



POOLING KNOWLEDGE, DISTILLING WISDOM

We'll be a cleverer country with the states united behind their economic planning

DOMINIC PERROTTET

Last week, six of Australia's eight state and territory treasurers attended a low-key gathering at NSW Parliament House and determined to form a body — a board of state and territory treasurers.

The next day, all eight officially signed on, pledging to work together on issues of common interest, advance national reform priorities from a state and territory perspective and take a more agenda-setting role in federal affairs.

It was an important step towards increasing the autonomy, responsibility and accountability of the states and territories in our federal system.

The board of treasurers will seek to play a role similar to that of the National Governors Association in the US, which provides a collective voice for state governors on matters of national policy and allows governors to share best practices and co-ordinate interstate initiatives.

Naturally a board of treasurers will focus more on the dollars-and-cents matters that affect the states and territories: funding, tax policy, regulatory reform and the like.

NSW first proposed this kind of body in the context of the GST carve-up as a mechanism for providing more direct input from the states, given just how significant

GST is to our budgets (and therefore the services we provide to our citizens).

But GST is not the only area where more state input is needed.

Commonwealth governments past and present have presided over a raft of policies that has a significant ongoing impact on state and territory bottom lines.

Whether it be in education, health, infrastructure or social ser-

vices, over time our federation has settled into a routine in which states are too often passive players when it comes to determining how funding is allocated for vital services.

Sure, state and federal portfolio ministers work together in their relevant policy areas, but the reality is Canberra bureaucrats often have more say in important federal decisions than the state and territory treasurers who must translate dollars into on-the-ground services

In NSW, we have a strong and productive relationship with Scott Morrison, and I expect the work of the board of state and territory treasurers will make it even stronger.

For one thing, it will give the commonwealth a clearer mandate by getting the considered buy-in of states and territories on important policy initiatives, avoiding the unproductive federal-state blame game and fruitless squabbling over funding.

It will also act as a mechanism to lessen the need for the commonwealth to take the lead in areas where the states should rightfully be taking the initiative.

Establishing a forum for state and territory treasurers will help us to better identify common priorities, but also areas where we diverge.

This body will make states and territories more accountable to one another, forcing us to justify our positions eye-to-eye, rather than operating in silos and expecting the commonwealth to sort out our grievances.

The board of treasurers forms part of a wider groundswell of change that has been a long time coming: a move to a more dynamic, competitive, and collaborative model of federation.

It echoes NSW Premier Gladys Berejiklian's call to end the dominant "one-size-fits-all" approach to federal policymaking, in favour of a more bilateral commonwealth-state approach better tail-

ored to states' individual circumstances.

The point of all of this is to strengthen individual states and territories, pushing them harder than ever to stand on their own two feet, and empowering them to do so. As a consequence, it also promises to strengthen the nation as a whole — a goal I think we can all agree is worth pursuing.

Dominic Perrottet is the NSW Treasurer.