Appendix 3D

Post-Federation Unification Proposals

Appendix 3D provides a summary of Unification proposals that have been advocated in the years following Federation in 1901. The proposals included here reflect the collection assembled to assist the preparation of this thesis, and are by no means an exhaustive collection, but they document several historically significant findings and suffice to demonstrate that Unification and related reforms has been seriously proposed on numerous occasions since Federation, as was also the case in the decades leading up to Federation, as described in Appendix 3A.

This appendix has five sections. The first, in Table 3D-1, provides a compilation of extracts from literature sources on post-Federation Unification proposals and the claimed benefits of unification. The second and third briefly summarise policies of the Australian Democrats and Australian Greens political parties which show that these parties support Unification or related government structure reforms. The fourth and fifth then describe summaries of Unification proposals and related proposals (including New States proposals) put forward in two series of events in 1997 and 1998: (1) 128 community forums conducted by the National Australia Day Council and the Australian Local Government Association in 1997 as part of the Australia Consults initiative, and (2) 58 Local Constitutional Conventions (LCCs) conducted in 1997 and 1998 by the Constitutional Centenary Foundation in conjunction with local government organisations and 66 participating councils. The summaries included here are edited versions of summaries originally prepared in 2001.

Selected Extracts on Post-Federation Unification Proposals

Table 3D-1 below presents a compilation of literature extracts describing Unification proposals and the claimed benefits of such proposals. Whereas Chapter 3 focused on benefits estimated in quantitative terms, the compilation here includes benefits claimed and estimated in both quantitative and qualitative terms.
Table 3D-1: Post-Federation Unification Proposals

<table>
<thead>
<tr>
<th>Source</th>
<th>Selected Extracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Church, A. E. (1913), <em>A Political Work Dealing Exhaustively with the Subject of Unification in all its Aspects, and Proposed New Constitution for Australia</em>, The Australian Paper Company, Sydney.</td>
<td>Church (1913: 3): The ludicrous situation of seven expensive warring governments, misgoverning and dividing Australia's handful of inhabitants would be comic in its absurdity were it not for the tragedy of national and racial extinction that may yet lurk behind this national disunion, this parochial jealousy, and the legislative paralysis which has overtaken the so-called National Parliament.</td>
</tr>
<tr>
<td>Page, E. C. G. (1917), <em>A Plea for Unification: The Development of Australia</em>, an address delivered by Dr Earle Page, of Grafton, NSW, before the members of the Australian Provincial Press Conference in Brisbane, 13 August 1917, as reprinted from the &quot;Daily Examiner&quot;, Grafton, 1 September 1917.</td>
<td>Page (1917: 1-2): We have seven Parliaments in the Commonwealth – one Federal body and six State bodies – and these latter, for the most part, with all their pomp and paraphernalia, simply waste time in corners of their respective States. They may be conceded to do their best so far as in them lies, but they are handicapped politically and geographically, and are unable to carry on the work of the States. Owing to this centralising of affairs in out-of-the-way corners of the States, public money is always expended in that corner where the seat of government is constituted. Politicians are not altogether to blame for this. Owing to the vicious system of government they are often necessarily ignorant, frequently misinformed, and always unconsciously biased. The trouble chiefly is that their outlook is circumscribed by this centralisation.</td>
</tr>
<tr>
<td></td>
<td>Church (1913: 5): In practice [Australia's National Parliament] is the most restricted and, therefore, the least powerful amongst the seven expensive double-chamber parliaments which afflict Australia with the curse of over-government. At present, it would appear as if the attempt to make six sovereign States acting as equals, and under the National Parliament, is an impossible task. The trouble is that the parochial jealousy of the States and the incapacity of the National Parliament to control them have led to the organisation of a group of unionists in each State.</td>
</tr>
<tr>
<td></td>
<td>Page (1917: 2): It has been recognised for many years that a continuance of this condition must lead to disaster. The Federal Labor Conference of 1915 and the New South Wales Farmers and Settlers' Conference of the same year, both declared their belief in the necessity for change. In various parts of the continent there have been movements aimed at checking this evil. Of these, before Federation, the Separation movements of New South Wales were the most notable. Unfortunately, however, these met with failure. Even since the establishment of Federation similar movements have arisen for self-government, and just as often have failed to achieve their object. Since the war there has come a revival of the movement in New South Wales. In the mind's eye of every one present can be visualised some failure on the part of their State Government to initiate and carry out local schemes that would have made deserts blossom like the rose and thousands prosper where individuals starve.</td>
</tr>
<tr>
<td></td>
<td>Page (1917: 3-4): Why not strike at the root of the whole evil? Give the Commonwealth complete control of immigration, federalise the Crown lands, subdivide the States into provinces whose outlines are determined solely by the lines of community of interests, big enough to attack national schemes in a large way, but small enough for every legislator to be thoroughly conversant with every portion of the area, and land settlement and proper development will naturally follow. We hold that if some means such as this of Unification is not found to combat the prevailing condition of things failure will be the inevitable result of the Repatriation scheme. In fact, success can only be assured by Unification. An inevitable outcome of Unification must be the Federalising of State debts, and the taking over of all assets, including land and railways. Federal control, with intelligent provincial advice, will ensure the proper linking up of the various provincial railway systems, and promote the opening up of all classes of land now absolutely unused. Yesterday, in driving up here, we passed through acres and acres of land, equal to the best of the Blackall Range or Mary River country, but almost uninhabited; but in Brisbane it is surely superfluous to recall the breach of faith of the New South Wales Government is respect of the Murwillumbah-Tweed Heads railway and its failure to link up the two State systems.</td>
</tr>
<tr>
<td></td>
<td>One of the results of Unification would be the establishment of a uniform gauge and the planning of a national system of railways, such as Sir Thomas McIlwraith championed, to serve, at any rate the whole of Eastern Australia. A checker-board system of railways, with lines at right angles to the coast, intersected at frequent intervals by lines parallel to the coast, would give every man on the land the opportunity of producing the maximum possible to get from the land, would ensure him getting some of...</td>
</tr>
</tbody>
</table>
the ordinary comforts of life on the land, and the immigrant and returned soldier might then stay on it. With such smaller subdivisions, and with a strong Central National Government, men will begin to think in terms of Australia as a whole, rather than of their State. No politician, even with the experience of the war, has begun to insist on the necessity of a unified railway system and the abolition of the break of gauge. There must be a railway policy for the Commonwealth for its safety; there will never be one under the present State conditions.

But, quite apart from local development considerations, we think the issue of Unification should be raised from the national and Imperial standpoint. It is a notable thing that the national feeling on this subject has been the hardening to that of the early Federalists. Sir Henry Parkes’ idea was amalgamation of the existing States, and then to establish a scheme of local subdivision, devised without consideration of present State boundaries, which would enable the whole of Australia to be governed wisely and sympathetically; ...

... The local jealousies and petty ambitions of the State politicians, fostered by the centralised system of government, of which New South Wales was the extreme type, interfered with the realisation of the first lofty conceptions, and a bastard Constitution was devised which has left the National Government continually at the mercy of the States, and has caused an excessive dissipation of the energy of the best minds in disputes between central and local authorities which might more profitably, under other conditions, have been devoted to constructive national policy.

Page (1917: 5):

Even at the declaration of war it was found necessary for the governments of the States to issue a proclamation of war, in addition to the Federal Government, to put our position as regards prize courts on a proper legal footing.

... There can be no doubt in anyone's mind that the Commonwealth must have further powers. Even the most pronounced States-righter admits that.

... Let us admit at once that we made a mistake in our present Constitution, as everyone outside knows, and make a clean sweep, and go straight on to Unification.

... If the present state of affairs of overlapping between State and Federal Governments is allowed to continue there must be ultimately civil war as in the United States, between the various sections of the community, and this will become more and more inevitable as time goes on, unless the Central Government is made powerful enough to deal with all questions of national importance.
Table 3D-1 (Continued)

<table>
<thead>
<tr>
<th>Source</th>
<th>Selected Extracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canaway (1919: 31-32):</td>
<td>Before the war the evil of duplication began to show itself; there was duplication in regard to industrial arbitration, collection of statistics, savings banks, electoral machinery and taxation of land. During the war the tendency developed; more instances of duplication appeared in connection with the assessment and collection of income taxes, the censorship of films, the grading of butter and the control of the sugar industry. The climax was reached when the armistice produced duplication of public holidays. The foregoing instances of duplication have not occurred uniformly in all cases; Tasmania, for example, has spared itself the burden of duplicated electoral machinery; one or more of the provinces have spared themselves duplicated savings banks; and no doubt there are other exceptions. But, subject to certain exceptions, the general rule is that the present constitutional system favours duplication. The cost of government is swollen by salaries of double staffs of civil servants and by the charges for double office accommodation and office expenses. The action of the duplicated machinery augments the sum total of governmental interference with the liberties and pursuits of individuals and imposes on them greater sacrifices of convenience, time and money. The present constitutional system, with its basal principle of multiple sovereignty, thus involves the Federal Government in a dilemma, it must either borrow the services of executive machinery belonging to the provinces and incur the risk of haphazard administration; or else it must create fresh executive machinery of its own and incur the risk of duplication in many directions; whenever it occurs, duplication of governmental machinery and action is a grievance to the public.</td>
</tr>
<tr>
<td>Canaway (1919: 41-42):</td>
<td>For economic purposes Australia is essentially a unit. Capital and labour tend to gravitate to the best market wherever in Australia that may be; and the subdivision into six (or the territories being counted, eight) compartments for political purposes has little influence upon the movements of either one or the other. The present constitutional system nevertheless pays no regard to the singleness of Australia as an economic field, but provides for the co-existence in each of the six provinces of two sovereign authorities, each empowered to tax, borrow and spend to the limit of possibility. ... the incidence of the total taxation (Federal and provincial) is nobody’s business, and is governed by chance. Under the present constitutional system the prosperity of Australia is left without any official guardian; and over the just incidence of taxation as a whole there is no one to keep watch or ward.</td>
</tr>
<tr>
<td>Canaway (1919: 46-47):</td>
<td>In the Third Chapter a number of cases have been given in which the present constitutional system has produced duplication of the machinery of government. The tendency, as appears by those cases, has gone far and has called into existence a host of officials who under a better constitutional system would be superfluous. The present system has also entailed the creation of certain agencies of government, as for example the Inter-State Commission, which if the form of Union ceased to be Federal would no longer be required. Such a drastic reform would also put an end to the clashings and collisions and cases of uncertainty as to where the supreme power lies – all productive of expense – which are consequential on the principle of multiple sovereignty. It is generally assumed that the saving produced by the elimination of the six provincial Parliaments would amount to the sum of their establishment charges, as given in the Table headed &quot;Cost of Parliamentary Government&quot; in the commonwealth Year-Book No. 11. This assumption cannot, however, be supported, at any rate in the form in which it is usually made. It fails to make proper allowance for the inevitable increase in the establishment charges of the single Parliament which will remain, or for the cost of the fresh administrative (and possibly in a minor degree legislative) machinery which will replace the provincial Ministries and Parliaments and discharge some of their functions. The uncertainty as to both items – and especially as to the latter – is fatal to the accuracy of any present estimate of the probable saving under the heading of establishment charges. The title of the before-mentioned Table suggests that it contains an exhaustive statement of the cost – direct and indirect – of Parliamentary Government. But the percentage of waste incidental to the working of the party system, the elusive prerequisites and gratifications of Ministers and members of Parliament, and other like items which ultimately fall on the public revenue must from their nature lie beyond the ken of the statistician. Hence the Table might more aptly be described as an approximate statement of the irreducible minimum of some of the items of the cost of the Parliamentary Government. The practical corollary of the essential unity of Australia as an economic field is the control of its public finances by one capacious mind and the replacement of the present random and haphazard method of management by an orderly system. A Chancellor of the Australian Exchequer who was equal to his task and not afraid to stand forth as the champion of public economy would be an asset of supreme value to Australia; and the outcome and saner constitutional system of which he would be outcome and type would enable the present overgrown establishments for purposes of government to be reduced to proportions commensurate with the real needs of the people, and would also hold out a prospect of a contraction all-round of public expenditure. The relief to members of the public would not be confined to a reduction of their contributions to the public exchequer. The present regimen of too much politics and too much party activity makes calls upon the time and the purse of the citizen, of which part might well be spared. In addition, the multiple jurisdictions, political and legal, the consequential divergences in the requirements of the law, the occasional uncertainties as to where the supreme power rests, and the duplications of governmental action, all help to take money out of the pockets of the people which never reaches any public exchequer, and to swell the amount which the public is called on to pay for being governed under the present constitutional system.</td>
</tr>
<tr>
<td>Source</td>
<td>Selected Extracts</td>
</tr>
<tr>
<td>--------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Zieman, O. D. (1920), <em>A Constitution for a Continent: The Meaning of Unification</em>, Tyrrell's, Sydney</td>
<td>Zieman (1920: 9-10): Federation is a &quot;costly&quot; form of government. A democratic people should at all times be willing to pay for adequate service, but under Federation, with the Commonwealth and several Sovereign States, each with a complete Parliament, a costly Governor, Executive, and officials, Agent-General, etc., we are burdened far beyond what is really necessary. It is difficult at any time to check governmental extravagance, but where you have Sovereign States thus controlled even a moderate amount spent on their upkeep is far too much for the work that is performed. Moreover, there results a duplication of officials really doing the same work, as in the Electoral, Statistical, and Taxation Branches. ... there also result those constant conflicts between Federal and State authorities which not only waste the time and energy of both, but, in the end, generally leave the matter of contention in a most unsatisfactory position. Zieman (1920: 10-11): Prior to Federation, each colony was sovereign in its own territory. Our present Constitution introduced the idea of sharing that sovereignty between Federal and State authorities. Under such a scheme disputes are inevitable, but we cannot afford the waste in time, energy, and wealth which they entail. To achieve real reform in the direction of cutting out duplicate services and reducing the present coordinate cost of State Governments necessitates an effort which, if properly applied, would bring about the reconstruction of the whole constitutional system of Australia. ... Let us make one job of the whole business, and not be everlastingly attacking it piecemeal. Zieman (1920: 11): Federation is a &quot;wasteful&quot; form of government! The greatest waste is not so much the ill expenditure of money, as the failure of human energy to attain the desired ends. Zieman (1920: 17): Federation makes for a &quot;centralised&quot; form of government. It is the irony of fate that this should be, since the whole aim and object of the Federal system is to sustain the autonomy of the States and prevent centralisation. ... Undoubtedly the large capital cities of the States result in the worst form of centralisation in Australia today. ... With so large a percentage of the people of the whole State centred in one city there is little need to wonder why nothing is ever done. The interests of the capital cities remain paramount, and the more they grow the worse the position must become. The present method of building and conducting the railways contributes largely to this result, and the continued neglect of the States to do anything tangible to overcome the &quot;break of gauge&quot; problem aggravates the position and shows how far we are from any real freedom of Interstate trade.</td>
</tr>
<tr>
<td>Canaway, A. P. (1930), <em>The Failure of Federalism in Australia</em>, Oxford University Press</td>
<td>Canaway (1930: 46-47): Besides tending to produce collision between various Federal and State governmental activities the present federal form of polity also lends itself, as already said, to the production of more or less duplication of such activities. ... On the side of the States there is little or no uniformity in the mode in which these cases of duplication occur. They are distributed sporadically and so that one State may have many and another comparatively few. But they are not so few in any State as to prevent generalization as to their incidence. The duplication of Federal and State governmental activities prevails in so many cases and in so many directions as to leave no room for doubt as to its being in itself as much a normal by-product of the present federal form of polity as collision between similar activities has already been shown to be. In the apparatus of governmental mechanisms as now established in Australia there is thus a pronounced tendency to produce certain distinctive results which work against the attainment of the national well-being and safety. When the nation puts forth its efforts to reach its natural objective it finds that in spite of itself some of those efforts defeat one another, and some of them involve it in wasteful expenditure of energy and money.</td>
</tr>
</tbody>
</table>
### Table 3D-1 (Continued)

<table>
<thead>
<tr>
<th>Source</th>
<th>Selected Extracts</th>
</tr>
</thead>
</table>
| Denning (1930: 10-11): ONE hesitates to make out a case for unification purely on an industrial basis. The argument in that respect is so strong, so unanswerable, that there may be a tendency to unify only on an industrial basis, and leave with the States a residue of powers which are vital in other directions. It is arguable whether it may not be advisable to attempt industrial unification first, and the other phases of unification later. Mr. Curtin, M.P., believes it can only be done piecemeal, and has advocated that a start be made with the industrial phase. We are inclined to think that once having put their hand to the plough, the people should carry the work right through to itslogical conclusion. The point is debatable, however, and one which can be considered by the Convention when it is held. The Commonwealth should have unchallenged power to institute a Federal living wage, precisely for the same reasons as those applying to hours. It should have power to bring about a continent-wide system of child-endowment – of worker's compensation – of national insurance. ... The last Federal elections were fought on a proposition that the Federal Arbitration Court should be abolished. The people spoke very definitely and turned out of office the Government which proposed to do it. It was said at that time Australia could not continue the dual system of arbitration – one would have to go. Mr Bruce essayed to destroy the Federal system. The people voted for the retention of the Federal system, What were the implications of that vote? It was very clearly stressed that two sets of arbitration were costly, inefficient, and led to industrial unrest. Did the people in voting ask for the retention of both State and Federal Courts, or can their decision be regarded as a definite expression of belief in the supremacy of the Federal Court? We think it can – this proposition then follows, that the people asked for the abolition of the State Courts! Is that not a fair interpretation of what took place? If it is, the Scullin Government unquestionably has a mandate to abolish State Arbitration. There is a definite finger-post pointing in the direction of unification. Few sound arguments can be advanced against the sole operation of a Federal Court. The Court would deal with industries on a national basis. It would be vested with discretionary power, in the event of interests of an industry in one region being different to the interests of the same industry in another region. It would place all manufacturers and producers on a level footing. There is no doubt of the confusion now existing between many State and Federal awards. In many cases confusion may be thought to exist where in explicit fact it does not exist. But the general atmosphere is one of uncertainty; the industrial outlook is badly fogged; manufacturers hesitate to go ahead because they fear the changing quicksands along their economic route. Trades unions are piling up huge bills of costs in actions in half a dozen different Courts. Apart altogether from these factors, the duplication of services is a heavy burden to the taxpayers of the nation. In common with a dozen other duplicated services, it is an unnecessary burden. The Federal Government is talking of altering the arbitration law early in 1930. It is well that this should be done – but the work can be done efficiently only if provision is made for the unification of industrial activity. That is the clear situation confronting the Scullin Government. Denning (1930: 12): ... contemplate the duplication which is going on in a dozen different departments. Arbitration is one. Health is another. There are six separate State health authorities, a Federal health authority, and a Federal health council to make some attempt at co-ordinating the work of these seven departments. The overhead expenditure on several central departments when one would suffice must be enormous. Health administration is divided into two components – the national and the divisional. State health departments are really dealing with health in a national way, with the Federal health department superimposed upon them also dealing with health in a national way. Municipal councils are dealing with its divisional aspects. After all, in a country like Australia, there are fundamental principles which can be laid down and adhered to in respect of health; a basic programme can be instituted at one central department. T.B., cancer, plague, and other nation-wide diseases can be dealt with in a large way here; health authorities in the County or Provincial Councils can deal with their purely local health affairs. That is what is meant by rationalising administration. Unification aims to do it – and will cheapen its administration, increase its efficiency, and place it upon a really decentralised basis. The same may be argued for education – for navigation – for public works – for police control. If it is sound for the Commonwealth to exercise a general control over the military, why not the police? What is the fundamental difference? If interstate law is to be unanimous throughout the continent, and it practically is now in all important respects, why should there not be Commonwealth control of the guardians and administrators of that law? If postal services can be managed by the Commonwealth, why

---


[Warren Denning was the Federal Parliamentary Correspondent of the "Labor Daily"]
not schools?

We wish to make it as clear as possible, however, that we do not base our belief in unification solely on the idea of saving, perhaps, a few millions a year in administration. That is desirable, but it is not the most important phase of it. There are larger, more intangible factors involved which deserve an immense amount of attention.

