

It's now time to impose austerity on the states (Letter published in The Australian, 5 April, 2016. Square bracketed sentence deleted by Ed)

When Malcolm Turnbull offered the States the opportunity to impose an income tax, he described it as one of the greatest potential reforms to Federation in 'generations'... "this, we believe, is the only way that we can genuinely reform our Federation... It will give the states real financial autonomy".

But when the States rejected the offer, Turnbull initially described it as "not there" now. Soon however it reappeared, first in the COAG Communique which provides for "proposals to share personal income tax" to be considered and a report made to the next COAG. This despite an insertion by States that there is no consensus to support further consideration.

Since COAG Turnbull has claimed that the States' refusal to consider a sharing of income tax means they cannot ask the Commonwealth to increase taxes. But this is allowed for in the case of the GST, which is a Commonwealth tax.

In reality, Turnbull has skated over a vast range of questions about financial relationships and has failed to issue a paper providing the detail of any re-arrangement. [Another failure of economic policy].

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