



United Voice Queensland

Submission in response to the Productivity Commission Inquiry into Horizontal Fiscal Equalisation

31 January 2018



Introduction

United Voice Queensland makes this submission in response to the draft Productivity Commission report into Horizontal Fiscal Equalisation released by the Productivity Commission on 9 October 2017.

Overview of United Voice Queensland

United Voice Queensland represents almost 30,000 workers in Queensland across a range of public and private sector employers who are engaged in a diverse range of industries and occupations, and who remain under both the State and Federal industrial relations jurisdiction.

Our membership includes school cleaners, teacher aides, ambulance officers, health professionals and operational staff, childcare workers, those employed in the contracting industries including but not limited to cleaning, security and hospitality, private prisons and detention centres and aged care workers.

Horizontal Fiscal Equalisation

United Voice Queensland believes that states and territories should be able to provide comparable services.

State based differentials such as economic cycles or resource pricing, should not affect the comparative quality of services provided by state governments.

GST distribution should consider state demand differentials such as geographical factors, and other structural differences in service delivery.

United Voice Queensland is part of a national union which has members who work and live in every state and territory. Our members and their families should expect a similar standard of services from the levels of government, irrespective of their location.

Many of our members work for, or supply services for, state governments. In Queensland, for example, we have members working as paramedics, teacher aides, school cleaners, and medical health professionals. Our members take pride in the quality and extent of the job they do for the community.

Our members have an interest in ensuring that the service they deliver to the community in Queensland is comparable to similar services interstate. To the extent that the scope and quality of their service is affected by GST distribution, our members have a stake in ensuring that a focus is on ensuring that services are funded according to community needs and equity.

Our experience is that there are a range of complex factors and state differentials which could affect the capacity to deliver similar services. The differences include, but are not restricted to, population factors. Queensland has obvious factors such as high population decentralisation, geographical differences, extreme weather and periodical natural disasters, which present comparably high costs for service delivery.

It is our view that GST distribution factors should not inspire state government service delivery policy.

GST distribution forms a critical component of the overall funding required by states to deliver policy objectives. It is not the only component and other funding sources are required. A comprehensive examination of relative capacity to deliver equity in services may need to consider additional funding measures.

Our system of commonwealth and state government should allow for differences in state government policy objectives, and means of implementing policies. Funding distribution models should not bring about federally centralised policy detail about service delivery. However, our members and their families should expect to receive as service consumers, a similar scope and standard of service delivery, notwithstanding which state or territory they reside in. Similarly, our members who work in service delivery occupations, should be able to provide an appropriate level of service, comparable across states and territories.

United Voice Queensland would be concerned about service delivery, for example in education, community safety and health care, if significant change, such as equalising GST distribution to the 'average' state, or 'second strongest' state were implemented. Similarly, if compromises were expected to be made affecting the scope and quality of services.

On its face, Queensland may see a drop in GST revenues, which would damage the capacity of the state government to fund front line services.

In our view, a prudent course would be for the Council of Australian Governments ("COAG"), to consider the complex issues identified by this Productivity Commission Inquiry.