Denning (1930: 13):

Unificationists are coming to believe that the basis of [Australia's productivity problems] is too much centralisation of administration.

State Governments as decentralised units of control are a fallacy. They represent the very essence of centralisation. Arguments against centralising all control in Canberra, however valid they may be, cannot be used as arguments for the retention of the present State system. From one tiny peep-hole in Sydney the N.S.W. Government vainly strives to see the outermost boundaries of a State larger than some of the countries in Europe. From one tiny building in the heart of a great metropolis it strives vainly to understand what each district wants.

How can one Parliamentary authority handle in an intimate way the needs of a State which embraces sheep – wheat – fruit – coal – iron – secondary industries – copper – gold – timber – butter, cheese, etc. – meat; each confined to its own district, each having particular and peculiar economic requirements?

The simple fact of the matter is that the State Governments have too much to do – too wide an area to cover. The ears of ministers are dulled by the insistent clamor of a dozen sections. Their outlook is confused by an overplus of demands. They rush here to give help – drop it to rush somewhere else – dash back again, then hither and thither all over the map, playing blind man's buff with forces which call for stern action, for they represent the developing pages of a nation's destiny.

From every district there comes cries for help – such help as is given is rarely adequate, partly because financial resources are not large enough, but chiefly because of the lack of understanding of the real needs of the situation.

No, the situation demands something more coherent, something more nearly in touch with the people. The solution, we believe, lies in the creation of County or Provincial Councils which, presiding over a particular area, will be able to gauge the particular needs of that area and make provision for obtaining their requirements in a sensible and adequate way.

This phase of unification deserves far more expanded treatment. Space here forbids it, however. It is to be hoped that others will take it up, study it, and deal with it more exhaustively.

Denning (1930: 14):

Unification means the division of the Commonwealth into much smaller areas, each having a distinct 'community of interest,' and the administration of each area by a local organisation which shall have jurisdiction over all matters of a purely local interest.
Table 3D-1 (Continued)

<table>
<thead>
<tr>
<th>Source</th>
<th>Selected Extracts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In cases where a unitary government would be held sternly to account by the electorate, our Commonwealth and State legislatures escape censure by &quot;passing the buck&quot; from one to the other.</td>
</tr>
<tr>
<td></td>
<td>Is not the solution which Mr. Menzies advocated with respect to industrial relations applicable generally? Should we not abandon the federal system, and give the national parliament power to make laws for the peace, order and good government of the Commonwealth without restriction?</td>
</tr>
<tr>
<td></td>
<td>Cowper (1946: 81):</td>
</tr>
<tr>
<td></td>
<td>Underlying these reasons seems to be the idea that a federal system ensures decentralisation. But federalism is not by any means synonymous with decentralised government, nor is a unitary form of government, such as that of the United Kingdom or the Union of South Africa, necessarily centralised. All modern communities, whether federal or unitary, provide for the exercise of political authority to a greater or less extent by local organisations. In fact there is more real devolution of governmental authority and functions to local governing bodies in England than in Australia. It may well be that, as Mr. Menzies suggested, you cannot get decentralised administration until you sweep away the present division of legislative powers between Commonwealth and the States. It is true that Australia comprises a very large area, that it includes many varieties of climate and soil, that its population is unevenly distributed, and that large areas are thinly populated. But if these are reasons why Australia should have more than one government, they are also reasons why each of the States should have more than one government.</td>
</tr>
<tr>
<td></td>
<td>Cowper (1946: 82):</td>
</tr>
<tr>
<td></td>
<td>It is, however, very hard to say which subjects (if any) should be left to the States. There are numerous matters now entrusted to them on which uniformity of legislation throughout Australia would be most convenient – for instance, company law, partnership, probate, aviation, health, fauna and flora, adoption and legitimation, drugs, standards of foods, registration of doctors, dentists, pharmacists and nurses, forestry, railways, road transport, and all forms of taxation. Indeed, with respect to most of these matters it seems absurd that there should be different rules applicable in, say, New South Wales and South Australia.</td>
</tr>
<tr>
<td></td>
<td>There is one further interesting pointer from the public opinion polls which serve to cast even more doubt on the view that those who vote against increased [Commonwealth] powers [in referenda] are anxious to defend the Federal system. The surprising fact emerged that there was more support for unification than there was for wider Commonwealth powers. In August, 1944, the government's proposals were defeated in four States and by an over-all majority. In December, 1943, a Public Opinion Poll showed a heavy majority for unification and only minor support for increased powers [where &quot;p.c.&quot; below means &quot;per cent&quot;]:</td>
</tr>
<tr>
<td></td>
<td>Men (p.c.)</td>
</tr>
<tr>
<td>No. 1 (no change)</td>
<td>. . . . . .</td>
</tr>
<tr>
<td>No. 2 (increased Federal powers)</td>
<td>16</td>
</tr>
<tr>
<td>No. 3 (unification)</td>
<td>. . . . . .</td>
</tr>
<tr>
<td>No opinion</td>
<td>. . . . . .</td>
</tr>
<tr>
<td></td>
<td>It would seem that the electors believe that so long as a Federal system is in existence the States should be given a real function, but this does not necessarily imply a judgement in favour of retention of the States.</td>
</tr>
<tr>
<td>Greenwood (1949: 63):</td>
<td>I would sum up the case for greater Commonwealth powers in this way. The reasons which demanded a Federal system with a large residue of powers to the States in 1900 no longer have the same force to-day. The Australians are a remarkably homogeneous people, and the conditions which make a genuine Federalism appropriate either do not exist in Australia or exist only to a minor degree. There is similarity in the social and political institutions and an absence of racial division. The peoples of the several Australian Colonies have welded into a nation; they think of themselves as Australians; they have transferred their primary allegiance from State to Commonwealth. The prestige of the Commonwealth for a variety of reasons is steadily increasing, while that of the States is diminishing. This superior attraction of the Commonwealth in both the political and administrative fields is likely to have serious repercussions so far as the States are concerned. Finally, it must be remembered also that large scale economic and social changes have integrated the economy and rendered the State economies basically similar. The key problems to-day are national problems and necessitate an expanded grant of power to the Commonwealth. It is time to transform the system of government from Federalism to quasi-Federalism.</td>
</tr>
</tbody>
</table>
Table 3D-1 (Continued)

<table>
<thead>
<tr>
<th>Source</th>
<th>Selected Extracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parker (1949: 168-169):</td>
<td>The Commonwealth monopoly of income taxation has been supported by decisive, though decreasing, majorities of all electors, as sampled in Gallup polls since its introduction. But on the evidence of these polls, whereas in November, 1942, 60 per cent. of Australian voters were prepared to abolish State governments, and 56 per cent. of them thought the same way in April, 1944, this percentage had dropped to 40 in September, 1948. (See Table VIII.)</td>
</tr>
<tr>
<td>Parker (1949: 189):</td>
<td>It is probably safe to say that whereas the number of genuine unificationists in Australia was negligible in 1900, it is appreciable to-day.</td>
</tr>
</tbody>
</table>

Parker, R. S. (1949), 'The People and the Constitution', in Federalism in Australia, papers read at the fifteenth Summer School of the Australian Institute of Political Science, F. W. Cheshire, Melbourne, pp. 135-189.
## Table 3D-1 (Continued)

<table>
<thead>
<tr>
<th>Source</th>
<th>Selected Extracts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Windeyer (1950: 46-47):</strong></td>
<td>When I spoke before I thought I was supporting the motion and that I was advocating a good Federal system. Take, for instance, Switzerland. Switzerland is divided into twenty-eight cantons small in area. ... A Federal system of States as big as Victoria does not bring government very close to the people. ... A Federal system in Australia does not necessarily mean having legislative areas as large as N.S.W. or Victoria. If we are going to bring government closer to the people it should be by a Federal system protected by a Federal compact, with one body of laws, but widely distributed administration. ... But I submit that a Federal system with much smaller units and with administrative bodies almost entirely trusted to establish better conditions is desirable.</td>
</tr>
<tr>
<td><strong>Davies (1966: 62):</strong></td>
<td>In practice we find, however, that the local units in certain 'unitary' states may be sturdier than those in certain federal states. English county councils had, at any rate before the war, almost as large powers as Australian states in fact can exercise; the provincial councils of South Africa larger ones still.</td>
</tr>
<tr>
<td><strong>Davies (1966: 93-94):</strong></td>
<td>In the chapter on attitudes to the constitution in his Labour party history, Professor Crisp shows us John Curtin in 1939 – a recent convert to unification – expressing himself vigorously on this theme: he happens, however, to be doing so in the very words of the minority report of the Royal Commission on the Constitution, written ten years before. [L. F. Crisp, The Australian Federal Labour Party, p. 252, and Report, p. 246] Again, every point in the very succinct debate Professor Miller stages with Professor Partridge in his Australian Government and Politics [1958: 120-2; see also G. Sawyer (ed.), Federalism (1952)] has on both sides been clearly anticipated in the majority and minority reports. ... Let us look then, at what the 1929 Commissioners – majority and minority – did say, since it seems so very difficult to dispense with. The majority claimed that a federal system was peculiarly suited to Australian conditions. Their reasons were both political and administrative. Politically, their case was based on the need for divergent public policies in different areas. This was partly a matter of the diversity of economic conditions and partly of differences in outlook and attitude of mind in different regions. By way of cautious footnote they added that the mere existence of separate states was a safeguard against disastrous experiment. Administratively, the case for the states was that they effectively harnessed local knowledge and enthusiasm to the formulation of 'development' policy and to matters of regional concern generally. They wished, as well, to dismiss two of the standard criticisms of federalism: the inconveniences of a fairly rigid division of powers had, they thought, been greatly diminished by cooperation in administration; and the disadvantage of the sub-division of political interest was balanced by the greater scope for local self-government. Any further unification, they concluded, would lead to paralysis at the centre and anaemia at the circumference. The minority reported in favour of the 'concentration of power and responsibility in the national parliament'. Their first criticism of Australian federation was of weakness, namely, that &quot;several major sides of national life ... as to which the interests of all Australia are uniform and indissolubly connected&quot; were beyond federal power (e.g. trade and commerce, industrial relations). Again, it had meant legalism, political irresponsibility, over-government and 'by assigning to government only specified and limited rights' had offended against democratic principle. Their conclusion was that the federal parliament itself should be empowered to re-arrange the division of powers. This would eliminate overlapping and duplication, enable a careful and responsible balance of responsibilities over the years, and allow a refashioning of subordinate areas to give real life to local interests 'nullified by the present arbitrary state boundaries'.</td>
</tr>
<tr>
<td><strong>Davies (1966: 95-96):</strong></td>
<td>Unification has been an uneven pulse in Labour policy. [L. F. Crisp, The Australian Federal Labour Party, Ch 12] Though frequently discussed before, it did not join the platform until 1918. ... The idea of unification was from the start bound up with the idea of 'provinces' – i.e. new subsidiary organs of government to replace the states. The 1918 Labour Conference, which decided on unification, had before it a very definite proposal for the creation of twenty provinces on South African lines [Crisp, loc. cit., p. 239] (five in N.S.W., four in Victoria, three in Queensland, western Australia, and South Australia (including Northern Territory), and two in Tasmania), based on regional community of interest. Each province was to be governed by a unicameral council of 15-25 members elected every three years by adult suffrage. The federal parliament would determine provincial boundaries, powers (to include the refashioning of municipalities), and finance (federal grants, rates, public utility charges). A general proposal for provincial legislatures was, in fact, part of the Labour platform from 1918 to 1955 but, beyond the slogan, this reference gave the conception no body or substance whatever. ... Professor Crisp sums it up this way – more in sorrow than in anger: For over thirty years Labour has formally proclaimed its constitutional aim to be full legislative...</td>
</tr>
</tbody>
</table>
powers for a unicameral national parliament, with delegation of some legislative and administrative powers to states or provinces. Once only, in 1930, has a Labour government frankly moved for an amendment of the constitution which would, at one favourable vote of the people, have brought all this change within reach of the Commonwealth parliament. On that occasion Labour failed to press the issue to a referendum [Crisp, loc. cit., pp. 257-8].

Davies (1966: 96-98):

But it must be added that normally the weight of non-Labour partisan opinion has been pretty heavily behind the constitutional status quo, if not behind the belief that federalism is beneficent in principle. 3

Two deviant strands, however, can be seen over the years. first, there has always been a section of federal 'urban conservative' members who have been outright unificationists: some of them Labour rebels, carrying this item on through the ditching of most of their previous party baggage; more frequently they have been professional men coming straight to federal politics (e.g. the U.A.P. supporters of the 1944 referendum). Secondly, Country party attitudes have been affected by the fact that for many years the creation of 'new states' has been official constitutional doctrine. The 'New States Movement', strongest in N.S.W. and Queensland and in the pre-war times of Labour dominance, ... is in fact a Country party subsidiary. While this predilection encourages support for a maximum state scope in theory, [c.f. D. H. Drummond, Australia's Changing Constitution (1943)] it can be combined with a firmly centralising outlook in practice. The most significant expression of non-Labour opinion on constitutional reform in recent years was Mr. Menzies' speech on the debate on the 1944 referendum:

"We press upon the government the proposal that within two years after the end of the war, it should take steps to convene a popular (elected) convention to which it should say, 'Now let us see what we can produce in the nature of fundamental revision of the constitution'. It may be that some revision will be made which will alter the whole balance of power, by reversing the residual powers, or by adopting the model of South Africa. Fundamental changes in the constitution will never be passed in Australia if they proceed from any party. We may as well have our eyes open to that fact. Some changes have a chance of being made if they proceed from a popular convention, which has had abundant time and opportunity to consider problems that have to be faced and to form reasonable conclusions in respect of them." [Commonwealth Parliamentary Debates, 23/2/1944, Vol. 177, p. 469.]

A reflection of actual state inconsequence during the war. In 1943, A.P.O.P. [Australian Public Opinion Polls] asked people whether they favoured, after the war, 

<table>
<thead>
<tr>
<th>Option</th>
<th>% Men</th>
<th>% Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) The present federal system with Commonwealth having no more power than pre-war</td>
<td>17</td>
<td>20</td>
</tr>
<tr>
<td>(2) The present federal system but with certain powers transferred from the states to Commonwealth</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>(3) The C'wealth to be only govt. with all powers, some of which would be delegated to provincial or state councils</td>
<td>61</td>
<td>41</td>
</tr>
<tr>
<td>(4) No opinion</td>
<td>6</td>
<td>25</td>
</tr>
</tbody>
</table>

By 1948 only 30% favoured abolition; by 1953 17%.
<table>
<thead>
<tr>
<th>Source</th>
<th>Selected Extracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spate, O. H. K. (1968), <em>Australia, Frustrated</em>, Ernest Benn Limited, London.</td>
<td>Spate (1968: 131): As we have seen, the economic structure of Australia is paradoxical in that there is a striking disproportion between the shares of primary and of manufacturing industry in the workforce and in export contribution. The percentage of the workforce in manufacturing is about two and a half times as great as that in rural industries, and approximates to that of Canada, the United States, France, and Japan, that is between 25 and 30 per cent. But it contributes only 10 to 13 per cent of export values, and this is about the same percentage of its own output. [In 1949 and 1962, the percentages of raw primary products to total exports were respectively 59 and 63; processed primary products, 35 and 22; manufactures other than such products, 5 and 13.] Both proportions are rising, but not at the same rate as manufacturing employment. … Primary products are traditionally vulnerable to external price fluctuations – 'Year by year movements of up to 30 per cent in export proceeds are not uncommon' – and to internal calamity such as drought, and in either case a severe falling-off in demand is likely to have a strong deflationary effect throughout the economy. Spate (1968: 139-140): At a lower level, despite Section 92 of the constitution (inter-State trade 'shall be absolutely free'), the national market for many consumption goods is in fact segmented by factors either geographical (distances between small densely-settled State cores) or historical (differing State industrial policies), or by a combination of both (capital-focused rail-nets on different gauges). There is thus some tendency to local quasi-monopolies. This imperfection of competition has perhaps a bearing on the fact that Australian small and medium business, despite an increasing addiction to Public Relations gimmicks, has often a somewhat dated and provincial air. By and large, also, protection, while its role in fostering initial industrial growth has been undeniable and in many cases doubtless essential, has not fostered industrial dynamism once growth had attained a level of viability. Spate (1968: 192-193): Unification? Ideally, the most rational organisation of the Australian space would probably be that which the ALP has (long ago) platonically flirted: a unitary state with provinces. This could mean a smoother machinery for constitutional problems, more real local participation in local problems, the emergence of sections in the American sense, corresponding to real and homogeneous regional interests and to some extent offsetting the prevailing and increasing cultural uniformity.</td>
</tr>
<tr>
<td>Maddox, G. (1973) <em>Federalism: Or Government Frustrated</em>, Australian Quarterly, Vol. 45, No. 3, March 1973, pp. 92-100.</td>
<td>Maddox (1973: 98-99): National-Local Government There is still much that we can learn from the British constitution, which &quot;states' righters&quot; praise and condemn in one breath. Despite its size, Australia could move much closer to democracy by creating a unitary system with a single national government delegating authority to a vigorous network of small local government units. Local governments, laid out more rationally than at present, could be given real responsibility and real teeth. They could be designed to include effective popular participation in local affairs. Education and health services (over and above garbage collection) could actually be run by local people. There is surely no more ludicrous gesture towards decentralized control than our present state education departments, for example, which demonstrate how far from &quot;government close to the people&quot; our state governments are. … Under the unitary system of central government with delegated authority to local governments, there is no cant about local &quot;sovereignty&quot; by reason of which ancient mythology present state leaders stand on their own inflated dignity. There is no buck-passing of responsibility, no doubt as to where jurisdiction lies. For the central parliament is ultimately responsible to the people for democratic government, for the protection of minorities, for the curbing of exploitation, for the balancing of interests. Where local affairs can be settled locally to the satisfaction of affected parties the national government need not be directly involved. But an unfettered Commonwealth government, without the hindrance of state middlemen, can see that local authorities are adequately supplied and financed.</td>
</tr>
<tr>
<td>Greenwood, G. (1976) <em>The Future of Australian Federalism: A Commentary on the Working of the Constitution</em>, 2nd edition, University of Queensland Press, St. Lucia.</td>
<td>Greenwood (1976: 23): Excessive legalism then, has characterised most federations. Other evils in the shape of duplication and conflict in matters of major importance have been no less prevalent, while grave mechanical defects have appeared in the machinery of government. The difficulty of adapting federalism to changed conditions and its obvious failure in the face of specific governmental problems only serves to emphasise the superiority of a unitary system. That superiority lies largely in the fact that under a unitary form of government there is one body exercising sovereign powers over the whole range of national life. It has therefore full legal competence to attempt national re-organisation at any period of crisis.</td>
</tr>
</tbody>
</table>
Table 3D-1  (Continued)

