



# Media Release

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FEDERAL MEMBER FOR FRASER

### **BUDGET FAILS TO END THE BLAME GAME**

This budget fails to deliver the reform of federal/state relations that has been identified as necessary by a wide variety of individuals, organisations and committees.

In his speech the Treasurer mentioned federal/state relations only once when he played the blame game on dental care. Government ministers constantly call on the states and territories to fund programs from the supposed “rivers of gold” flowing from the GST but in fact the money the states receive from the Commonwealth has declined. While the actual amount of GST money paid to the states has increased each year, research by Macquarie Bank shows that the net value has declined and is at a three-decade low.

National Competition Policy helped Australia to achieve continuous economic growth over the last decade and a half but new reforms are needed now and this budget has missed the opportunity. Population, participation and productivity – the three main areas addressed by the National Reform Agenda being promoted by the states – have received an inadequate response.

The budget has the usual plethora of Specific Purpose Payments paid both to and through the states. There are too many and they require too much reporting detail. A number of important agreements such as the CSTDA have stalled while negotiations on the important Australian Health Care Agreements have not even been started. This is another area needing action.

In the lead up to the election Labor will be offering a reform of the architecture and operation of federal-state relations to reduce inefficiency, duplication, and the opportunity for blame shifting and cost shifting, particularly given the public’s desire to clarify responsibilities and end the blame game.