

# **A NEW APPROACH TO THE GOVERNMENT OF AUUSTRALIA - SUBMISSION TO THE TAX WHITE PAPER TASK FORCE**

## **Introduction**

Ms Catherine Livingston AO, the president of the Business Council of Australia, Australia's largest business lobby group, recently delivered a timely warning to Australia's political leaders at the Canberra Press Club that many of our policies have exceeded their design tolerance limits and that the economy is unprepared given the disruption of a hyper-connected world. In 1901 a Constitution was introduced, but at that time there were no cars, aeroplanes or any form of instant communication. The country is burdened with debts and we are severely held back by a lack of modern infrastructure yet it is impossible to rectify the situation by increasing taxes or other drastic means.

The recent *Challenge of Change* Intergenerational Report concludes we will need better infrastructure if we are to successfully compete with other nations in the global economy and the *Australia 2020* Summit recommended the establishment of a constitutional commission or convention to make the Constitution more suitable for the diverse 21st century Australia. Comprehensive tax reform may have the potential to lift Australia's gross domestic product, however, government reform like abolishing local government and having only two levels of government and creating regions, would deliver a saving in the vicinity of \$60 billion per annum. This would overcome our present problem with debt and enable vast new major infrastructure projects.

## **A New Approach to the Government of Australia.**

According to the Government statistician, the population of Australia at the 31<sup>st</sup> March 2015 was 23 million, the size of some overseas capital cities, yet we have 924 politicians and 15 houses of Parliament. In addition we have hundreds of municipal Councils and more than 1000 councillors. Is it any wonder that we are in debt? The Senate, states and Northern Territory in Australia and all existing municipal councils that presently exist, should be abolished and replaced by a series of Municipal Centres and the House of Representatives would be responsible for all laws of any importance.

Some of the Municipal regions would have a larger population than others (e.g. Gippsland or the Riverina) but the citizens of these regions would elect more members to the House of Representatives than the smaller regions. This would enable one transport minister, one responsible for railways and one responsible for all major roads and another responsible for all major rivers etc. etc. The area to be covered by the minister

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would be much larger than existing electoral divisions, but bear in mind that there have been great improvements in transport and instant communication than here to fore.

## **Reform**

A high level commission should be appointed - 50% being selected by the Liberal National Party and the balance by the Labor Party. As far as possible, members of the commission should be business orientated rather than political. Care should be taken to ensure that a Constitutional expert such as George Williams or Professor Anthony Mason of the University of NSW should be included. No more than three members from each side of politics from the current House of Representatives should be included.

The Government needs to work with the Australian people to develop a system that delivers taxes through the savings made by having only two levels of government. To enable these changes to be implemented it would be necessary for the states to pass legislation in accordance with Section 51/37 of the present Commonwealth Constitution which was the approach used where power to control Civil Aviation was taken over by the Commonwealth. It would not be practical, legal or possible to attempt these changes as a referendum.

Yours Sincerely,

*R. F. Munro*



**Mr Ron F Munro**

**Dr Jonathan P Munro**

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## **Bibliography**

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\*The above paper was prepared by Ronald Fane Munro, formerly Director of Finance in the Commonwealth Department of Works and Ministerial Advisor in conjunction with Jonathan Peter Munro, Adjunct Professional Fellow, School of Health and Human Sciences at Southern Cross University.