<table>
<thead>
<tr>
<th>Source</th>
<th>Selected Extracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sawer, G. (1976), The Whitlam Revolution in Australian Federalism – Promise, Possibilities and Performance</td>
<td>Sawer (1976: 326): A unitary government with a tough Bill of Rights seems to me better suited to our social and cultural conditions, which are extraordinarily homogeneous and provide almost no natural basis for continuing with a federalism which was historically inevitable.</td>
</tr>
<tr>
<td></td>
<td>Sawer (1976: 326-327): In my view decentralised administration is itself worth entrenching in a constitution; even if a guarantee of region autonomy is a guarantee only of region administration, I think it is well worth having in geographical situations like ours where the need for central leadership is accepted but is accompanied by distrust or fear of central decision on detailed matters.</td>
</tr>
<tr>
<td></td>
<td>Sawer (1976: 327): The social and welfare services and a good deal else needs to be handled at least to basic policies and standards in Canberra, and on many topics detailed administration should be by regional authorities a good deal smaller than States though perhaps a bit bigger than most existing local governments; this is because of the inextricable connection between social welfare and the general control of the economy, and because of the simultaneous demand for natural equality and sensitive local administration in such matters.</td>
</tr>
<tr>
<td>Buckley, B. (1979), Dawning of a Republic, Oberon Enterprises, Sydney.</td>
<td>Buckley (1979: 49-50): People argue that we do not need eight States for such a small population. This can be looked at in light of the Republic. On no account will any State, Territory or region be allowed to secede from Australia. The States could be divided into regions, locally recognised geographic or self-contained areas and each region elect two delegates to the Senate whose term would be for eight years. Half the members would stand down for election at the same time as each House of Representatives election. A suggested composition of regions based on population and area densities could be:</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. of Regions</td>
</tr>
<tr>
<td>N.S.W.</td>
<td>7</td>
</tr>
<tr>
<td>Vic.</td>
<td>6</td>
</tr>
<tr>
<td>Qld.</td>
<td>6</td>
</tr>
<tr>
<td>S.A.</td>
<td>4</td>
</tr>
<tr>
<td>W.A.</td>
<td>5</td>
</tr>
<tr>
<td>Tas.</td>
<td>2</td>
</tr>
<tr>
<td>N.T.</td>
<td>2</td>
</tr>
<tr>
<td>A.C.T.</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>There should only be one direct tax collecting source in Australia, i.e. the Federal Government. Instead of State Governments and Parliaments there would be Regions and each Region would have its own Legislative Assembly (no more than 40 people). There would be no Legislative Council as they would be superfluous. A State Council (an administrative unit only) would be made up of two delegates sent from each Regional Assembly and its job would be to apportion monies paid by way of Federal grants to the State Council for distribution amongst the Regions.</td>
</tr>
<tr>
<td>Buckley (1979: 50-51): 2. Why we should do away with the States</td>
<td>The argument has gone on for a long time as to whether or not it is necessary to retain the States. This argument arises because of our small population and the fact that we are one of the world's most over-governed peoples. It also arises because a high wages bill is necessary to support these unnecessary legislative and bureaucratic employees. The salaries of Parliamentarians are decided by tribunals composed of people who have a vested interest in the end decision. The flow-on from these decisions goes to the judiciary, senior governmental officials and high echelon public servants.</td>
</tr>
<tr>
<td></td>
<td>It is about time we ceased making the public sector the pace-setter for salaries and working conditions. By abolishing the Upper Houses of Parliament in the States when regional government is set up, there would be an immediate financial saving. It is also the fact that much duplication of services occurs between the Federal and State and Local Governments. There is no doubt it would be in the country's interests to rationalise the distribution of the services and monies and justify the continuance of many of the duplicated services.</td>
</tr>
<tr>
<td></td>
<td>No doubt many of the residual powers exercises by the States should be given to the Federal Government to administer, whilst the States exist as they are. The load of nonsense talked about preserving States' rights is an antiquated throw-back to colonial times and certainly no State or individual should be allowed to appeal to the English Privy Council. The High Court of Australia must become the last Court of Appeal. We can no longer accept decisions, adjudicated on by foreigners, on what are purely internal Australian matters.</td>
</tr>
<tr>
<td></td>
<td>The major problem with the State borders as they now exist is that they were drawn up by the early colonists and the British Colonial Office. Generally they do not embrace and recognise ethnic (geographic and production) regions with their own needs and desires.</td>
</tr>
<tr>
<td></td>
<td>By reforming these regions, decentralising local government and decision-making to them we will be encouraging a greater spirit of co-operation and identity.</td>
</tr>
<tr>
<td>Source</td>
<td>Selected Extracts</td>
</tr>
<tr>
<td>--------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Else-Mitchell, R. (1983), <em>Unity or Uniformity?</em>, in Aldred, J. and Wilkes, J. (eds), <em>A Fractured Federation?</em>, Allen &amp; Unwin, North Sydney.</td>
<td>Else-Mitchell (1983: 8): There were, of course, powerful advocates of unification and of centralised power in the Liberal Party during the war and postwar periods. The late W.A. Watt, former Premier and Treasurer of Victoria and later a Minister and Acting Prime minister in the Commonwealth Parliament, wrote in August 1944 [in the Foreword to <em>Alfred Deakin: The Federal Story</em> 1944, p vii] of the weakness of the Constitution in its provisions about Federal-State finances and criticised the failure 'to deal with this glaring blot'. He went on: Apparently Australia is to be allowed to still have seven competing tax-gathering authorities, and seven borrowers. She has still to face the frowning future, with a mere handful of people, to finance a territory as large as the United States of America, and guard a coastline of 14,000 miles. She is still to cherish the fiction of 'dual sovereignty', and still to permit financial power to remain divorced from responsibility. Can she possibly succeed in this herculean task? It seems to me that the Unification which the founders of the Federal Union avoided will be forced upon us by sheer financial pressure. The alternatives are either penury or, worse still, insolvency. How long will it take the people of this continent to realise that Federation affords but a slender foothold on real Nationality?</td>
</tr>
<tr>
<td>Whitlam, E. G. (1983), <em>The Cost of Federalism</em>, in Patience, A. and Scott, J. (eds), <em>Australian Federalism: Future Tense</em>, Oxford University Press, Melbourne, pp. 28-48.</td>
<td>Whitlam (1983: 28): There is constant debate about the size and cost of government in all developed countries. In Australia the principal component in the size and cost of government is the federal system. It is possible to advance historical or geographical reasons for having a federal system in Australia; but it is impossible to deny that Australian pay for it dearly in delays and duplication. Like any mixed economy Australia depends on companies and trade unions as well as governments. In assessing the cost of federalism, one should start with the archaic and complicated laws under which the federal system requires companies and trade unions to function. Whitlam (1983: 34): The special interests of company directors and union officials, and their respective sets of lawyers, have continued to be a burden on the Australian public because elected persons have demonstrated insufficient dedication and diligence to make the federal system efficient. The cost of the system is not paid for by taxation alone. There are manifold charges and premiums which never appear in a government's budget but which would not be levied without a government's insistence. ... Lawyers and doctors have special interests which conspicuously flourish under federal systems. So, too, do public servants. The 1977 report of the Bailey Task Force on Co-ordination in Health and Welfare described ninety-eight ministerial and bureaucratic consultative committees involving the commonwealth and the states in the welfare area alone; thirty-four committees were focused on health; twenty-six on social security; sixteen on veterans' affairs; ten on immigration and ethnic affairs; seven on Aboriginal affairs; and five on environment, housing and community development.</td>
</tr>
<tr>
<td>Collins, H. (1987), <em>'A Vast Utility': The State in Australians' Experience and Expectations</em>, in James, M. (ed.), <em>Restraining Leviathan: Small Government in Practice</em>, Proceedings of the Centre for Independent Studies Conference held in Sydney on 17-18 November 1986, Centre for Independent Studies, Sydney, pp. 49-57.</td>
<td>Collins (1987: 52): The federal aspect of our political system is too often neglected in general discussions of Australian government. Yet federalism has a double significance: the interpenetration of public and private is occurring at different levels simultaneously; and the interdependence of these levels creates opportunities for conflict and collaboration across the system. The regulatory complexity of federal systems is notorious, as is their propensity for breeding bureaucracy. Paradoxically, a constitutional form often adapted to protect local domains of privacy proves ultimately to complicate and extend the realm of public activity. Australia has not escaped these consequences of its constitutional form.</td>
</tr>
<tr>
<td>Source</td>
<td>Selected Extracts</td>
</tr>
<tr>
<td>--------</td>
<td>-------------------</td>
</tr>
</tbody>
</table>
How well suited are the states for the twenty-first century? I would say hopelessly. In terms of where this country is trying to go, we are clearly the most over-governed nation in the world. Even Tasmania, with less than half a million people, has got its three tiers of government! |
| Elliott (1987: 57): | The second point on accountability is that between federal and state governments in particular, we need to ensure there is no duplication of effort. The existing duplication is costing the taxpayer a lot of money. ... So the first point is accountability and the second point is to reduce duplication that is costing the community a fortune today. |
Professor Geoffrey Sawer, himself a member of the Australian Labor Party, has described this attitude in the present context, thus:  
For men of generous aims, vigorous temperament and leadership quality, it is discouraging to start off accepting the federal handicaps ... Nation-builders and political leaders like to be able to promise the people that only the inevitable imperfections of human wisdom and character stand between them and Utopia, and their leaders will set them marching in that direction with all deliberate speed. But if the constitutional system is federal, an honest leader has to warn his people that the weaknesses of human nature will inevitably be magnified in effect by the inherent properties of the governmental structure. Believers in non-government are the only people likely to be positively attracted by the qualities of federalism ... (Sawer, 1969: 182-3)  
The strength of federalism has accordingly been progressively weakened in a country as statist as Australia, as the public have come to see themselves as Australians and not New South Welshmen or Queenslander or whatever. Once the old prejudices die, the attractions of a government emphasising local power are minimal in Australian political culture. Local government is weak in Australia. Schooling and police are highly centralised in the States, to pick but two examples. Even town planning is centralised in some States. With local government weak and classical liberal attitudes scarce, the centripetal tendencies of Australian law are unsurprising. |
**Federalism**  
The NSSS asked which level of government respondents considered to be more important – federal or State. Predictably the sample was predominantly of the opinion, by a ratio of more than 3 to 1, that the federal government was the more important. Fifty-six per cent opted for the federal government, while 17 per cent felt their State government was more important and 25 per cent believed the two to be of equal importance. Three per cent gave no opinion.  
Views on the relative importance of the two levels of government are not affected much by party identification but are strongly related to interest in politics. Among those with a good deal of interest 69 per cent judged the federal government to be more important, while only 39 per cent of those with not much interest in politics came to that conclusion. We may speculate that those with less interest notice the presence of State government in everyday life and equate that with importance, whereas perhaps those with greater interest in politics think in terms of the power of government on matters such as broad economic policy, foreign affairs and the like, on which basis the federal government wins out.  
There are also some intriguing 'centre-periphery' style variations among States on this issue. Those living in the 'peripheral' States are less inclined than those in the 'central' States to see the federal government as being more important than their State government. This is especially so of Western Australians (only 42 per cent) and true to a lesser extent of Queenslanders (50 per cent) and Tasmanians (52 per cent). At the other extreme Victorians are the most likely to see the federal government as being more important (67 per cent). A centre-periphery division is also noticeable between urban and rural with only 46 per cent of rural residents seeing the federal government as more important compared to 62 per cent of urban-dwellers. |
Table 3D-1 (Continued)

<table>
<thead>
<tr>
<th>Source</th>
<th>Selected Extracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Political system: ”We want a political system which is open and democratic (based on the Westminster system), focussed on both short and long term objectives, with two levels each being directly fiscally accountable and cost effective.</td>
<td></td>
</tr>
<tr>
<td>BCA (1991: 15):</td>
<td></td>
</tr>
<tr>
<td>A key task for governments in the 1990s is to cut through the self-made barriers, to increase the effectiveness and efficiency of their own operations and to encourage the development of more world class enterprise in a wider range of industries. It means bringing Australia closer to the rest of the world.</td>
<td></td>
</tr>
<tr>
<td>4.5 Reforming the Structure</td>
<td></td>
</tr>
<tr>
<td>Australia's political system was last thoroughly reviewed and changed when the Federation was created. The legacy of that process has been a structure that, while understandable in terms of its origins, has become dated and inefficient for the world of the 1990s and beyond. A vital challenge at this point is to improve our structure of government, while strengthening the very strong democratic traditions in our Westminster system. This issue is taken up in Chapter 7.</td>
<td></td>
</tr>
<tr>
<td>BCA (1991: 29):</td>
<td></td>
</tr>
<tr>
<td>The way in which the business of Government is conducted needs to be made far more efficient. We have too many Governments and there is a confusion of roles and responsibilities among them.</td>
<td></td>
</tr>
<tr>
<td>BCA (1991: 30-31):</td>
<td></td>
</tr>
<tr>
<td>In many of our institutions, particularly entertainment and sport, Australians compete on the world stage working to world standards. Our cricket teams, our rugby teams, our ballet, our opera, these all perform to an international standard and accept and excel under those rules. It would be ridiculous for us to participate in any such activities using our own set of rules. By the same token it is ridiculous that we operate many of our businesses under different rules in different States, particularly for instance with respect to industrial relations and some professional standards. Furthermore, we have levels of performance which are not graded against international levels. The thrust of Government has to be towards generating a country in which all of our standards are world standards.</td>
<td></td>
</tr>
<tr>
<td>BCA (1991: 32):</td>
<td></td>
</tr>
<tr>
<td>A second stream to economic management is achieving a far higher level of efficiency in the economic infrastructure. Analysis for the Business Council's Summit on Our Competitive Future shows that most areas of Australia's economic infrastructure are far less efficient than the world's best. In some cases the gap is very large – with Australian productivity being 50% of levels in counterpart industries on North America and Europe.</td>
<td></td>
</tr>
<tr>
<td>5.6 Encouraging National Markets</td>
<td></td>
</tr>
<tr>
<td>A key objective should be to aim for a high degree of integration in the national economy, and to move decisively away from the current excessively fragmented arrangements. Regulation is another area where Government can move Australia closer to the world market by providing that authoritative international product and design standards are accepted automatically throughout Australia.</td>
<td></td>
</tr>
<tr>
<td>Fragmentation is a problem at and between all levels of Government – Commonwealth, State and local. One costly legacy of Australia's colonial heritage s the almost instinctive approach of all Governments – commonwealth and State – to enact overlapping and inconsistent legislation that breaks up an already small Australian market. All too often what may be legal or acceptable in one jurisdiction may be unacceptable in another.</td>
<td></td>
</tr>
<tr>
<td>Business sees this all the time in road regulations – a vehicle may be legally loaded in Western Australia, but break a dozen or more regulations in moving from Perth to Brisbane. There are many other areas including occupational health and safety, the environment (including the so-called &quot;green house&quot; gases), industrial relations and consumer affairs. It also occurs with occupational regulation – the licensing requirements for plumbers, electricians and lawyers are but three examples of unnecessary and artificial barriers in the Australian labour market.</td>
<td></td>
</tr>
<tr>
<td>Education standards are another example. The insular approach by State bureaucrats to their various education establishments means a national focus on standards is absent. The costs to employees, employers, students and families is substantial, becomes a barrier to relocation and ultimately is not in the...</td>
<td></td>
</tr>
</tbody>
</table>
6.2 Australia Has a Large and Inefficient Public Enterprise Sector

Examples of costly and inefficient interventions are easy to find. There are five public rail authorities operated by different Governments. The reasons for this are historical, but have to do with the failure of private operators in the latter part of the nineteenth century and with Colonial ambitions to provide transport infrastructure for development. The result today is a fragmented system in which responsibility is eroded, the level of service to the customer is frequently very poor and the rail system is not used to its economic potential. At least as far as interstate traffic are concerned, what is needed is a single interstate authority operating commercially, meeting customers’ needs and operating at world standards of cost and efficiency.

... Each State and Territory has its own power generation and transmission system, and there is only a limited national power grid. The result is that each system as a whole maintains inefficiently high levels of reserve capacity, and the rate of return on public sector power assets is very low.

... efficiency has frequently been reduced by fragmented and unco-ordinated approaches adopted by the Commonwealth, State, Territory and local Governments.

BCA (1991: 47):

REFORMING THE STRUCTURE

Main Points

• Australia’s structure of Government is archaic and inefficient and in urgent need of reform.
• The key structural weaknesses of the current system are overlapping responsibilities for services, unco-ordinated approaches to regulation and a mismatch between spending and revenue raising responsibilities.
• There is a strong case for a small, powerful co-ordinating and strategy-setting central Government, supported by a network of regional Governments.


A particularly unwelcome feature of the current system of government is the fragmentation of an already small domestic market that results from three levels of Government and from the consequent excessive and frequently unnecessary regulations imposed by those jurisdictions.

BCA (1991: 53):

By the year 2000, Government should aim to have completely re-organised the system of three levels of Government to remove overlapping responsibilities and to create a more efficient structure. If feasible, one level of Government should be eliminated.

BCA (1991: 56):

The Business Council proposes that by the year 2000:

• the number of layers of Government should be reduced to two, both of which should be directly fiscally accountable and cost effective. If necessary this change should be implemented through changes to the Constitution.
In addition to the six States, we now have fully-fledged Governments operating in the Northern Territory and the A.C.T., each with its own Members of Parliament, its own Ministers, and its own highly-paid “paper-shufflers”. Indeed, the Senior Executives and Judges of these tinpot governments not only demand the same salaries as their counterparts employed by the Federal Government, but in some cases actually sought higher salary levels than their Federal counterparts.

Cameron (1992: 2):

We now have the enormous total of 839 Members of Parliament and 141 ministers on the public pay roll.

The following tables show that 616 of our 839 Members of Parliament belong to State and Territorial parliaments which between them have the staggering total of 112 Ministers.

... Our 616 surplus Members of Parliament are provided with staff, luxury accommodation, travel facilities, and with pay and other perks costing the community tens of millions of dollars every year.

The 112 surplus Ministers on our pay roll have even bigger staffs than other Members of Parliament, plus chauffeur-driven limousines, overseas trips and large expense allowances, etc., etc., amounting to a total of many millions of dollars each year.

If they gave us better government, the burden might be considered bearable; but in point of fact, the multiplicity of governments in our Nation is not only sending us bankrupt, but giving us a form of government that is not only staggeringly costly, but shockingly bad.

... We now have a third of our total workforce on the public payroll. The cost of extravagant non-contributory fully-indexed superannuation schemes, and the huge pay and perks which go to the senior and middle range in the Public Service have now reached crippling proportions with the Public Sector Unions continually pressing for more and more.

They are getting away with it because too many of our 141 Ministers seem too tired, too lazy or too incompetent to even see, or care about the size of the salaries, the over-classification and the over-staffing of the administrative and clerical levels of government. And, while this section of the Public Service is allowed to wallow in wealth, 72.33 per cent of the workforce are being paid less than the Average Weekly Wage. Over a million, in fact are living in abject poverty.

Like Brazil, Argentina and the other poverty-stricken countries of Latin America, there is now an ever-widening gap between the rich and the poor. The rich are getting richer, while the poor are getting poorer and constituting a bigger and bigger percentage of our total population.

Cameron (1992: 9):

Instead of having a Parliament of 223 Members, we have fifteen different houses of Parliament with over eight hundred Members of Parliament; all drawing salaries, and all of them employing staff as many as three per Member.

The cost in salaries, superannuation, etc., etc. of keeping two million public servants on the payroll has been put at $60 billion a year; or $1.153 billion per week! However, it would be totally unfair to designate all of our clerical and administrative public servants as crooks or loafers. They are not!

Those who are publicly employed to build and maintain our roads and to build our bridges, construct and maintain our sewerage and water supply systems and give us the myriad of other forms of physically-produced utilities will still be needed.

We will still need a police force, school teachers, hospital staffs, postal and telecom employees. We will still have to employ men and women to run our transport systems and keep us supplied in power and electricity. But we certainly will not need the same number of Ministers, Members of Parliament and "paper-shufflers"!

Cameron (1992: 11-12):

I could go on and on, but I’ve given enough examples of the stupidity that is born from having eight State and Territorial Governments doing all the things that could be done more efficiently and much, much cheaper, in a uniform way, than in having eight different rules for the people of the ONE NATION.

I had intended to spell out the salaries, allowances, etc., paid to each head of government and to each Minister, Leader of the Opposition, Speaker, Chairman of Committee, government and Opposition Whip, Committee Member, Clerk of the House and Council, Hansard staff, etc., etc., etc. of each of those eight State and Territorial Parliaments.

To that burden must be added the salaries of the hundreds of Senior Executives who service the eight separate sets of Departments that would all be abolished when we become ONE NATION.
So far, I have been unable to get a satisfactory response from those best able to give that information. They either don’t know, or are too ashamed to reveal those costs to someone who threatens to tell the electorate just how much of its taxes are swallowed up in meeting the cost of our rulers’ salaries, electoral allowances, the running costs of the tens of thousands of private-plate motor cars supplied to public servants, superannuation, overseas trips, etc., and the ever so much greater cost of keeping two million bureaucrats on the public pay roll.

Duplication, triplication, and even quadruplication of paper-shuffling by highly paid public servants in a common occurrence; and, in some cases it is sextupled!

