia with probably the worst case of vertical fiscal imbalance in the world.

As the eminent constitutional lawyer, Geoffrey Sawer, said: "Those who tax (the Commonwealth) don't have to justify the spending and those who spend (the States) don't have to justify the taxing."

Ninety per cent of the infrastructure assets are owned by the States, yet the Commonwealth raises 82 cents in the dollar of all taxation receipts in Australia.

Before anything can be done, the fiscal arrangements need to be established, namely that the States set their own rates of income tax, and which ought to be administered and collected by the Commonwealth on their behalf.

Those who want to devolve responsibility to local government are unwittingly advocates of more States as provided for in Chapter VI of the Constitution.

A possible solution is for, say, 25 new States about the size of Tasmania with populations of about 500,000 and with five Members of the House of Representatives.

With 25 States each with two senators we would have a Senate of 50 and a House of Representatives of 100.

That's 150 parliamentarians against the present parliament of 226 – a reduction of 34 per cent.

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