In recent years, Australian politics has been dominated by calls for greater transparency and accountability. Advances in online technology such as the rise of social networking and ‘web 2.0’ allows citizens to interact with the government in unprecedented ways. Buzzwords abound, and the Australian Government 2.0 Taskforce released a report in 2009, amid much fanfare, heralding a new era of ‘open government’.

Yet in this apparent era of transparency and accountability, behind the façade of politicians tweeting and having a Facebook page, not much has changed. Crucially, the finances of the Australian government remain shrouded in mystery, away from the scrutiny of the general public.

The Australian taxpayer continues to be prevented from knowing exactly what the government does with their tax dollars. The information that exists is hidden from public view in lengthy reports, and behind cumbersome regulations. Often the only way to know about spending is through Freedom of Information requests.

Technology may help end wasteful government spending, says Tim Andrews.

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of Information requests—a costly and lengthy process for ordinary citizens.

When reports do emerge of government mismanagement or malfeasance, whether it be the funneling of money to special interest groups, cronyism, or downright wasteful spending, it is after the fact and, while voters can extract accountability at the ballot box, there is no ongoing public scrutiny of government to ensure that taxpayer funds are being used as they should be.

Without transparency, government accountability is not possible. Indeed, the ability of citizens to hold public officials accountable is directly proportional to the disclosure of information. How can citizens be expected to make rational informed decisions at the polling booth when they do not have the information available? Shining a light on government expenditure will ensure better government, and we are fortunate enough to live at a time where the internet can easily make this a reality.

Indeed, with minimal cost, the Australian taxpayer could be easily empowered, providing greater civic participation, and ensuring superior governance.

Through a transformative initiative first signed into law by the US federal government in 2006, and which has since spread to 36 US States, the City of London, and the European Union, citizens are finally allowed to watch their government and hold it to account.

The concept is simple, yet revolutionary: create a single, easily-searchable online database where taxpayers will be able to see exactly how the government is spending their tax dollars—down to the last cent. Such a concept seems rather innocuous at first glance, yet the implications of such an online portal are profound. By subjecting every cent of taxpayer spending to the scrutiny of potentially millions of Australians, and not simply a handful of bureaucrats, waste can be reduced, corruption could be ferreted out, and a higher level of governance should be achieved.

The rationale for such a website is obvious—taxpayer funds are being spent, and as such, it is the right of taxpayers to know how. It’s their money after all. Yet the benefits of such an online portal go far beyond simply addressing the ‘rights’ of taxpayers.

By opening up the books to an army of online investigators, and harnessing the grassroots power of ‘web 2.0,’ citizens will be able to audit the government, spotting waste and duplication that could otherwise go unnoticed. Where created, these
websites have already resulted in millions of dollars in savings. To use just one example, in the state of Texas, US$8.7 million of efficiency gains and savings were directly attributed to the creation of a spending portal in its first year alone, ranging from consolidation of printer toner contracts ($73,000 saved), the discovery of a duplicate study ($250,000 saved), and $457,319 saved through the elimination of redundant IT contracts.

Indeed, it is critical to stress that such websites are widely used. For instance, the US state of Missouri, with a slightly smaller population than New South Wales, reported over 15 million hits to their website in its first year of operation.

Furthermore, by allowing public scrutiny of government spending, governments can be thwarted from funnelling money to special interest groups or pork-barrelling to marginal electorates. Similarly, the potential for corruption or fraud should be significantly reduced; such scrutiny will significantly increase the chance of discovery, thereby reducing its occurrence.

With the creation of such a website, governments shall no longer be able to hide waste away from the public eye. Rather, they will be forced to become accountable. Inefficient projects that can not withstand such scrutiny could be cancelled. It would be a lot more difficult to justify rorts and junkets once such expenditure becomes public knowledge.

Thirdly, as many Freedom of Information requests involve financial information, and compliance with this is not only a lengthy process, but requires considerable expense and staff time to process, by providing such information online, FOI requests can be reduced, generating further savings.

Perhaps more fundamentally, however, to those of us who believe in smaller government and re-empowering the individual, by demonstrating to the public just how much of their hard-earned tax dollars are wasted, significant pressure will be put to cut the size and scope of government. How many projects and grants do you really think would stand up to such public exposure? Of course, the argument works both ways. If you believe in big government, then this is your perfect opportunity to prove to the public that their tax dollars are well spent, and big government is justified.

Naturally, inefficient governments are often loath to expose their inner workings to the public—secrecy, after all, offers protection, and no doubt many will respond that such a portal will be expensive, and impractical.

Yet the evidence from around the world is overwhelming: such scrutiny can be conducted quickly, easily, and perhaps most importantly, cheaply.

Usaspending.gov, which provides the details of all US federal government expenditure over US$25,000, was estimated to cost $4 million with $15 million for upkeep between 2007-11. In reality, the cost was less than $1 million.

The state of Texas, with a population greater than that of Australia and annual expenditures of over $180 billion, was able to create a spending portal for $380,000 (which, as previously mentioned, generated savings of $8.7 million in the first year alone). Nebraska was able to create nebraskaspending.gov for only $30,000, and in Oklahoma, with a projected cost of $300,000 to $400,000 for construction and $260,000 for maintenance and upgrades, ultimately cost just $8,000 for the purchase of software, and the website was built and loaded by reallocating staff time at no extra cost.

Ultimately, this is not a partisan issue. Irrespective of where you sit on the political spectrum, transparency is something everyone agrees is good. The initial legislation in the US was co-sponsored by John McCain and then-Senator Barack Obama. As Grover Norquist, President of Americans for Tax Reform, has said, ‘This is not a left-right issue, it is a right-wrong issue’. The only people who oppose transparency are those who have a vested interest in keeping the status quo of secrecy and waste alive.

Transparency websites have been tried, tested, and proven. They have been built cheaply, they have saved millions, and they have empowered ordinary taxpayers to engage with their government, and to know how their taxes are being spent. They eliminate waste, help stop corruption and prevent fraud, and there is no strong political, economic, or legal argument against them.