The cost of this stupidity has now reached mountainous proportions and it will continue to grow unless we can persuade the media to blow the whistle on what is happening. One third of the whole workforce, I repeat, is already on the public pay roll. I want the media to tell the electorate what this nonsense represents to each Australian in extra taxation.

Natural attrition will not be a satisfactory way of getting rid of the hundreds of thousands of public servants who will no longer be needed when Australia becomes ONE NATION. That surplus must be dismissed! If they are allowed to remain on the payroll they will quickly legitimise overstaffing and thus create the climate for continuing the current practice of empire building, work duplication, cheating on flexitime, workers’ compensation, and the host of other rorts that now plague the system.
Thompson (1992: 155):
CAN WE GET A LESS COMPLEX AND CHEAPER SYSTEM?
Do we want to abolish the States? The three-tiered system of central, State and local governments has resulted, it is argued, in unnecessary problems. Australia has been forced to go through all sorts of extraordinary contortions in terms of policy direction because of the competition, confusion, overlapping, duplication, and general irresponsibility created by our federal system.
Are the costs of having States too great? The Business Council of Australia produced a monograph in 1991 advocating that Australia change to a two-tier system of government, ridding itself of the intervening layer of State governments. We need a single road transport system; common standards for the regulation and registration of commercial vehicles, especially long-distance bus transport; a modern rail system with a national rail freight corporation; a national electricity grid; national environmental standards; the standardisation of consumer protection. At the moment these matters are left to chance negotiation among the governments, able to be repudiated with the change of a single State government.
CAN ANY CHANGES PRODUCE A MORE ACCOUNTABLE SYSTEM?
Since federation the central government has taken over almost all important forms of taxation, both direct and indirect. By various means the centre has been able to initiate programs in almost every important area of policy – but the centre cannot administer these policies itself. The States are responsible for the delivery of services, and they vary in the ways they deliver these services.
The result is a most serious lack of accountability. No one takes the blame because each level can attack and blame the other for the policy problems that emerge.
Australia also suffers because the States do not make sense as economic units. The way Australia should be divided up for economic advantage does not match State divisions.
DO WE WANT REGIONS?
We could create a single central government and strong regional units with extensive but subservient powers. The Constitution could build in checks against a runaway national executive.
WHAT ABOUT STRONG METROPOLITAN GOVERNMENT?
A very good idea would be to have strong metropolitan government along the lines of that of Brisbane City. The vast problems of coherent urban planning involving everything from pollution, the placing of schools, hospitals, recreational facilities, cultural facilities, the infrastructures of roads and rail, of public versus private transport, the density of residential areas and the balance of commercial, residential, semi-industrial and industrial should be dealt with, ultimately, be a single authority. The successes of Brisbane and London where such an authority existed are pointed to; as is the contrasting chaos of Sydney and Melbourne.
Thompson (1992: 157):
We could, of course, retain the federal system and redistribute the powers. For example the central government could be given concurrent powers with the States over industrial relations and employment and that would enable the Commonwealth to deal comprehensively with economic management ...


Stilwell (1993: 263):
The States are hangovers from a colonial era, standing as obstacles to progressive contemporary regionalism. A two-tier system, based on local government amalgamations and a partial devolution of existing State and federal functions to those regional governments, could provide a more effective basis for progressive regionalism. Metropolitan government would have an obvious niche within such a structure, alongside regional governments responsible for other urban areas and their rural hinterlands. Of course, the geographical delineation of the most appropriate regions and the distribution of powers between the two tiers would need to be a matter of extended consideration. A political reorganisation of such magnitude would require comprehensive analysis, consultation, public participation and democratic determination. Whether it is worth the bother is necessarily a matter of political judgement. However, at a time when constitutional change is on the agenda, it seems appropriate to seriously consider a change like this which has the potential to streamline bureaucratic processes, stimulate local democratic impulses and generate more momentum for the implementation of effective urban and regional policies.
Scenario 4: Abolition of the Australian States – A Unitary System

Prominent Centre Left Senator Chris Schacht says states need to be abolished. [The Age, 14 May 1991]
In 1963 a large fire destroyed the bulk sugar terminal at Townsville because the various fire services available, which were the separate responsibilities of loca, state and federal authorities, were unable to couple their hoses together. At the urging of the Whitlam government, the Australian Fire Board, in negotiation with the states, worked towards establishing a standard fire hose coupling. However the Fraser government took the view that, in line with its federalism policy, the coordination of fire brigades traditionally and constitutionally rested with the states. As a result over 10 different types of couplings continued to be used in Australia (Whitlam 1983, 41-2).

Discussion of the inefficiencies of the federal system often lead to suggestions that the states should be abolished. ... In 1985 Jeff Kennett, then Liberal opposition leader in Victoria, said he would support the abolition of state or local government if the community agreed that Victoria had too many politicians [The age, 31 May 1985] If the kind of dissatisfaction felt with state governments that appeared to be expressed at the 1990 federal elections were to grow with each revelation of bankruptcy and/or corruption, it is not impossible that the majority of the people might come to the view that the states should go.

Tanner, L. (1993):
Thank you, Mr Speaker. I rise to second the motion and in doing so I would thank the Prime Minister (Mr Keating) and the Leader of the House (Mr Beazley) for the opportunity to second this motion, and congratulate you upon your election to your high office.

... The mention of State parliaments brings me to my third and final theme: my desire to see the abolition of State governments. Like many in this chamber, I am committed to the achievement of a republic in this country by the year 2001. I have no doubt that we will traverse many other constitutional issues in our journey towards that goal. Although we may not achieve a two tier system of government by the year 2001, it is critical that we examine these issues while attention is focused on our structure of government.

The States are as much an anachronistic relic of colonial times as are our links with the British Crown. In 1901 the States reflected genuine focuses of economic and social activity in this country; they have long since ceased to do so. They are now an impediment to good government, a fount of economic inefficiency and a mis allocation of scarce public funds. In this era of micro economic reform, with interstate economic activity ever increasing, what we are getting from the States is eight different legal and regulatory systems in areas such as criminal law, environmental law, consumer law, trade and occupational qualifications, food standards, workers compensation — and so the list goes on. Business is confronted with a multiplicity of conflicting regulatory demands and overlapping planning regimes which generate inordinate delays, conflicting demands and fragmentation of the planning process. The States compete with each other for investment, including foreign investment, at the expense of their own citizens by trading off cheaper electricity, cheaper workers compensation premiums and the like. The boundaries of the States have about as much relevance and logic as the boundaries imposed on Africa by the colonial invaders in the 19th century. It is not necessary to be a genius to work out that the Murray River was adopted as a boundary in the days when no one had heard of pollution and it was thought that natural resources were unlimited.

The complexities of the distribution of powers between the States and the Commonwealth cause many anomalies and many problems that lead to an inadequate approach by government at large to issues in the community. If we want to see the ultimate absurdity of our system of government, we only have to look at recent chaos surrounding issues such as daylight saving and Australia Day. Those issues highlight the stupidity of the system. How many other countries in the world celebrate their national day on different days?

Fortunately, there are a few people on the conservative side of politics who adopt a constructive approach to this debate and who do not respond with attempts to frighten small children late at night with boogiemen. Ian Macphee is an honourable example. The honourable member for Bennelong (Mr Howard) was even quoted in the Australian about 18 months ago implicitly suggesting that it would be a good idea if the State structure were done away with. I suspect the honourable member might have changed his mind in recent times, but time will tell. In its publication 'Government in Australia in the 1990s: a business perspective', the Business Council of Australia described the existing structure of government in this country as 'archaic, inefficient and in urgent need of reform', and called for a two tier system of government.

In conclusion, I ask the economic rationalists on the other side of the House — if there are any left since 13 March — to give very serious consideration to this issue. There is one at least — that is good to see. If we are to be a truly independent nation, economically vibrant and innovative, and to provide efficient and responsive government to the people of Australia into the 21st century, we must not exempt our antiquated system of government from the flood of change which is sweeping through this country. I expect to be standing here in the year 2001 representing a truly independent Australian republic, and I intend to do everything within my power to ensure that that republic is genuinely democratic, efficient and accountable. Mr Speaker, I thank you. I commend the motion to the House.
### Table 3D-1 (Continued)

<table>
<thead>
<tr>
<th>Source</th>
<th>Selected Extracts</th>
</tr>
</thead>
</table>
Twenty years in public life have left me in no doubt that, if people really had a choice, a majority of Australians would prefer a strong central government and effective local government with the power to design and provide the services which are needed locally. A glance at the map reveals natural regions for local government on a viable scale. Some cross State boundaries, and I would envisage that State governments would be replaced with regional governments. These would be more akin to larger local governments and would certainly not have the trappings of the States. They should not have parliaments and the expensive, unwieldy and inefficient bureaucracies which characterise our States. They should have a small number of full-time councillors elected every four years and who compete for election on the basis of the delivery of the most cost-effective services to ratepayers. Ideas for such services would be generated within and between regional governments. (Macphee 1994: 251-252):  
The massive, unwieldy machinery of federal-state government which has sent our State governments into debt renders the current system of local government liable to a similar fate. The only way to get real tax relief is to get efficiency in government by reducing the functions performed. The elimination of the States, the formation of regional councils, the competition between councillors for election on cost-effective programs would reduce dramatically the cost of government. When local communities are really responsible for their own welfare to a degree far greater than now, funds will be driven further. The abolition of the States would also lead to efficiencies in the other institutions which were founded in colonial times: the political parties, unions, churches, charities, employ organisations and professional bodies. Our sporting competitions would also be transformed. As a consequence, more people would participate and standards would rise. (Region of origin competitions would replace State of Origin as part of this greater participation). The introduction of regional government would also provide a welcome opportunity for the restructuring of the judicial system. New regional courts could assume the jurisdiction currently exercised in Victoria by the Magistrates Court and some of the jurisdiction of the County and District Courts. These bodies could also exercise the functions currently performed by tribunals such as the Administrative Appeals Tribunal in areas such as planning and small claims. The jurisdiction of the Supreme Court could be readily transferred to the currently under-utilised Federal Court. (Macphee 1994: 254):  
... some regions will be naturally richer than others and a new form of Grants Commission will be needed for the less well endowed regions to augment the revenue they raise from taxes.  

In 1900 a good case could be made for a federal structure. A lot has changed since then, Communications have improved dramatically. How can a country of only 17 million people now still need a federal structure, seven different administrations plus the Northern Territory and ACT? All the reasons for federation have long disappeared! Constitutional change should result in the abolition of the states and the introduction of strong local government units. The states should be replaced by 60 smaller regions indirectly elected by groups of local councils. This would reduce direct popular elections to two: at the national and local levels and would reduce the number of politicians also. Already an extensive system of voluntary regions exists which could be a base to start from.  

The central idea of bioregionalism is greater regional self-sufficiency, which goes hand-in-hand with national self-sufficiency and strong regional government. Under this scenario, each of a comprehensive set of perhaps 20 bioregions would have its own regional government; state governments would have a minimal role. Each region would have a degree of self-sufficiency, perhaps within explicit regional population targets or ceilings. Some bioregions might be largely in Aboriginal ownership. Individual regions would be encouraged to develop individual responses to social problems and opportunities and mechanisms for sharing such individual experiences would be sought.  

There are many areas where functions are presently shared between the national and state and territory governments in Australia. If the boundaries of responsibility are not clearly drawn, there then is scope for competing rather than complementary objectives, pursuit of different principles and different administrative practices and requirements. The result is overlap and duplication, confusion and higher costs for business and the community.  

| Codd (1996: 167): |  

Taking the area of industry policy and development as another illustration, it is possible that state or territory government policies designed to attract industry to their state/territory rather than another can be counterproductive to national policies and the national interest. It is certain that for many industries the regulatory environment surrounding an investment decision is complicated and often confused by the array of different hoops through which they have to jump at national, state or territory and local government levels.

Codd (1996: 168):
Governments in the Asia-Pacific region are, for the most part, unitary and we need to consider the effectiveness with which they provide services to industry and their communities compared to our three-tiered government structure.

If it is the case that, in terms of simplicity of regulations and access to governmental programs of support, for example, private sector decisions on new investment are made easier in other countries in the region, then Australia should be examining how to approach or surpass that standard within whatever constraints are imposed by our structures and principles.

Codd (1996: 171):
Many have argued that given the present population in Australia and its distribution, and its gross national product, the proportion of activity and employment devoted to the public sector is far too high. Most attribute this to the federal system – to our heritage of three levels of government.

... Those who support with analysis their argument that Australia has too much government most often conclude that the best arrangement would be to have the present three levels – a national government, eight state or territory governments and around 900 local governments – replaced by two levels, a national government, and between 30 to 40 regional governments. Most often, the logic which leads them to 30-40 regional governments is appropriate catchment areas for efficient planning and delivery of water and power, of health services with a hospital apex, of education services with appropriate tertiary education facilities, and so on.

In this context the communiqué from the council meeting in Hobart in February 1994 included the following passage:

The Council did, however, agree that in some areas a clear allocation of functional responsibility to one level of government may be appropriate. In other areas, where roles and responsibilities are shared, the Council considered it may be more appropriate to delineate roles and responsibilities of the different levels of government within and across particular functional areas in order to produce more efficient and effective service delivery, eliminate overlap and duplication, minimise imposts on the economy and enhance accountability. The Council agreed that the overriding objective should be to improve outcomes for clients and value for money for taxpayers (COAG Press Release, Hobart, February 1994).

There can be few more important challenges for Australian governments than giving practical meaning to these sentiments in key functional areas.

The challenge is by no means simple. Taking the functional area of health programs and services as an example, the present mix of roles and responsibilities is a classic illustration of both the problem to be faced and the difficulties of finding an effective and acceptable solution.

In this field, Australian state and territory government have long-standing and wide-ranging responsibilities for public hospital administration and funding, for regulation of private hospitals, nursing homes and hostels, for mental health and for many aspects of community health services. The Australian Commonwealth government is responsible for national medical insurance through Medicare. Through Medicare, it provides substantial funding to the states and territories directed at hospital service provision, while also administering, through the Health Insurance Commission, reimbursement of scheduled fees for doctors in private practice, and subsidising the cost of prescription drugs under the Pharmaceutical Benefits Scheme. The Commonwealth government is also responsible, among other things, for the funding and management of institutional aged care (through nursing homes and hostels), for the funding of national medical research programs, and for substantial funding (in particular with the states) for community-based services through the home and community care program.

The problems in such a mixture of responsibilities are many. Apart from overlap and duplication in areas such as home and community care, problems include the financial incentives for the states to minimise treatment in institutions or through programs where they carry the full financial burden, and the competitive barriers which impede the sharing of information and thus understanding and co-operative approaches to the rationalisation of programs and services.
The first and most obvious problem is the wasteful duplication that the system engenders. We have already seen Grodzin's astonishing estimate that there are something like 92 000 governments in the United States. Of course, Australia cannot match that array of diversified public authority, but some notable commentators have attacked the level of governmental wastefulness in this country. In his 1979 Boyer lectures, the former prime minister, Bob Hawke, speaking of the state and federal governments serving a population of fourteen million people, asked, 'What is unique about us that we need our fourteen Houses of Parliament and eight governments?' [R. J. L. Hawke, The Resolution of Conflict. 1979 Boyer Lectures, Sydney, ABC, 1979] In a detailed survey, Gough Whitlam showed the cost of consultation among ministers of the state and federal governments acting in the same policy areas. [E.G. Whitlam, 'The Cost of Federalism', in Patience and Scott (eds), Federalism Future Tense, pp. 28-48.] Even though costly discussion takes place, however, decisions are rarely made, and according to Russell Mathews, genuine policy co-ordination is virtually non-existent in such areas as economic development, transport, energy, urban affairs, community development, Aboriginal affairs, environmental control and law reform. [Russell Mathews, 'The Commonwealth-State Financial Contract', in Jennifer Aldred and John Wilkes (eds), A Fractured Federation, Sydney: Allen & Unwin, 1983, p. 54.]

Whitlam went on to chronicle the obvious costs of unco-ordinated facilities such as the legendary disparity among our states' railway gauges. [E.G. Whitlam, 'The Cost of Federalism'] The corollary of duplicated services among the federal and state governments is dispersal of the skills of public servants whose cumulative expertise could be used to better effect in co-ordinated authorities. Even those who, like Wettenhall, argue that the benefits of federalism more than compensate for the costs, readily acknowledge the disorderliness and inefficiency that so characterise the system. [Roger Wettenhall, 'The Administrative Crisis of Australian Federalism', in Allan Patience and Jeffrey Scott (eds), Australian Federalism: Future Tense, Oxford University Press, 1983, pp. 159, 165.]

Arguably the cause most advanced by the federal system is the ambition of 'the political class', since the duplication of services and responsibilities creates many openings for professional politicians without necessarily enhancing the quality of public services provided. When it is asked why federal systems persist, the theorists come rallying to the cause with armfuls of democratic justification of the type we have just reviewed, but the more astute observer will discern that the real cause for its continued success is the vested interest of the political class. According to Sawer:

... one enduring factor tending to preserve Region autonomy is the self-interest and momentum with which a Region governmental apparatus – particularly the legislature, executive and higher bureaucracy – acquires merely from its existence.

... Conservatism, apathy, fear of change, absence of clearly better alternatives, will be sufficient and the circumstances of contemporary affluent societies tend to produce all these attitudes. [G. F. Sawer, Modern Federalism, London: Watts, 1969, p. 135]

Even the claim that [federalism] protects minorities is suspect. Some of the great federations – like the United States and Australia, for example – have been spectacularly unsuccessful in advancing their disadvantaged minorities, while privileged minorities do very well out of the system ...

But none of this proves that the state governments actually produce government 'close to home', since the centralising vortex of each capital city leaves state government every bit as remote from most people as the federal government.


