



## A MODEST FARMER

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### **The C'wealth milks the cow but the State gets the cream**

Soon after I became a Member of Parliament, I heard the then SA Premier, Sir Thomas Playford, make a resounding speech in which he sternly rebuked the Commonwealth Government because it was not giving SA a fair go.

Sir Thomas had one particular criticism, that the Commonwealth had taken away from our State during the war the right to impose its own income tax.

Sir Thomas said with his usual eloquence and logic that he wanted it back.

This poignant plea by our Premier moved me, and being then still wet behind the political ears, I sidled up to the great man in the corridors of State Parliament and gave him the great news that I was his man and that from now on I would fight valiantly at his side for the right of our State to get its taxing powers back.

I had expected that Sir Thomas would receive this news with relief and enthusiasm, but instead he looked around anxiously to make sure that we had not been overheard, then he took me into his office and locked the door.

Then he admitted that his pleas for the return of his income taxing powers were for public consumption only. He admitted as he looked under the table to make sure there was no one lurking there:

I know I continually ask for my taxing powers back, but to tell you the truth the present system rather suits me.

The Commonwealth gets the odium for raising the money and I get the credit for spending it.

And any time I feel that we are not getting enough, I go and see the editor of *The Advertiser* in Adelaide and he twists the Commonwealth's tail with cruel cunning.

And because the sympathies of the people in a State, particularly a small State, are always with the State and against the big wicked Commonwealth, it isn't long before the Commonwealth is giving its milk down.

So if you don't mind, although I appreciate your kind offer, I think it would be better if you did not try too hard to help me.

Later I was told about a State-Commonwealth conference at which the States were reputedly trying (not too hard) to get their taxing powers back.

The State officials were talking to the Commonwealth officials and are reported as saying:

We thank you for the offer of the cow,  
But we can't milk so we answer now,  
We answer with a loud emphatic chorus,  
You keep the cow and do the milking for us.

It was to try to bring some sense to this rather silly situation that the Government unveiled its new federalism policy.

The States were told that, if they wanted more money, they would be able to raise it simply by asking for an amount to be added to the Commonwealth tax.

So the States can now easily raise the extra money they say they so desperately need.

They may say rude things about double taxation but this is nonsense.

The State income tax would not cost anything extra to collect because it would only mean another line on the tax form.

And the tax money would come from the same people who pay income tax to the Commonwealth.

It would come out of a different pocket, that is all.

For years Tasmania has received lavish treatment from Commonwealth governments.

The following table shows the amount of money received per head.

**General revenue funds (per capita allocation)**  
1978-79 entitlement \$

NSW	290.24
VIC	284.04
QLD	397.63
SA	433.75
WA	469.90
TAS	579.53

In addition to these grants, Mt Lyall, because it is in Tasmania, has received treatment that is almost scandalous.

Then there is the freight equalisation scheme costing almost \$26 million a year.

I was in WA recently and the canning pea growers there complained bitterly about the unfair competition they were receiving from Tasmanian peas shipped to WA with the assistance of the freight subsidy.

Tasmanians then have received generous treatment indeed but that did not prevent them clobbering the Commonwealth in the recent election fought on the grounds that Tasmania was not getting a fair go.

Yet I used to be bitterly criticised, when I was in Parliament, because I was unable to extract from the Commonwealth the same lavish largess as was handed out to Tasmania.

“What’s wrong with you,” my constituents used to moan, “why don’t you kick the Commonwealth cow, too, like the Tasmanian members do?”

The present system might suit Tasmanians as it suited Sir Thomas Playford.

Kicking the Commonwealth cow is certainly rewarding in political terms for a short while, but it is a sure way of drying her off in the long run.

She will go off her milk unless sensibly treated.

But the fine new federalism policy now seems to be wasting away.

For it to be credible a stern resolution had to be made not to give any State an extra handout just to buy votes but this has now been forgotten.

In the past at each election I used to feel a dam coming on.

Now it is a bridge!