<table>
<thead>
<tr>
<th>Source</th>
<th>Selected Extracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jaensch (1997: 93):</td>
<td>The industrial, business and commercial sectors, especially, have become advocates of reform. One reason for this new-found interest and public involvement is the belated awareness in such sectors that triplication and the maze of contradictory regulations, not to mention buck-passing, is no way to run an efficient political economy. One example was a paper from the Business Council of Australia which called, inter alia, for reducing three levels of government to two, uniform national standards in, for example, education and health, and national gas and electricity systems. Given the time and argument which went into the question of a national freight organisation, the plan for reducing a three-level to a two-level system of government will be a Herculean task.</td>
</tr>
<tr>
<td>Jaensch (1997: 94-95):</td>
<td>It will be clear from the discussion in this and the proceeding chapter that the Australian Constitution is in need of rewriting. It was written in the 1890s to accommodate the interests of its authors, the élites of colonies who perceived a national government as a threat to themselves. The 1901 compromise was: permeated by the conservatism, parochialism and pettiness that characterised the Australian colonies at the end of the nineteenth century. (Encel 1977: 43) ...</td>
</tr>
<tr>
<td>Byrski (1998: 92-93, including quotes from Dr Peter Ellyard):</td>
<td>Within the next 15 years [Dr Peter] Ellyard predicts Australia will have a network of around 30 regional governments in two tiers and a single public service for all governments. Globalisation can empower communities and regions in Australia to design their future for success in world markets. However, these communities must develop a twenty-first century vision for themselves, with a twenty-first century industrial base, and utilise the internet and other forms of communication to trade directly with the world. As local governments gain more power through amalgamations, and the national government is locked into global interdependence, the states are becoming redundant. I canvass this idea around the country with people of all political persuasions and 95 per cent of people put their hands up in favour of that change. The only people who want to keep the states are the state politicians. We will have regionalisation of government here and it will be based on broad communities. There are areas which arise naturally, where people feel they are part of a community, and in the rural areas you have natural biogeographical regions – the Murray-Darling basin, Gippsland, the Kimberley, North Queensland. It is a little more complex in the urban areas and around capital cities but it will still work. Perth, for example, would probably have two regions and there would be several in each of Sydney and Melbourne. ‘It can happen very easily; the mechanisms are already in place because the Constitution allows more states to be created. Once the change to a republic is completed, we’ll change the flag and then the process of regionalisation will follow. It only needs to be articulated in the community and it will start to happen. Some of the groundwork has already been done through the amalgamation of local authorities. Very few people want to keep the states. No-one is talking about it much but most people realise that we need to simplify the system.’</td>
</tr>
</tbody>
</table>
3D-26

Table 3D-1 (Continued)

<table>
<thead>
<tr>
<th>Source</th>
<th>Selected Extracts</th>
</tr>
</thead>
</table>
| Cocks, D. (1999a). Future Makers, Future Takers: Life in Australia 2050, UNSW Press, Sydney. | Cocks (1999a: 147): \[... the major constraint on a reformist federal government is the power of the states. Reflecting the challenge of unifying six colonies, the overwhelming theme of the constitution is federalism. Now, the caravan has moved on and the states are lead in the saddlebags. They compete destructively for investment, sacriﬁcing tax revenues which they then seek to recoup from the Commonwealth. They have a constitutional responsibility to manage natural resources yet, overall, their record on this score is poor. Services like health and education are extraordinarily difﬁcult to rationalise when they require agreement between nine governments – governments that are too big to be good managers and too provincial to develop good policy. It has to be accepted that it would be politically difﬁcult to abolish the states, but they can be managed by a strong federal government, prepared to exercise its ﬁnancial power through tied grants. The pity is that states could function as a natural laboratory, trying different approaches to common problems and choosing the one that promises most. \]
|                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                   |
| Cocks, D. (1999b). Big Picture Scenarios for Australia, with a Comment on the Implications for Public Administration, talk to Australian Public Service Futures Forum, Canberra, December 1999. | Cocks (1999b): \[In line with the ‘subsidiarity principle’, [Handy 1994, The Empty Raincoat: Making Sense of the Future, Hutchinson, London] health, education, social services, environmental programs and public infrastructure will be delivered by as many as thirty regional governments and, subject to meeting national performance standards, be ﬁnanced by the national government.\]
|                                                                                                                                     | \[... Various regionalisations of Australia have been proposed at different times. For example, in the 1970s the federal government tried very hard to develop a regional tier between local and state governments. We foresee regions being formed in the ﬁrst instance from groups of local government authorities; some will be metropolises, some will be provincial cities joined with their hinterlands and some will be natural ‘bioregions’ such as the Kimberleys, Cape York and ‘Centralia’. [Cocks 1992, Use With Care: Managing Australia’s Natural Resources in the 21st Century, UNSW Press, Sydney] Some regions might have a large Aboriginal population. [Crough G, 1995, ‘Out of the Crocodile Hole: Towards a Regional Agreement in the Kimberley Region of Western Australia’, Arena, 18, 35-41.]\]
| Stilwell, F. (1999). Challenges for the Urban Economy: Instability, Inequality and Institutional Reform, in Troy, P. (ed.), Serving the City: The Crisis in Australia’s Urban Services, Pluto Press, 1999, Sydney, pp. 13-33. | Stilwell (1999: 30): \[It is time for a reconsideration of the appropriate structures of urban governance. Indeed, now that other aspects of constitutional reform are under consideration in the process of the nation becoming a republic, it seems that there is an unusual ‘window of opportunity’ for change. Replacing the current three-tier system of government with a two-tier system is one exciting option. Regional government could be based on something like 50-60 regions, perhaps taking in the first instance the regions identified in the report prepared for the former ALP Federal government by the committee chaired by Bill Kelty (Taskforce on Regional Development 1993). Such regional governments could be accorded most of the powers currently held by State governments. Metropolitan areas could be regions. This sort of arrangement could help to overcome the existing fragmentation of local government, on the one hand, and the ‘colonial hangover’ that is the existing structure of State governments, on the other hand.\]
| Tanner, L. (1999). Open Australia, Pluto Press, Sydney. | Tanner (1999: 206-208): \[A primary source of alienation from government in our society, and the paramount target for modernising reform, is our absurd three-tier system of government. In Australia of 1900, with a tiny population scattered across far-flung cities with little direct interaction with each other, it made a lot of sense. It is now a costly and obstructive anachronism which makes no sense at all. Australia is still burdened with up to eight different systems of criminal law, environmental regulation, consumer protection, defamation law, workers compensation and industrial relations. We have ﬁfteen houses of parliament supporting hundreds of full-time politicians and an army of associated functionaries. Our State boundaries are arbitrary colonial artefacts, dividing natural regions of common interest and incorporating very different and distant regions within one State. such absurdities as employing the Murray River as a State border, and governing far north Queensland from Brisbane while northern New South Wales is governed from Sydney are the outcome. As government has evolved around this cumbersome structure from the horse and buggy era, endless unnecessary complexities have developed. In many areas at least two and sometimes three levels of]
government are involved, usually with no clear demarcation or lines of responsibility. Governments inevitably respond to the temptation to cost-shift and pass the buck when it suits them. The poor citizen is left in a state of total confusion when he or she tries to achieve an outcome from this tangled bureaucratic web.

State governments compete against each other in offering tax incentives for investment, inevitably allowing multinational companies to play one off against the other and achieve an outcome which is better for them and worse for taxpayers. People in particular occupations have to obtain additional credentials or licences to enable them to work outside their home State. Different States run daylight saving at different times, and have even celebrated Australia Day on different days. Residents of the territories enjoy a different constitutional status from those who live in the six States. The Federal Government has established a clear dominance in most policy areas but often through convoluted mechanisms such as the corporations power or the external affairs power, leading to anomalous and inefficient outcomes. Recently the Business Council of Australia observed:

> Australia's structure of Government is archaic and in urgent need of reform. The key structural weaknesses of the current system are overlapping responsibilities for services, unco-ordinated approaches to regulation, and a mismatch between spending and revenue-raising responsibilities. There is a strong case for small, powerful co-ordinating and strategy-setting central government, supported by a network of regional governments. [Business Council of Australia: 'Government in Australia in the 1990s' (Melbourne, 1992), p. 47.]

Even John Howard once remarked that 'If you were starting Australia all over again you would have a national government and twenty regional governments. [The Australian, November 9, 1991.]

**Tanner (1999: 208):**

> Even though markets for many products are sub-national because of the nature of the product, these markets rarely reflect State borders except where State regulation requires it.

**Tanner (1999: 209-210):**

> The abolition of State governments is unlikely to ever be achieved by referendum but the process is already well under way by evolution. In almost every major area of regulatory activity, uniform national regulations have been developed or are being discussed. Privatisation of electricity providers and the creation of a national grid is eliminating one of the central functions of State governments. The Victorian and south Australian governments have ceded their industrial relations powers to the Federal Government, and other States will eventually follow. Local governments are being amalgamated into larger bodies, and their functions are steadily encroaching upon traditional State government functions.

> We need to take a more active interest in this process, and intervene to shape it. It should not entail greater power for the central government. The real dynamic should be devolution of functions to appropriately sized local and regional bodies. The basic conceptual division should be between regulation and service delivery. The regulatory functions of the States should be national, and their service delivery functions should be regional. A two-tier system of government is already in place in the ACT, and it functions reasonably effectively. Although it is easier for such a government to function in Canberra than elsewhere because of its size and quite distinct status, there is no reason why another twenty-five or so such entities should not emerge to assume many of the responsibilities of State Governments. [See Macphee, I.: 'Towards a Two Tier government' (Australian Federalism: Future directions, Structural Change Conference, 1994), p. 3.]

> In areas such as health, such a structure would make a lot more sense than the existing arrangements. Responsibility for health policy and expenditure is a complex maze of cost-shifting and buck-passing. National government has only partial overall responsibility for the health of its citizens, and local communities have minimal influence over the health policy decisions which directly affect them. Empowering regional communities like Geelong, Townsville and Bathurst to influence the distribution of health resources in their own areas would be a big improvement. [See Whittam, G.: Abiding Interests (University of Queensland Press, St Lucia, 1997), p. 217 et. seq., where this view is expressed by former Prime minister Gough Whitlam. For an outline of the complex interaction between State and Federal governments in the health area, see Mackey, P.: 'Australian Health Care Agreements and Funding for Public Hospitals' (Commonwealth Parliamentary Library, 1998).]

**Tanner (1999: 210-211):**

> Labor prime ministers Ben Chifley, Gough Whitlam and Bob Hawke have all at various times advocated the abolition of the States. The time has arrived where the structure of government should form a major part of our national political debate. If we are to make government in Australia more comprehensible, more accountable and more efficient, then this last frontier of economic reform must be addressed.

> Reforming government may not be easy, but it is essential. The degree of legitimacy which attaches to the collective structure of a community depends directly on the extent to which those structures reflect the substance of the society. Our approach to government still reflects the world of industrial society which is quickly receding. If we do not act to adapt government to the new economy and build a new role which focuses on facilitating economic interaction and enhancing the capacity to participate we may inherit a barren, nihilistic society governed largely in name only by impotent and decrepit government. The challenge is to adapt, to build, to renew. We have the capacity to change if we build the commitment.
Table 3D-1  (Continued)

<table>
<thead>
<tr>
<th>Source</th>
<th>Selected Excerpts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stilwell, F. (2000), <em>Changing Track: A New Political Economic Direction for Australia</em>, Pluto Press, Sydney.</td>
<td><strong>Regional government</strong>&lt;br&gt;Putting regional problems in the spotlight also draws attention to the case for radical reform of the structures of government. The three-tier system of government, which is a legacy of Australia’s colonial origins, has itself become part of the regional problem. Could a two-tier system of national government and regional government be a more effective vehicle for balancing national and regional objectives? Such a suggestion is by no means novel. [A far-sighted Labor Party scheme of 1930 proposed the subdivision of Australia into thirty-one provinces; see also Thomas 1994; Hall 1998; Patience 1996] One possible territorial model is for some sixty to seventy regions across the nation, taking as a starting point, subject to modifications as a result of consultations, the regions delineated by Bill Kelty’s report. [Taskforce on Regional Development 1993] … An alternative with rather fewer regions, currently being advocated by former Federal Labor Senator Chris Hurford … Such proposals are not to be confused with local government amalgamations – whether voluntary or imposed, as in Victoria – which leave the three-tier system fundamentally unchanged. The case for regional government rests primarily on the proposition that this is the appropriate scale for attending to diverse regional problems.</td>
</tr>
</tbody>
</table>
| Lines, W. J. (2001), *Open Air: essays*, New Holland, Sydney. | **A sustainable relationship with our continent requires fresh political arrangements.** We need structures through which we can show respect for the primacy and permanence of nature. We must abolish the states and establish a network of local councils based on and responsible to the country’s thirty or so bioregions.  
**In 1995 the Australian Nature Conservation Agency (ANCA) identified eighty Biogeographic Regions across the continent. This is a large number. Over a third (twenty-nine) of ANCA’s regions, however, are small – less than 37 000 square kilometres – while the sixteen largest cover mostly remote arid and semi-arid areas. In the interests of rearranging our politics, we can combine adjacent regions for a total of between two and three dozen major Australian bioregions.**  
**Abolition of the states will reduce the overall burden of government by a third, from three tiers to two. Duplication of effort, administrative redundancy, and taxation will all be lessened. More importantly, we will rid the country of the idiocy of the idea of interstate competition.**  
**We can value the material universe. Bioregional councils will bring us closer to the physical world, where our receptive, imaginative natures, adapted to celebrate and rejoice in the possibility of other beings, can find expression. We are capable of taking self-forgetful pleasure in the sheer, alien independent existence of animals, plants, dirt, stones, and landforms. Our natural sympathy is large; we can embrace a locality, a region, a continent, the whole planet. We can regard human life and matter for its own sake, not as devices for human ends or as furniture to comfort pampered egos.**  
Humans and Australian nature can coexist, but coexistence will not happen under present federal arrangements. The survival and revival of biodiversity – the wondrous variety of living things – requires bioregional politics. |
Table 3D-1  (Continued)

<table>
<thead>
<tr>
<th>Source</th>
<th>Selected Extracts</th>
</tr>
</thead>
</table>
Once these constitutional changes are made, the abolition of the States should be next on the agenda. This is the reform which would provide the greatest opportunities for local government. From one perspective it is a huge and radical change to the Australian system of government, but from another perspective it seems to be a sensible proposition whose time has come.  
In recent times this concept has received support from a range of quarters. The Federal Local Government Minister, Senator Ian Macdonald, has stated [at the April 2001 LGMA (Local Government Managers Australia) National Congress in Brisbane]:  
Many people say to me both from the local government and the Federal Government sectors that the time has actually come for a re-look at the role of the states to determine whether or not state governments still have any significant role in a modern progressive country ...  
Perhaps it is time for local government to develop a long term strategy for the future governance of Australia. It may well be that the strategy should look at having a two-tier system of government in Australia. [Macdonald, as quoted by West, F. (2001), 'A Stateless Nation?', in *Government News*, July 2001, p. 18]  
Although there are opponents to the proposed change, lately State governments have become nothing more than the 'middle man' in the collection and distribution of funds between the Commonwealth and the community. It may take time, but the idea of the abolition of States is germinating, and the abolition could occur if the concept captured the imagination of citizens. This is an issue for the longer term, as it is likely that the power of the States will continue to decline over time and more citizens will be likely to question the relevance of State government. |
Submissions and consultations informed us that government is one of the most important barriers to regional business growth. ... Australia's federated system of government, created in the 19th century, no longer meets 21st century imperatives of globalisation. Each region is an important national economic unit, yet there is no national approach to planning and development at the regional level.  
Local governments are generally too small, state governments too large. The result is poor regional planning, inadequate coordination between the three levels of government, duplication and wastage. Distance from services and isolation, apparent or real, add to the impact of these factors on regional business. All this affects regional business confidence and, without confidence, business cannot grow on a sustainable basis.  
Keniry et al. (2003: 18):  
Australia's federated system of government, developed in the late 19th century for the challenges of the 20th century, does not cope well with 21st century reality. Local governments are generally too small and state governments are too large to provide the systems of governance and certainty required by regional business. Regional structures based on the right-sized regional footprint are required – central governments must become partners within these structures, rather than their controllers, for regional economic development to occur.  
Keniry et al. (2003: 28):  
The focus of activity across the three layers of government often overlaps causing duplication and inefficient use of tax payers' funds. |
Table 3D-1 (Continued)

<table>
<thead>
<tr>
<th>Source</th>
<th>Selected Extracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woldring (2003a):</td>
<td>... the proposed abolition of the states, has been the subject of discussion of several of the community groups, political parties and individuals present here today. The debate amongst their members has focussed on what type of sub-national units should be favoured as the second tier: regions or local government, - and on the numbers of such units. This is a very important matter because, within the existing three-level structure, regional development has failed consistently in Australia - for a variety of reasons - and urban sprawl, urban traffic problems, and pollution have become a major state political issues. The position I put here favours the maintenance of local government in regional and rural areas, with expanded functions for some, powers delegated directly from the national government and, particularly, much stronger financial status. In addition, there should be regions, in part based on the Voluntary Regional Organisations (or Regional Organisation of Councils) grafted on and created by Local Government, which I have described here as Mezzanine Regions which has a particular meaning which will be explained. In addition, Australia needs City Governments, for the larger cities only, with jurisdiction for the whole of the urban areas in question. Such Governments should be elected at the same time as all Local Council elections are held nationally. Such reforms will not only strengthen both the National Government and Local Government, but would end the cumbersome, dysfunctional centralisation which has been a problem of the states ever since federation. The need to combine such reforms with the Republican issue has been questioned by some but the view expressed here is that now is the time to combine these aspirations because they are interconnected and interdependent and, together, provide a turbo charge to propel advancement which federation and the monarchical tradition has held back for a long time. Rather than a timid Minimalism we need to adopt a Maximalist approach to constitutional change. This paper is about System Change and rejects any further piecemeal tinkering if Regional Development and urban problems are going to be tackled effectively. It also presents the view that these desirable reforms cannot reasonably be expect from either of the major parties. The Mezzanine Concept defined.</td>
</tr>
</tbody>
</table>

For a change let me start somewhere in the middle of the paper by providing a description of Mezzanine. It comes from 'Mezzanine floor level', which basically means 'in-between' two normal levels, usually between first and second floors and more often than not, of a two-story building. The Mezzanine floor may not extend over the whole surface of the first floor because ceiling heights may differ, in large retail stores and supermarkets - and schools. But sometimes they do and yet it is not an ordinary floor in the hierarchy. What is interesting and useful for an analogy with levels of political units is what actually happens on such floors and how they are viewed by the organisation and the public. Mezzanine floors usually house support or 'staff' units which are not very visible to the public/customers/ clients although they are usually quite important, instead essential to the proper functions of the organisation. The units housed there are not 'front line' and generally not 'line' as opposed to 'staff'. Sometimes they function as store space or library or archive. The administration people are found there and the coordinators behind the scenes, not often the executives. In some buildings Mezzanine floor space may also be partly sublet to professionals at lower rentals than elsewhere to boost the income of the organisation which owns the space. So the key words are, out of the way physically, fairly invisible, support and coordinating functions, maintenance and storage function, not directly interacting with the public but still a vital part of the organisation. ...

... a. Why abolishing the states? - a political issue. Most of those who are gathered here today need hardly be reminded of the major reasons why the states should be abolished although it is amazing how few people are aware of this. Perhaps not so amazing because the media rarely seriously discuss such issues. They do discuss the consequences of the problems we face but not the causes. Our three-tiered system has massive disadvantages eg. the enormous cost of our political system with far too many politicians, civil services etc ... the inefficiencies of states permitting investors to play off states against each others; the administrative inefficiencies, different standards, conflicting policies on major issues of national concern requiring elaborate partnership and coordinating devices, and many time-consuming discussions and travel, to come to at least some agreements - and sometimes not. Abolishing the states would provide the financial capacity to implement far-reaching changes. ...

c. Strengthening local government and regional development Local government has always been the Cinderella of the three-tier system of Government. Why should it continue to be? In the early 1970s the Whitlam Government attempted to link Local Government constitutionally to the Federal Government through a Referendum. This failed as the Coalition argued that it was an infringement of the federal system and principle. Such a revolutionary step was just too much for the conservative forces. Other ways were found to strengthen Local Government somewhat through changes to the Grants Commission operation. The ambition by Local Government to have a slice of Income Tax returned to it, as far as I understand it, remained just that. In spite of this low status there is much evidence that the Australian people favour a strengthening Local Government. Local Government seminar sessions in the lead up to the Constitutional Convention (some 1603) indicated strongly that the people want Local Government recognised in the Constitution and also that they favour abolishing the states. ... strengthening the Local Government level combined with Regional Development are desirable objectives.
in my view and the two need to be linked. It is the clusters of Local Government Councils, where commonality of regional interests have already been identified for some considerable time, which should form the core of regional activity. Regions in this context are territorial areas grafted on to Local Government clusters, not lines on a map or essentially primarily bio-diverse regions, so designated for environmental commonalities. They are the result of the needs of people and are, in the main, voluntarily created by Local Government clusters, not by a higher authority.

d. Regions as adjuncts to Local Government - the Mezzanine Concept

Such regions would then become adjuncts to Local Government, elected by them and, in the first instance, accountable to them. We could say that the regional administrations - and that description would be most appropriate - are indirectly elected by the Local Government clusters. It is only in this way that Local Government achieves the semi-independence and autonomy that brings, at least in part, Government to the people. This would end the Cinderella status of Local Government. While the Kelty Reports recognised the need for a bottom-up approach to Regional Development it did so in the sense of 'broad-based community', rather than using the existing Local Council system. There was a lot of talk of 'partnership arrangements' which are usually temporary, weakly defined channels. Of course, there are at present Local Councils which do not inspire confidence and this situation would certainly have to be addressed.

However, such a regional organisation as suggested here, has to be defined and provided for in a new Republican Constitution. Provision has to be made for their proper functioning and operation, and for the authority flow in relation to Local Councils. The Constitution should provide a safety net for vulnerable regions, especially regions which have difficulty in maintaining themselves financially. Thus equalisation grants used by the Grant Commission to maintain comparable living standards amongst the states (as at present), to create equity, could be applied in like manner to regions, and some guidelines laid down for equitable distribution amongst the Local Government clusters. This system has worked well in the past. and there is no reason not to extend its contributions.

The principal purpose for Local Councils to form Voluntary Regional Organisations (also referred to as the Regional Organisation of Councils or ROC) has been resource sharing. In a time that Councils experience serious financial stress, especially in rural areas the need for resource sharing has never been greater. However, as Schultz reported Voluntary Regional Organisations have been in existence for quite some time. As early as the 1920s Councils formed regional organisations in order to improve the effectiveness of Local Government. In the 1970s the then Commonwealth Department of Urban and Regional Development (DURD) required the establishment of regional organisations of Local Government for the distribution of Commonwealth Grants.

She argued that the established patterns of cooperation, communication and mutual trust between member Council working together in a regional organisation provide a climate that is receptive to resource sharing. Her study covered some 24 VROs throughout Australia. Resource sharing can be defined as 'any arrangement where a local government body cooperates with another body or bodies to share financial, human, physical resources to achieve an objective'. There are a great variety of services that fall under this definition. Some VROs have been very successful, other less so but it seems to me that here is the basis for successful partnerships as a natural adjunct to Local Government.

The VROs (or ROCs) operate as a kind of Mezzanine level of government, in my view, and can be formalised, without being inflexibly standardised, in a new Republican Constitution ...

A Response to Republican Minimalism: Strategic Maximalism

Two overriding issues have to be addressed in a new approach. First the Australian people need to be convinced that there are real benefits in a Republic for them. That means that the many and varied problems the society is facing will be addressed by the changes at the very least that they are eased and possibly resolved. Obviously a strategy including the abolition of the states, resulting in a saving of over $30 billion plus per annum, provides enormous potential to deliver additional public goods and services. Secondly, the people need to be extensively involved in the process of constitution-making resulting in ownership of the new constitution.

Conclusion.

Basically there are three short conclusions to this paper. In terms of the content of this paper:

Firstly, create two levels of Government: National and Local and provide for Mezzanine type of Regions based on the VRO or ROC principle to stimulate regional development - together with massive encouragement from the National Government.

Secondly, for the purpose of this Conference: plan a publication comprising the models put forward at the Conference to stimulate wider discussion.

Thirdly, encourage voters to vote for parties that favour SYSTEM CHANGE rather than the same or similar public policy packages presented in different wrappings by Australia's two-party tyranny. That means, in essence, that voters should start looking more closely at the policies of smaller parties, including those not now represented in Parliaments which have policies for systems change in their platform.
This week-end we are gathered in Albury, NSW to once again further discuss the desirability of and options for the abolition of the Australian States. There is little doubt that this is a most appropriate place for such a Conference because the regional citizens are well aware of the deficiencies of the present cross border anomalies. While fostering further awareness of and discussion about options for change the new ideas need to be translated into political action as soon as possible. The Republic Debate must certainly include the abolition of the states as an issue of high priority but a political action plan is required as well. To that end a new non-party Movement is proposed which should be the antithesis of Minimalist thinking which has dominated the Australian Republic Movement thus far. However, there is much more to be considered than the abolition of the states.

... Given that Australia’s communications and transport systems have changed dramatically since the 19th century questions can also be asked about the huge cost of the federal system which requires over 800 politicians, nine parliaments and nine civil services. Creating two levels of government, instead of the present three, would save somewhere between $30 to $45 billion per annum and result in much greater efficiencies of governmental activities (Hall, 1998; Drummond, 2002).

... The Constitution ... made provision for a federation, a structure of state that made quite good sense in 1900 but is now a costly hindrance to effective government for a mere 19 million people. Local Government is not even mentioned in this Constitution.

... [The Constitution is also] a source of frustration to the corporate sector. The (weak) Corporation Power in Section 51 is limited to foreign corporations only. The states regulate corporate affairs, with major differences between them, a costly and frustrating situation.

... Two overriding issues have to be addressed in a new approach. First the Australian people need to be convinced that there are real benefits in a Republic for them. That means that the many and varied problems the society is facing will be addressed by the changes, at the very least that they are eased and possibly resolved. Obviously a strategy including the abolition of the states, resulting in a saving of around of between $30 billion to $45 billion p.a., would provide funding for goods and services now certainly not available.

... The abolition of the states has been conservatively estimated to save $30 billion per annum. Australia has far too many politicians and civil services. There is massive duplication on many levels and many important national problems are not tackled effectively as a result of federation.
Table 3D-1 (Continued)

<table>
<thead>
<tr>
<th>Source</th>
<th>Selected Extracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patience (2004: 205):</td>
<td>The founders of the Australian federal system wanted to devise a constitutional arrangement – in effect more a confederation than a federation – in which the centre (Canberra) would be the servant and supplicant of the powerful States. ... As is now widely known, the founders' intentions were hijacked almost from the inauguration of the new Commonwealth on 1 January 1901. The usual explanation is that the powers listed ('enumerated') in the Constitution as belonging to the Commonwealth have enhanced the significance of the centre at the expense of the States.</td>
</tr>
<tr>
<td>Patience (2004: 206):</td>
<td>Gough Whitlam's conclusion about federalism was right: '... it is impossible to deny that Australians pay for it dearly in delays and duplication'. He once described how a state minister explained to him in 1969 why South Australia could not use the 'universal' Australian firehose adaptor developed by the Commonwealth Fire Board in 1965 ... (Whitlam 1983: 41-42).</td>
</tr>
<tr>
<td>Patience (2004: 206-207):</td>
<td>The financial arrangements of the Australian federal system result in opaqueness, a lack of accountability, and extravagant buck passing between state and Commonwealth governments. The Commonwealth holds the purse strings; the States are increasingly constrained in spending the disbursements granted them by the Commonwealth. At the same time, the states' means for raising funds in addition to Commonwealth disbursements also narrows. Hence, we see States relying increasingly on raising extra revenues through gambling taxes or similar potentially anti-social avenues. As Owen Hughes notes:</td>
</tr>
<tr>
<td>Patience (2004: 207-208):</td>
<td>The result is arguably the worst system of federal/State finance of comparable federal countries. Today, States complain continually about unfairness in the distribution of funds while the Commonwealth considers the States profligate. The Commonwealth feels it attracts the political odium for taxation, while the States gain the political benefits of spending. Citizens, meanwhile, often do not know which level to blame for any shortfall in public services (1998: 275 [Australian Politics, third edition, Macmillan, Melbourne])</td>
</tr>
<tr>
<td>Patience (2004: 207-208):</td>
<td>... the irrationalities of the Australian federal system become starkly evident when we consider some of the serious threats to the environment that arise in the mismanagement over decades of, say, the Murray-Darling River Basin, or the increase in land salination. ... And the problem of federal irrationality is not confined to environmental matters. Health, education, criminal law administration, and many related areas all regularly fall foul to a bizarre lack of coordination between the States and the Commonwealth within the Australian federal system. ... we often continue to observe States competing against each other for international investment, trade opportunities and 'big events'. Whether this is New South Wales and Queensland competing for coal markets in Japan, or Victoria and South Australia trying to outdo each other to attract a major American car manufacturer to build a manufacturing plant in Adelaide or Melbourne, the result is the same. The national interest is seriously undermined by parochially-minded States flinging incentives and other extravagances at potential investors heedless of the broader public interest. In the latter case, for example, the factory went to Melbourne when it could be argued that it should have gone to Adelaide where jobs – especially in the manufacturing sector – and the State economy in general are in decline.</td>
</tr>
<tr>
<td>Patience (2004: 209):</td>
<td>The answer does not necessarily lie in replacing a federal system with a purely unitary one. In the face of predatory globalisation, old unitary systems of government are as outdated as the Australian federal system. ... we need to undertake a re-imagining of a constitutional structure which embraces our vision of the more democratic society we would like to be, consistent with our preferred context as a vibrant people pursuing 'globalisation-from-below'. This re-imagining will be impotent if it can only come up with a simplistic unitary system to replace the federal system. One of the starting points is the fact that there is a regionalism in Australia that will have to be democratically (rather than administratively) accommodated into a flexible and vibrant system of Australian governance. This is a regionalism that is vastly more numerous and complex that the 'regionalism' that poses as such within the current state boundaries. Whether we call it a new democratic approach to federalism, or something else, a new compact based on new ways of formally engaging our community in the art of government is key to our survival and prosperity in a world filled with risks and opportunities.</td>
</tr>
</tbody>
</table>
Table 3D-1 (Continued)

<table>
<thead>
<tr>
<th>Source</th>
<th>Selected Extracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soorley, J. (2004), 'Do we need a federal system? The Case for Abolishing State Governments', in Brown, A. J. and Hudson, W. (eds), Restructuring Australia: Regionalism, Republicanism and Reform of the Nation-State, The Federation Press, Sydney, pp. 38-46.</td>
<td>Regional governance in Australia currently relies almost entirely on local government. Local government is the essence of good governance. Yet, even though there are over 900 local governments in Australia, none of them are recognised in the national Constitution. None of them share the same constitutional recognition that State or even the two Territory governments do.</td>
</tr>
<tr>
<td>Woldring, K. (2004), 'A Maximalist Republic: Achieving Constitutional Change by a Strategic, Participative Process', in Brown, A. J. and Hudson, W. (eds), Restructuring Australia: Regionalism, Republicanism and Reform of the Nation-State, The Federation Press, Sydney, pp. 111-123.</td>
<td>Given that Australia's communications and transport systems have changed dramatically since the 19th century, questions can be asked about the cost of a system which requires over 800 politicians, nine parliaments and nine civil services. Creating two levels of government, instead of the present three, could save somewhere between $20 to $45 billion per annum and result in much greater efficiencies of governmental activities, allowing funding for good and services not now available (Hall 1998; Drummond 2002).</td>
</tr>
<tr>
<td>Woldring, K. (2005), Australia: Republic or US Colony?, Lulu, <a href="http://www.lulu.com">www.lulu.com</a>.</td>
<td>The creation of a two-tier system of elected government with STRONG local government units is favoured by many reformers. The present states could be replaced by smaller, administrative regions indirectly elected by groups of local councils and/or on some BioRegional principle. Special separate (Greater) City Administrations could be established. The existence of numerous local councils in metropolitan areas is a massive hindrance to effective and efficient city government. This would reduce direct popular elections to two levels: the national and local levels (City and local government in the country areas).</td>
</tr>
</tbody>
</table>

The regions could be grafted onto the local government tier. Already an extensive system of voluntary regional councils exists which could be a base to start from. The savings of such measures have been estimated to be in the order of many billions of dollars (possibly $30 billion p.a., Drummond in Hall, 1998) depending on what model of regional administration is adopted. E.g. Drummond has developed detailed scenarios of such options by means of cost/benefit analyses based on applications of linear regression techniques to State, Territory and Local Government outlay as well as population data. The earlier [1998] Hall proposal is based on the replacement of local government by regional government. An alternative is to (largely) maintain existing local government structures (especially in country areas) and graft ADMINISTRATIVE regions on to that base. This would seem to be a more logical and democratic reform and the savings are likely to be even higher, potentially $45 b. per annum (that means EVERY annum!). |

The need for special regions to ensure representation for sparsely populated outlying areas is acknowledged and should be accommodated. Existing powers and responsibilities of the states would be redistributed between national and regional governing bodies. From previous inquiries the strengthening of local government, both in terms of status, funding and functions, is widely favoured in Australia. In order to effectively extend such functions critical mass needs to be achieved and some smaller local government units would need to be amalgamated. Certain functions which are now the domain of state governments would be transferred to local government of sufficient size and capacity to handle them. In addition, a precinct (or ward) system, to ensure maximum community involvement in local government – and generally promote grassroots democracy in every way – could be introduced.
Policies of the Australian Democrats Since 1977

The Australian Democrats formed in 1977 (Democrats 2006a) and soon developed a constitutional reform policy which called for the replacement of State governments by regional governments. The Democrats' Constitutional Reform principles, as they stood in 1980, included as follows (Democrats 1980: 12):

The Australian Constitution will ... provide for a Federal system based on new regional boundaries determined on social, economic, environmental and geographical criteria and which also allows for local or community councils (ie National, and Regional government with local community Councils where these are desired and formed by local communities).

By 1982, however, the Democrats' Policy Platform had dropped the word "Federal" in the statement calling for the establishment of regional governments, and instead stated that (Democrats 1982: 251):

Replacement of State governments by Regional governments will be a long-term objective, i.e. there will be national, regional and local elected bodies. ... Regions will be based on community of interest (geographical, climatic, cultural, social, economic, etc.) so that, for instance, each capital city could form one region.

But note also that Don Chipp (1982: 220), in an introduction to this 1982 platform, predicts (albeit incorrectly as it turned out) that the Democrats might move from an "abolish the States" or "replace the States" position, to a preference for new States as the best way to achieve substantive decentralisation, hence following in the footsteps of Sir Earle Page and others:

An example of a substantial change canvassed currently is in the Regional and Local Government area where the ultimate phasing out of State Governments, now in the policy, is likely to be replaced by decentralisation based on the creation of new States by partitioning existing ones and by continued gradual strengthening of Local Government.

The Democrats' official policy on constitutional reform, as balloted 1 July 2001 (Democrats 2006b) includes:

We strongly hold that the current three tiers of Government in Australia should be replaced by a more representative framework, where the States are replaced by Regional Governments and Local Councils are replaced by Community Councils that carry out the work of that regional framework

The Democrats' government structure reform policy has aligned quite closely with the Ken Thomas plan described in Chapter 2 in calling for the replacement of State governments by regional governments, and in its largely unitary character.
Policies of the Australian Greens Since 1992

The Australian Greens formed in 1992 (Australian Greens 2006a), and "the eventual abolition of the States" has been a formal policy aim of the Greens at least between 1996 and the present (Australian Greens 1996: 12; 2006b: 77). The Greens' current policy on constitutional reform and democracy includes:

- The Australian Greens support ... fundamental reform to the constitution and other structures of democratic governance. (Greens 2006b: 75)

On the "Spheres of Government", the Greens (2006b: 77):

- recognise the need for redistribution of powers among the spheres of government,
- generally to strengthen the power of the federal, and local and regional spheres
- support the eventual abolition of the states
- will actively promote debate on the definition and roles of local, bioregional and federal spheres of government and organisation, and on the need for global citizen-based democratic structures.

On "Local Government" (Greens 2006b: 80):

- The Australian Greens believe that fundamental changes to the structure of government are vital if we are to achieve true democracy in this country. If government is to be of, for and by the people, it must start at the local level and it is at this level that the power must remain.
- Local government should be recognised in the Australian constitution.
- Whatever the final shape of the reorganisation of the Australian system of government, the Australian Greens recognise and support the preservation of a system of local government which reflects the desire for local community identity and self-determination. We believe that power should reside in the most localised sphere of government that is able to deal with each issue.
- The Australian Greens propose ... better coordination with other levels of government to avoid duplication and unnecessary waste of resources.

Proposals Raised in the 1997 Australia Consults Community Forums

Australia Consults 1997 was a joint initiative of the National Australia Day Council and the Australian Local Government Association, with the support of Telstra, Principal Sponsor of the National Australia Day Council. The event is reported in the publication The Big Conversation – Australian Communities' views on: The Centenary of Federation; Possible changes to the Head of State; Reconciliation between indigenous and other Australians, published by the National Australia Day Council (Haymarket, NSW, 1997).

Australia Consults 1997 involved 126 community forums held on or around Australia Day 1997, involving 138 local councils. Forums were generally advertised to the whole community and one had over three hundred participants, with average attendances being around 25 to 30 citizens. These forums specifically sought views under three headings:
- The Centenary of Federation
- Possible changes to the Head of State
- Reconciliation between indigenous and other Australians
Virtually all forums as recorded in 'The big Conversation ...' supported a strengthened role for local government and constitutional recognition of local government. And approximately half of the 126 Forums explicitly supported, or at least explored, possible improvements to our system of government though the abolition of state governments and/or moving to a two sphere system comprising just national/federal and local/regional governments, or at least some significant improvement to our present three tier system. This is highly significant when it is noted that the Forums were designed principally to obtain responses, again, on:
* The Centenary of Federation;
* Possible changes to the Head of State, and
* Reconciliation between indigenous and other Australians.

Lowermost below are extracts from 63 of the 126 Australia Consults 1997 Forums, most of which show direct support for the abolition of state governments or some similar reform of our three sphere system of government. Some extracts are included here because they appear to provide significant lessons to those who support the idea of abolishing state governments and moving to an improved system of government. The 63 forums quoted were from states and territories as follows:

SA 10 of 12 reported (83%)
NT 4 of 5 reported (80%)
WA 7 of 11 reported (64%)
TAS 4 of 7 reported (57%)
VIC 6 of 13 reported (46%)
NSW 28 of 62 reported (45%)
QLD 4 of 15 reported (27%)
ACT 0 of 1 reported (0%)
TOTAL: 63 of 126 reported (50%)

The 63 extracts now follow in alphabetical order by forum location:

**Adelaide, SA: (p. 14)**
Abolition of State boundaries and the middle (State) tier of government.

**Alice springs, NT: (p. 16)**
We would like to see the formal process for any constitutional change to consider other issues such as ... abolition of State governments (ie. 2 tiered structure of Government).

**Armadale, Dumaresq, Guyra, Uralla and Walcha, NSW:**
The need to have constitutional reform on the basis of one entity as Australia for Australians with no emphasis on states. (p. 19)

... The need to remove state boundaries with Local Government to be constitutionally recognised in association with the Federal Government. (p. 21)

**Atherton, QLD: (p. 21)**
There was a view presented that the federal Government and Local Government was extremely important, but that the State Government was not as vital for Australia's needs.

**Bathurst, NSW: (p. 23)**
We would like to see the formal process for any constitutional change to consider other issues such as removing one tier of Government in Australia.
**Burnside, SA:** (p. 37)
There is a good argument to get rid of one level of government.

**Campaspe, VIC:** (p. 41)
We would like to see the formal process for any constitutional change to consider other issues including those which affect Local Government such as ... the role of State Governments.

**Canterbury, NSW:** (p. 42)
[In response to the question] How would you like to see the role of Local government evolve in the lead up to 2001?
* too much bureaucracy, one level of government should be abolished (State) and replaced by regional Councils.

**Carnarvon, WA:** (p. 45)
Increase the power of Local Government, if necessary at the expense of the state.

**Cobar, NSW:** (p. 47)
We would like to see the formal process for any constitutional change to consider other issues ... including those which affect Local Government such as absorbing the role and objectives of the State Government to create two tiers of Government – Federal and Local.

**Cootamundra, NSW:** (p. 52)
Local Government, as the first sphere of participatory democracy, should be involved in the process of constitutional reform and should be recognised constitutionally, with the States to be abolished.

**Corowa, NSW:** (p. 57)
We would like to see the formal process for any constitutional change to consider other issues such as the need for State governments as it is felt that taking into account Australia's population we are over governed.

**Crows Nest, QLD:** (p. 57)
We would like to see the formal process for any constitutional change to consider other issues such as the size and number of Local government. It is preferred that there be no more than 6,000 people per Council. It is felt that the public would be less likely to have the perception that they are being over governed if they feel that they are able to have some effect on their particular environment. councils of this preferred size allow this to occur.

**Darebin, VIC:** (p. 60)
Local government, as the first sphere of participatory democracy, could be involved in the process of constitutional reform by:
* state government abolished (cost factors and others)
* Rationalise the level of governance in Australia, preferably by removing state government and expanding the role of local/regional government

**Darwin, NT:** (p. 61)
Another theme was political representation and whether we are over governed. The overriding view was that we need smaller governments, whether it is bigger Local Government and strong federalism or whether it is the abolition of central control and regional and Local Government are strengthened.
Dungog, NSW: (pp. 64-65)
We would like to see the formal process for any constitutional change to consider other issues such as ... the overlapping of powers and functions between the Federal Government and the states, including those which affect Local Government such as: constitutional recognition, a strengthened role without amalgamations [and] increased efficiency and personalised services.

Flinders Island, TAS: (p. 67)
We would like to see the formal process for any constitutional change to consider other issues such as ... the three tiers of government.

Forbes, NSW: (p. 68)
* Local Government is a voice of the community and leads the local community and therefore, does not have sufficient recognition.
* Local government is the most important level of Government, as it is closer to people.
* Local government should be strengthened.
* Local government is very important and must be protected.

George Town, TAS: (p. 70)
Local government, as the first tier of participatory democracy, could be involved in the process of constitutional reform by [assessing] the role and functions of State government and hosting consultation forums.

Glen Innes, NSW: (pp. 71-72)
Australian States
This matter was not listed for discussion in the Australia Consults forum, but as there was quite a bit of interest in the subject, it was decided to also record the group viewpoints.
It was suggested by some that Australia is an over-governed country.
Would a federal government with regional, instead of State government areas work better?
Most at the meeting agreed that there is a breakdown of the present States system.
Three options emerged:
* A centralised system i.e. a Federal Government but no states – would this make problems worse, given Australia's geography and varied needs of different areas of the nation?
* More States – or would this just breed more problems and complicate matters?
* National government combined with regional governments – perhaps this would better serve [the] individual needs of various regions.
* It was agreed that whatever system is in place, that individual identities of areas should be maintained.

Greater Taree, NSW: (p. 76)
[In response to the question] How would you like to see the role of Local government evolve in the lead up to 2001?
* Local Government recognised in the constitution;
* Abolition of State Governments;
* Local Government areas enlarged and Local government recognised in the constitution;
* Less control over Local Government by State Governments;
* Local Government to have fixed percentage of tax revenue enshrined in the constitution;
* Abolition of Local Government;
* More community consultation on priorities;
* Referendum on community priorities;
* Ward system representation;
* Amalgamation of Local Government bodies;
* Constitutional recognition for Local Government and more autonomy for Local Government.

**Griffith, NSW:** (p. 78)
We would like to see the formal process for any constitutional change to consider other issues such as the role of State Governments, including those which affect Local government such as having a greater say or input.

**Hawkesbury, NSW:**
Focus on a policy to re-unify States. (p. 79)
Encourage respect for the role of Local government by reducing the role of the State in control over this grass roots level of government. (p. 80)
Develop systems for accountability, appropriate representation, etc, in Local Government. (p. 80)

**Hinchinbrook, QLD:** (p. 83)
Amalgamation of Councils should only be by referendum.

**Hobart, Brighton, Glenorchy, Clarence, Kingborough, TAS:** (pp. 84-85)
Australians are keen to debate these issues but require specific information on:
* The future existence of states;
* The States' role in unifying Australia;
* A review of the power of both State and Local Government;
* The expansion of Local Government Regions;
* Issues of Regional Equity;
* The redistribution of roles of all three levels of government;
* The position of Local government with regard to finances and economics;
* Easy access to Local government services;
* Retaining its position as the first tier of government with ready access to the people to whom it is answerable.

**Hobsons Bay, VIC:** (p. 86)
Australians are keen to debate these issues but require specific information on the existing State and Commonwealth constitutions and alternative models of governance.

**Hunters Hill, NSW:** (p. 87)
We would like to see the formal process for any constitutional change to consider other issues, including those which affect Local Government such as review the power of Local Government so that State and Federal powers do not override Local Government.

**Jerilderie, NSW:** (p. 89)
We would like to see the formal process for any constitutional change to consider other issues such as re-defining the powers conferred on the States and the Commonwealth, with particular reference as to what is in the National interest, and the removal of Border Anomalies, including those which affect Local government such as recognition of Local government within the Constitution together with defining the Powers conferred on Local Government.

**Kalgoorlie/Boulder, WA:** (p.90)
In any consideration of constitutional reform the role of State Governments and the expansion of regional organisations should be considered. The model with the Federal Government providing the legislative and monetary resources direct to Local Government through regional
networks would recognise the expertise and ability of this sphere of government particularly with both State and Federal Governments devolving more responsibility to Local Government.

**Kangaroo Island, SA: (p. 91)**
We would like to see the formal process for any constitutional change to consider other issues such as ... a review of the requirements of all levels of government.

**Kingaroy, QLD: (p. 93)**
Rather than adopt one method only of public consultation, all avenues should be explored. community meetings could appoint a representative to a national convention and as well, a process similar to the current one of Australia consults could be undertaken, concerning specific questions. However, the method most favoured is the preparation and circulation of a questionnaire which every Australian is encouraged to complete. Local government can also play a role in the process by considering and prepar[ing] questions at district Local government Association Conference and at State Conferences.

**Kununurra (Shire of Wyndham-East Kimberley), WA: (p. 96)**
[In response to the question] How would you like to see the role of Local government evolve in the lead up to 2001?
* Local government should be promoted upwards with a wider role encompassing the British system for the distribution of services, infrastructure, law, order, education, and health along with a greater control of funding and revenue to enable Local Government to govern its own affairs locally.
* A decentralisation in decision making from Federal and State Governments to Local government and Communities.

**Ku-ring-gai, NSW: (p. 97)**
Local Government, as the first sphere of participatory democracy, could be involved in the process of constitutional reform by encouraging greater cohesion and consultation between other tiers of government, involving schools, holding mini conventions/forums in local halls and involving elected members.

**Launceston, TAS: (p. 99)**
[In response to the question] How would you like to see the role of Local government evolve in the lead up to 2001?
* As centres for the dissemination of and the collection of data and the establishment of discussion committees throughout their areas;
* A conduit to enable unfiltered local views to pass to national level;
* Encourage and educate people to rethink the role of Local Government, not just a service provider but as part of collaborative and holistic approach in caring for communities;
* Initially a questionnaire to every household for ideas then from that instigate a convention to formally adopt the majority views for implementation.

**Lucindale, SA: (p. 103)**
We would like to see the formal process for any constitutional change to consider other issues, including those which affect Local Government such as community services such as education, health, drainage, roads, country fire service and road safety.

**Mingenew, WA: (p. 109)**
* Recognition needs to be made of the export earning value per capita in rural and remote Australia as in comparison to that of the larger metropolitan areas.
* Celebrating the centenary of federation should focus upon ... Development and recognition of true regional areas.

**Mitcham, SA: (p. 111)**
... changes in the voting system should give an equal vote to everyone.

**Moree Plains, NSW: (p. 115)**
... one of the ways in which our community can contribute to the centenary of Federation is to develop a new State in northern NSW. In order for this to happen we must unite.

**Munno Para, SA: (p. 116)**
We would like to see the formal process for any constitutional change to consider other issues such as ... the possibility of introducing a two tier system of government (Local and Federal).

**Narrandera, NSW: (p. 119)**
Local government as the first sphere of participatory democracy could be involved in the process of constitutional reform by promoting regionalism to match commonalities already existing eg Riverina, Illawarra etc.

**Narrromine, NSW: (p. 121)**
Local government, as the first sphere of participatory democracy, could be involved in the process of constitutional reform by
* no forced changes to boundaries ie amalgamations of Local Government areas to take place at this stage;
* Do away with State Governments – move to two tiered Government ie Local Government and Federal Government.

**Newcastle, NSW: (p. 123)**
Local government, as the first sphere of participatory democracy, could be involved in the process of constitutional reform by holding more public forums (like Australia consults), more workshops and seminars, by regionalising and abolishing State Government, and by becoming more business-like.

**Noarlunga, SA: (p. 123)**
We would like to see the formal process for any constitutional change to consider the following questions:
* is there a need for three tiers of government in Australia?
* should one tier of government be abolished?

**North Midlands, VIC: (p. 124)**
We would like to see the formal process for any constitutional change to consider other issues such as recognition of Local Government in Federal constitution – there must be a re-defining of roles/responsibilities of Federal/State and Local Government.

**Palmerston, NT: (p. 127)**
We would like to see the formal process for any constitutional change to consider other issues such as the reduction of the three spheres of government to two spheres, namely National and Regional.

**Parkes, NSW: (p. 128)**
We would like to see the formal process for any constitutional change to consider other issues such as ... possible dissolution of State governments to provide two tiered level of government and the possible creation of regional government with increased power and responsibility; and/or the advent of mergers of local Council authorities.

**Parramatta City, NSW: (p. 130)**
[In response to the question] How would you like to see the role of Local government evolve in the lead up to 2001?
* Role of Councils and size of Councils to be reviewed;
* Let people decide the areas of Local Government they want to belong to.

**Penrith, NSW: (p. 132)**
We would like to see the formal process for any constitutional change to consider other issues such as..., including those which affect local government such as giving it greater recognition as the third tier of government, one which best knows the specific needs of its own local community. Local government, as the first sphere of participatory democracy, could be involved in the process of constitutional reform by being given greater powers, strength and autonomy to assist communities at a grass roots level.

**Richmond River, NSW: (p. 134)**
We would like to see the formal process for any constitutional change to consider other issues such as citizen initiated legislation, a general overview of the relevance of the current constitution and that the constitution should clearly reflect our participation in the global context, including those which affect Local government such as grass root, democratic, participatory government and to recognise the community's social needs in the light of economic rationalism. Local Government, as the first sphere of participatory democracy, could be involved in the process of constitutional reform by being recognised in the Constitution.

**Salisbury, SA: (pp. 135-136)**
* Politicians are isolated from everyday life.
* There is a need for real community consultation.
* When the Constitution was framed a particular relationship between new Commonwealth Government and Old was investigated. States have sovereign power. Should we readdress the balance of power?
* Recognise that if we have three spheres of government, the issue of funding needs to be addressed. If the Federal sphere holds all the cards how can the other two spheres work? How will they be funded?

**Sandstone, WA: (p. 137)**
We would like to see the formal process for any constitutional change to consider other issues such as ... Local government being over ridden by State and Federal Governments.

**South Gippsland, VIC: (p. 137)**
We would like to see the formal process for any constitutional change to consider issues affecting Local government such as a referendum to ascertain opinions. Local Government, as the first sphere of participatory democracy, could be involved in the process of constitutional reform by enhancement of Local Government and abolishing State Governments ie 2 tier system in preference to 3 tier.

**Stonnington, VIC: (p. 141)**
[In response to the question] How would you like to see the role of Local government evolve in the lead up to 2001?
* Amalgamation has led to loss of control by individuals at grass roots – people should not lose contact with Council.
* More contact and discussion – ratepayers excludes youth – even those who vote have little control.
* Expand Local Government in 2001 – so much depends on the Constitution being changed – if possible remove the states and have only Federal and Local Government – Local government should be included in the Commonwealth rather than an adjunct of the State government.

**Temora, NSW: (p. 143)**
We would like to see the formal process for any constitutional change to consider other issues such as the abolition of the Senate, a change in the present structure of the three tiers of government and a greater constitutional recognition of Local Government.

**Tenterfield, NSW: (p. 144)**
We would like to see the formal process for any constitutional change to consider other issues such as ... consideration of the elimination of one tier of government.

**Timber Creek, NT: (p. 145)**
We would like to see the formal process for any constitutional change to consider other issues such as equal state territory representation ...

**Wakefield Plains, SA: (pp. 146-147)**
[In response to the question] How would you like to see the role of Local government evolve in the lead up to 2001?
* Possible creation of regional Councils or authorities which could see the removal of State Government.
* Future role for strengthened Local Government.
* Local Government is already gaining responsibility for functions previously handled by State Government.
* Culture of Local Government must change (particularly to work smarter, changed work practises, etc) to be equipped to deal with increased role.
* Increase accountability of elected members through increased payments to encourage their self development.
* Recognition of Local Government constitutionally.
* Increased grant funding to help evolution by broadening revenue base, ie. grant direct to Local Government not through State Government.

**Wanneroo, WA: (p. 148)**
We would like to see the formal process for any constitutional change to consider other issues which affect Local Government such as the formation of regional governments in the place of State and Local governments and the constitutional recognition of Local/Regional Government.

**Warringah, NSW: (p. 148)**
We would like to see the formal process for any constitutional change to consider other issues which affect Local Government such as over-government and the possibility of reducing three levels of government to two.

**Wentworth, NSW: (p. 149)**
We also do not believe very much in State boundaries, they are an unfortunate line on a map which do not affect local lives, but affect business.

**Willunga, SA: (p. 151)**
[Under the heading of 'Issues for Constitutional Reform'] Stronger district representation even if State Government cease to exist.

**Wyndham (Shire of Wyndham – East Kimberley), WA: (p. 153)**
... one of the ways in which our community can contribute to the Centenary of Federation is to abolish state boundaries/retention of state boundaries. In order for this to happen we must improve the consultation process, have an understanding of the framework of Government and question whether we want to change, have a referendum for changes and promote alternatives.

... We would like to see the formal process for any constitutional change to consider other issues such as, the abolition or retention of states including those which affect Local Government such as the changing/retention of the regional framework.

**Yarrowlumla & Queanbeyan, NSW: (pp. 154-155)**
* Recognition of Local Government – empowerment Nation Day;
* Restructure the political system – move to a two tier system;
* Funding direct to service deliverer.

[the above is a slightly edited version of a summary I (Mark D) originally prepared in August 2001]

**Proposals Raised at Local Constitutional Conventions in 1997 and 1998**


The contents page of the report is:

**Introduction**

**Theme One - The Constitution as a national symbol**
1.1 The preamble and the style of the Constitution
1.2 Changing the Constitution
1.3 Citizenship
1.4 The constitutional position of indigenous people

**Theme Two - Parliament and the Election of Representatives**
2.1 The House of Representatives
2.2 The Senate
2.3 Political rights
2.4 State and local governments

**Theme Three - An Australian Republic?**
3.1 Powers of the Head of State?
3.2 Selection of the Head of State
The Introduction briefly describes the scope of the LCCs as follows:

A series of fifty-eight Local Constitutional Conventions was held across Australia between September 1997 and July 1998. The program was organised collaboratively between the Constitutional Centenary Foundation, national and state local government organisations and sixty-six participating local councils. More than 3000 Australians took part, examining and making recommendations on all aspects of the Australian constitutional system. The results are a remarkable indication of what Australian communities think about the Constitution that provides the framework for their system of government.

For the purposes of the program, the Constitution was divided between five principal themes. Each theme was subdivided into four topics. A series of questions was suggested in relation to each topic, as a basis for discussion in groups and in the convention as a whole. Each convention chose one or two themes as their principal focus, although many conventions picked up issues from other themes as well.

The themes and topics were:

1. **The Constitution as a national symbol**
   - The preamble
   - Changing the Constitution
   - Citizenship
   - Constitutional position of indigenous people

2. **Parliament and the Election of Representatives**
   - The House of Representatives
   - The Senate
   - Political Rights
   - State and Local Governments

3. **An Australian Republic?**
   - Powers of the Head of State
   - Selection of the Head of State
   - The Government
   - The States and the Republic

4. **The Federal System**
   - Structure of the Federation
   - Dividing powers between governments
3. Taxation and revenue redistribution
4. Recognising local governments

5. Citizens and Rights

1. Express constitutional rights
2. An Australian Bill of Rights?
3. What rights should have protection in a constitution?
4. The independence of judges

Most conventions produced a communiqué, which recorded propositions accepted by the convention with "clear support". This analysis of the results is based on the communiqués. It does not take account of propositions that failed to obtain sufficient votes, unless conventions chose to express these as negative propositions.


<table>
<thead>
<tr>
<th>COUNCIL</th>
<th>DATE</th>
<th>THEME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adelaide City, SA</td>
<td>29 Nov 97</td>
<td>Republic</td>
</tr>
<tr>
<td>Ashfield, NSW</td>
<td>6 May 98</td>
<td>Republic</td>
</tr>
<tr>
<td>Ballarat, Vic</td>
<td>3 May 98</td>
<td>Parliament</td>
</tr>
<tr>
<td>Baulkham Hills, NSW</td>
<td>4 Feb 98</td>
<td>Republic</td>
</tr>
<tr>
<td>Baw Baw, Vic</td>
<td>5 Jul 98</td>
<td>Federal System</td>
</tr>
<tr>
<td>Bellingen, NSW</td>
<td>18 Jan 98</td>
<td>Republic + Citizens</td>
</tr>
<tr>
<td>Bendigo, Vic</td>
<td>9 Nov 97</td>
<td>Republic + Federal</td>
</tr>
<tr>
<td>Blianey, NSW</td>
<td>25 Jan 98</td>
<td>Republic + Federal</td>
</tr>
<tr>
<td>Brimbank, Vic</td>
<td>28 Jan 98</td>
<td>Republic</td>
</tr>
<tr>
<td>Brisbane (North), Qld</td>
<td>9 Nov 97</td>
<td>Republic</td>
</tr>
<tr>
<td>Brisbane (South), Qld</td>
<td>16 Nov 97</td>
<td>Republic</td>
</tr>
<tr>
<td>Broken Hill, NSW</td>
<td>21 Feb 98</td>
<td>Federal System</td>
</tr>
<tr>
<td>Cabonne, NSW</td>
<td>17 Jan 98</td>
<td>Republic + Constitution</td>
</tr>
<tr>
<td>Caboolture, Qld</td>
<td>7 Dec 97</td>
<td>Republic</td>
</tr>
<tr>
<td>Cairns, Qld</td>
<td>6 Dec 97</td>
<td>Federal System</td>
</tr>
<tr>
<td>Coffs Harbour, NSW</td>
<td>14 Dec 97</td>
<td>Republic + Constitution</td>
</tr>
<tr>
<td>Cooma-Monaro, NSW</td>
<td>7 Feb 98</td>
<td>Federal System</td>
</tr>
<tr>
<td>Cootamundra, NSW</td>
<td>31 Jan 98</td>
<td>Republic + Federal</td>
</tr>
<tr>
<td>Corowa, NSW</td>
<td>14 Mar 98</td>
<td>Republic</td>
</tr>
<tr>
<td>Crows Nest, Qld</td>
<td>17 Jan 98</td>
<td>Federal System</td>
</tr>
<tr>
<td>Dungog, NSW</td>
<td>25 Feb 98</td>
<td>Constitution as Symbol</td>
</tr>
<tr>
<td>Esperance, WA</td>
<td>15 Aug 98</td>
<td>Citizens and Rights</td>
</tr>
<tr>
<td>Fairfield, NSW</td>
<td>28 Sep 97</td>
<td>Republic + Citizens</td>
</tr>
<tr>
<td>Flinders Island, Tas</td>
<td>7 Mar 98</td>
<td>Citizens + Rights</td>
</tr>
<tr>
<td>Gloucester, NSW</td>
<td>19 Sep 98</td>
<td>Constitution as Symbol</td>
</tr>
<tr>
<td>Grafton, NSW</td>
<td>1 Feb 98</td>
<td>Republic</td>
</tr>
<tr>
<td>Greater Geelong, Vic</td>
<td>29 Nov 97</td>
<td>Republic</td>
</tr>
<tr>
<td>Hobart, Tas</td>
<td>14 Oct 98</td>
<td>Constitution as Symbol</td>
</tr>
<tr>
<td>Inverell, NSW</td>
<td>7 Mar 98</td>
<td>Republic</td>
</tr>
<tr>
<td>Kingston, Vic</td>
<td>13 Dec 97</td>
<td>Constitution as Symbol</td>
</tr>
<tr>
<td>Knox City, Vic</td>
<td>21 Mar 98</td>
<td>Citizens and Rights</td>
</tr>
</tbody>
</table>
As previously shown at [http://www.alga.com.au/localcon.htm](http://www.alga.com.au/localcon.htm) (this web page is not active as at 13 December 2006), some 284 councils expressed an interested to participate in the LCCs.

As seen in the above listing, 16 of the 58 LCCs dealt with federal system, as follows:

<table>
<thead>
<tr>
<th>Location</th>
<th>Date</th>
<th>System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baw Baw, Vic</td>
<td>5 Jul 98</td>
<td>Federal System</td>
</tr>
<tr>
<td>Bendigo, Vic</td>
<td>9 Nov 97</td>
<td>Republic + Federal</td>
</tr>
<tr>
<td>Blayney, NSW</td>
<td>25 Jan 98</td>
<td>Republic + Federal</td>
</tr>
<tr>
<td>Broken Hill, NSW</td>
<td>21 Feb 98</td>
<td>Federal System</td>
</tr>
<tr>
<td>Cairns, Qld</td>
<td>6 Dec 97</td>
<td>Federal System</td>
</tr>
<tr>
<td>Cooma-Monaro, NSW</td>
<td>7 Feb 98</td>
<td>Federal System</td>
</tr>
<tr>
<td>Cootamundra, NSW</td>
<td>31 Jan 98</td>
<td>Republic + Federal</td>
</tr>
<tr>
<td>Crows Nest, Qld</td>
<td>17 Jan 98</td>
<td>Federal System</td>
</tr>
<tr>
<td>Lismore, NSW</td>
<td>30 May 98</td>
<td>Federal + Citizens</td>
</tr>
<tr>
<td>Macedon Ranges, Vic</td>
<td>29 Nov 97</td>
<td>Republic + Federal</td>
</tr>
<tr>
<td>North Adelaide, SA</td>
<td>30 Jan 98</td>
<td>Federal System</td>
</tr>
<tr>
<td>Palmerston, NT</td>
<td>29 Nov 97</td>
<td>Republic + Federal</td>
</tr>
</tbody>
</table>

Lismore, NSW 30 May 98  Federal + Citizens
Macedon Ranges, Vic 29 Nov 97  Republic + Federal
Macedon Ranges, Vic 21 Mar 98  Citizens and Rights
Maroondah, Vic 14 Mar 98  Parliament
Moreland, Vic 9 Nov 97  Republic + Citizens
Mornington, Vic 29 Nov 97  Republic
Mosman, NSW 4 Dec 97  Constitution as Symbol
Mt Gambier, SA 5 Apr 98  Parliament
Naracoorte, SA 4 Apr 98  Citizens and Rights
Newcastle, NSW 24 Jan 98  Republic + Constitution
North Adelaide, SA 30 Jan 98  Federal System
Orange, NSW 14 Dec 97  Republic + Citizens
Palmerston, NT 29 Nov 97  Republic + Federal
Parramatta, NSW 29 Nov 97  Republic + Citizens
Randwick, NSW 29 Jul 98  Republic
Shoalhaven, NSW 22 Nov 97  Federal System
Subiaco, WA 15 Nov 97  Republic
Townsville, Qld 29 Nov 97  Republic + Federal
Wagga Wagga, Qld 31 Jan 98  Republic + Citizens
Warren, NSW 31 Jan 98  Republic + Parliament
Whitehorse, Vic 30 May 98  Federal System
Whyalla City, SA 29 Nov 97  Republic
Whyalla, SA 7 Dec 97  Citizens + Rights
Wingecarribee, NSW 28 Mar 98  Republic + Citizens
Wollongong, NSW 31 Jan 98  Republic
Yarra, Vic 29 Nov 97  Republic
Yarra Ranges, Vic 4 Apr 98  Federal System
Shoalhaven, NSW | 22 Nov 97 | Federal System
---|---|---
Townsville, Qld | 29 Nov 97 | Republic + Federal
Whitehorse, Vic | 30 May 98 | Federal System
Yarra Ranges, Vic | 4 Apr 98 | Federal System

The Federal System was the only theme set for examination at the following nine Conventions:

<table>
<thead>
<tr>
<th>Location</th>
<th>Date</th>
<th>System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baw Baw, Vic</td>
<td>5 Jul 98</td>
<td>Federal System</td>
</tr>
<tr>
<td>Broken Hill, NSW</td>
<td>21 Feb 98</td>
<td>Federal System</td>
</tr>
<tr>
<td>Cairns, Qld</td>
<td>6 Dec 97</td>
<td>Federal System</td>
</tr>
<tr>
<td>Cooma-Monaro, NSW</td>
<td>7 Feb 98</td>
<td>Federal System</td>
</tr>
<tr>
<td>Crows Nest, Qld</td>
<td>17 Jan 98</td>
<td>Federal System</td>
</tr>
<tr>
<td>North Adelaide, SA</td>
<td>30 Jan 98</td>
<td>Federal System</td>
</tr>
<tr>
<td>Shoalhaven, NSW</td>
<td>22 Nov 97</td>
<td>Federal System</td>
</tr>
<tr>
<td>Whitehorse, Vic</td>
<td>30 May 98</td>
<td>Federal System</td>
</tr>
<tr>
<td>Yarra Ranges, Vic</td>
<td>4 Apr 98</td>
<td>Federal System</td>
</tr>
</tbody>
</table>


**Theme 4 - The Federal System**

Federalism is a type of government that divides power between different governments under a Constitution that gives some final authority to each of them. The principle of decentralised government is relevant for other elected representatives as well: in the territories, in local government, in Aboriginal and Torres Strait Islander communities.

4.1 Structure of the Federation

The Australian federal system presently consists of the Commonwealth and six States. This topic asked whether this structure is still satisfactory. It also raised questions about the Northern Territory, which may become a new State, and the territories generally.

Conclusions

46. There should be a review of the structure of the federal system (102), to create a system based on regions (103) or, at least, a larger number of States (104). The aim would be to create units of the federation based around "areas of interest" (105) or "bio-regions" (106), to improve the effectiveness of both representation (107) and government (108).

47. Australians in the territories should have the same rights as Australians in the states (109).

4.2 Dividing power between governments

The Australian Constitution gives specific powers to the Commonwealth and leaves the unspecified remainder with the States. Most Commonwealth powers are concurrent. This means that both the Commonwealth and the States can use them, but if there is a conflict, the Commonwealth power prevails. The Commonwealth also exercises considerable influence over State decision-making through grants.
made for particular purposes. Conflicts over the meaning of the division of powers can be dealt with by the High Court, which interprets and applies the Constitution.

Conclusions
48. There should be a review of the way in which powers are divided between the Commonwealth and the States (110). The aims should be to enable national standards to be set in appropriate areas and to reduce duplication (111), while retaining the decentralised character of government (112). Areas mentioned for consideration as Commonwealth power included education, the environment, health, transport, the judiciary (113): "things which affect all Australians" (114). This might be accomplished by restructuring the division of powers to provide a list of powers for both the Commonwealth and the States, leaving the residue to the Commonwealth (115).
49. A statement of federal principle should be included in the Constitution. It should encourage cooperation between governments in the national interest. It would be a guide to understanding the purpose of the Constitution and it could also be used by the High Court, in interpreting the Constitution (116).
50. The external affairs power of the Commonwealth should not be limited, but there should be genuine consultation with the States on matters affecting State power (117). The Commonwealth Parliament should be involved in decisions to enter into international treaties (118).
51. The Commonwealth should have specific power to set broad national standards to protect the natural environment (119). It should be exercised co-operatively with the States (120).

4.3 Taxation and revenue redistribution
The way in which taxation power and revenue is distributed between governments in a federation can have an important effect on the way in which the federation works in practice. The Constitution allows both the Commonwealth and the States to impose every kind of taxation, with the exception of "duties of customs and excise" which only the Commonwealth can impose. In addition, for practical and political, rather than constitutional reasons, only the Commonwealth has imposed income tax since World War II. The result is that the Commonwealth has more taxation revenue than it needs for its own purposes, and the States rely on the Commonwealth for additional funds.

Conclusions
52. The main taxes should continue to be imposed by the Commonwealth (121). It is the method of revenue redistribution that is important.
53. The States and Territories should not be able to impose excise duties (122).
54. The principle of fiscal equalisation should be written into the Constitution, in general terms (123).

4.4 Recognising local governments
Most of the focus of Australian federalism is on the two kinds of government required by the Australian Constitution: the Commonwealth and the States. The values of unity, decentralisation and local democracy which federalism serves, however, sometimes suggests the need for other kinds of government as well. Australia has a long tradition of local government. There has been a recurring question whether it should be recognised in the Constitution. More recently, a different, but related issue has emerged about whether the Constitution should provide procedures for indigenous self-governance.

Conclusions
55. Local government should be recognised in the Australian Constitution (124).
56. The power of State governments to dismiss a local government should be controlled (125) either by specifying grounds for dismissal (126) or by prescribing a special procedure involving the Parliament, (127) the local community (128) or an independent authority (129).
57. Further consideration should be given to the ways in which the Constitution might provide for degrees of self-governance for indigenous communities, in co-operation with other spheres of government (130).
58. The Constitution should not provide a framework for Australia's relations with New Zealand (131).
Back to the Summary of Conclusions contents.

The footnotes 102-131 above refer to LCC locations as follows:

103. Bendigo, Cooma-Monaro, Crow's Nest, Macedon 1, Mornington, Parramatta, Townsville, Whitehorse
105. Broken Hill
106. Lismore
107. Baw Baw, North Adelaide
The communiqués of about 45 of the 58 LCCs have been recorded, and were previously available at websites as follows (but neither of these web pages are active as at 13 December 2006):


The following communiqués, or extracts thereof, are of particular interest to those who support the abolition of state governments or related reform options, but not all websites referred to are still active as at 13 December 2006:

Baw Baw, VIC
The communiqué of the Baw Baw Shire Constitutional Convention (held at Warragul on the 5 June 1998 and chaired by Professor Cheryl Saunders), as at http://www.angelfire.com/mt/gippgate/concom.html states:

The structure of Federation should be changed so that states or their equivalent should represent their constituents. We should have a Senate that represents the people more effectively and be less dependant on party politics. Australians in the territories should have the same rights as those in the states. The Northern Territory should become a state.

... The Constitution should list the appropriate Commonwealth and state powers and any powers not listed should go to the Commonwealth. The Federal Parliament should be involved in decisions to enter into international treaties. The Commonwealth should have the power to set minimum standards for the environment (which take into account international standards), leaving the states and local government to administer them at state and local levels. It was undecided if the Commonwealth and states should impose taxes for their own purposes but it was determined that Federal financial arrangements should be organised so that states do not have to rely on gambling revenues. States and Territories should not be able to impose duties of excise. States and the Commonwealth should not be able to tax each other. The basic principles of revenue redistribution should be written in the constitution.

... Local government be recognised in the Australian Constitution and powers and authorities relevant thereto should be stipulated within the Constitution. The power of state Government over local government should be limited, controlled and specified.

Bendigo, VIC
The communiqué of the Bendigo Constitutional Convention (held on Sunday 9 Nov 97 and chaired by Professor Cheryl Saunders), as at http://www.alga.com.au/bencom.htm states:

The following decisions received clear support from Convention participants:

... The Constitutional Convention in February should examine the case for a strong two tier system of Government where a larger number of (regionally based) states are responsible for the effective management of sustainable social, environmental and economic development within a clear national policy

... The State structure is not necessarily the best and therefore may require closer analysis. Two options which should be given more attention:
* Redrawing of state Boundaries
* Working towards a two tier system perhaps based on regions

... Local government should he recognised in the Australia Constitution, with some re-evaluation of boundaries. These could be according to:
* ecosystems/environment
* community of interest
* indigenous communities
* economic regions

Brisbane Southside, QLD
The communiqué of the Brisbane Southside Constitutional Convention (held on Sunday 16 Nov 97, chaired by Professor Ken Wiltshire, UQ), as at http://www.alga.com.au/brscom.htm states:

The decisions below received clear support for Convention participants:

There should be a review of the structure of the Australian Federation. This should only occur after a process of education and information.

Cairns, QLD
The decisions below received clear support from Convention participants:

THE FEDERAL SYSTEM
STRUCTURE OF THE FEDERATION
# Should Australia have more states?
# Should the Senate be required to play more of a role in the federal system?
# Should the Northern Territory have the same number of Senators as other States, if it becomes a State?
# Should Australians in the territories have the same rights as Australians in the States?

DIVIDING POWER BETWEEN GOVERNMENTS
# Should powers be divided between the Commonwealth and the States in a different way?
# Should a statement of federal principle be included in the Constitution?
# Is it appropriate for the Commonwealth to override a law of a self-governing territory?
# Should the external affairs power be limited?
# Should the Commonwealth be given a new power over the environment?

TAXATION AND REVENUE REDISTRIBUTION
# Should the Commonwealth and the States impose their own taxes for their own purposes?
# Should the States and the Territories be able to impose duties of excise?
# Should the Commonwealth and the States be able to tax each other?
# Should the principle of fiscal equalisation be written into the Constitution

RECOGNISING LOCAL GOVERNMENTS
# Should local government be recognised in the Australian Constitution?
# Should the power of State Governments to dismiss local Government be limited or controlled (in either the Commonwealth or relevant State Constitutions)?
# Should the Constitution provide for degrees of “self-governance” for indigenous communities, in co-operation with other spheres of government?
# Should the Constitution provide a framework for Australia’s relations with New Zealand?

Cooma-Monaro, NSW
The communiqué of the Cooma Monaro Constitutional Convention (held on Saturday 7 Feb 98, chaired by Professor John Warhurst, ANU), as at [http://www.alga.com.au/coomacom.htm](http://www.alga.com.au/coomacom.htm) states:

The decisions below received clear support from Convention participants:

Australia should not have any more States in their present form. This answer was qualified by the statement: There is a need for the redefinition of ‘States’ in terms of functions, structure, boundaries and finance.

... The Convention also passed the following motions:

It was resolved that the current system of the State and Local Governments be replaced by a system of Regional Government.

Crow’s Nest, QLD

Opening the Convention, the special guest speaker, Dr Robert Redden, addressed the historical issues, constitutional changes since Federation, political and organisational reasons for updating the Constitution, external reasons for updating the Constitution, current constitutional convention issues, ownership of the process of change, precedent for the conventions and momentum for public participation - democracy. The decisions below received clear support from Convention participants:

... 1. Should Australia have more states?
If the states are to be retained there should be more states with the territories on mainland Australia being given Statehood.
It was proposed however, that the states not be retained and the Constitution be amended to enable a system of a greater number of regional representational bodies which are elected not appointed.
Lismore, NSW
The communiqué of the Lismore Constitutional Convention (held on Saturday 30 May 98, chaired by Ms Angela Catterns), as at http://www.centenary.org.au/involving_people/lcc/what_each_convention_said/Lismore.pdf states:

Should powers be divided between the Commonwealth and the States in a different way?
Response: Yes to reduce duplication.
Voting: Yes – Majority  No: 1  Abstained: 1

Is it appropriate for the Commonwealth to override a law of [a] self-governing territory?
Response: No. ... If the Commonwealth had the sole power to make laws it would not be an issue ...
Voting: Yes – Majority in favour  No: 4  Abstained: 4

Should the Commonwealth be given a new power over the environment?
Response: Yes. ... This power should be in the area of increased protection.
Voting: Yes – Majority in favour  No: 2  Abstained: 1

Macedon Ranges, VIC
The communiqué of the Macedon Ranges Constitutional Convention (held on Saturday 29 Nov 97, chaired by Professor Brian Galligan, director of the school of Public Policy at the University of Melbourne) as at http://www.centenary.org.au/involving_people/lcc/what_each_convention_said/Macedon1.pdf states:

The move to a republic should be done under a two tier system of government (federal & regional). Australia should have more States.
This should happen under a two-tier system (i.e. federal and regional government)
Power should be divided between the Commonwealth and the States in a different way.
* Commonwealth powers should be exercised in the national interest to allow them to set broad national standards;
* State powers should be codified;
* Residual powers should lie with the Commonwealth.
A statement of the federal principle should be included in the Constitution.
This would assist the High Court in decisions and would aid them in understanding of the intent of the Constitution.
The Commonwealth should be given a new power over the environment.
The power should be to protect the environment.

Mornington Peninsula, VIC

What other aspects of the system of responsible government should be spelt out in the Constitution?
Participants agreed that Australia is hopelessly over-governed but requires proper checks and balances, real accountability with mechanisms that really work such as the Auditor-General and Ombudsman.
Further, that the Federal parliament retain a House of Review, elected at different times and under different systems of representation.
It was also agreed to the abolition of State and Territory boundaries, governments and bureaucracies whilst retaining and enhancing local government.
North Adelaide, SA
The communiqué of the North Adelaide Constitutional Convention (held on 30 Jan 98, chaired by Ted Byrt), as at http://www.centenary.org.au/involving_people/lcc/what_each_convention_said/Northern_Adelaide.pdf states:

Should Australia have more states?
[Response:] There should be no more mainland States, except that Northern Territory shall eventually become a State. The issue of more appropriate and adequate representation should be addressed in the context of regionalism.

Should Australians in the territories have the same rights as Australians in the States?
[Response:] Australians regardless of where they live should have the same human and political rights.

Should powers be divided between the Commonwealth and the States in a different way?
[Response:] Yes. Our objective should be to achieve National standards in all areas. This will require a level of consultation through the community, which involves all levels of Government.

Should the commonwealth be given a new power over the environment?
Yes. The Commonwealth should be given a new power over the environment.

Should the Commonwealth and the States impose their own taxes for their own purposes?
[Response:] The Commonwealth should raise all taxes. Local government should be allowed to continue its system of property-based taxation.

Should the principle of fiscal equalisation be written into the Constitution?
Yes, we strongly recommend that the principle of fiscal equalisation be written into the Constitution. (Grants still to continue in current format).

Should Local government be recognised in the Australian Constitution?
[Response:] Local Government should be recognised in the Constitution as a level of Government.

Reasoning:
* Acknowledges what exists now;
* Offers protection from interference by other spheres of Government;
* Is the level closest to people;
* Needs resources to meet its responsibilities;
* More work is needed on the functions of Local government in relationship to other levels of Government;
* Recognition must happen first and then the framework of responsibilities and resources can be sorted out.

Palmerston, NT
The communiqué of the Palmerston Constitutional Convention (held on Saturday 22 Nov 97, chaired by Graham Nicholson, NT government officer with special responsibility for constitutional development) as at http://www.centenary.org.au/involving_people/lcc/what_each_convention_said/Palmerston.pdf states:

Should Australia have more states? No clear consensus emerged.

Should powers be divided between the Commonwealth and the States in a different way?
Yes. There should be two lists under Section 51, one list specifying Commonwealth powers, the other enumerating powers specifically reserved to the States. Residual powers should be vested in the Commonwealth.

Parramatta, NSW
The communiqué of the Parramatta Constitutional Convention (held on Saturday 29 Nov 97, chaired by Clr John Haines OAM and Assistant Chairman Mr Greg McKay) as at http://www.centenary.org.au/involving_people/lcc/what_each_convention_said/Parramatta.pdf states:

Constitutional reform will only begin with the debate of the Head of State.
The necessary stages are:
1. Head of State and the Republic question
2. Charter or bill of Rights
3. Abolition of the states in their present form, and other matters.
Shoalhaven, NSW
The communiqué of the Shoalhaven Constitutional Convention (held on Saturday 22 Nov 97, chaired by John Warhurst, Professor of Political Science, ANU), as at http://www.alga.com.au/shocom.htm and http://www.centenary.org.au/involving_people/lcc/what_each_convention_said/Shoalhaven.pdf states:

DIVIDING POWER BETWEEN GOVERNMENTS
1. Powers should be divided between the Commonwealth and the States in a different way.
2. Residual powers should rest with the Commonwealth and not the States - This is preferred to the alternative of changing Section 51.
3. A statement of federal principle should not be included in the Constitution.
4. It is appropriate for the Commonwealth to override a law of a self-governing territory.
5. The external affairs power should not be limited.
6. The Commonwealth should be given a new power over the environment.
7. There is a need for the rationalisation of environmental management bodies.

... At the conclusion of the Convention the Participants agreed that the following issues be noted and considered in other Forums:-
Citizen initiated referenda as part of the Constitution.
Further discussion of the value of removing one sphere of Government.

Townsville, QLD
The Report (not shown on the internet) of the Townsville City Local Constitutional Convention (held on Saturday 29 November 1997, convened by Mr Frank Hornby, Director of Townsville City Council's Community & Cultural Services) states:

1. Should Australia have more States? ...

... The subject that raised a lot of discussion concerned having a two tier system of Government in Australia, a Federal Government and Regional Government. This was seen as providing a greater balance between national issues and regional issues, the latter often being overlooked in the present State system.

... 3. Should powers be divided between the commonwealth and the States in a different way?

... Commonwealth should have national responsibility for Health; Education; the Environment; Income security; Police and Judicial system as well as its present responsibilities. It was then noted – what is the role of the States. Federal and Regional government was seen as an inevitable if there is a further push for powers to be centralised.

... 6. Should the Commonwealth be given new powers over the Environment?
General consensus a resounding Yes. Australia needs a level of consistency.

Whitehorse, VIC
The communiqué of the City of Whitehorse Constitutional Convention (held on 30 May 98, chaired by Whitehorse Councillor Kevin Abbott), as at http://www.centenary.org.au/involving_people/lcc/what_each_convention_said/Whitehorse.pdf states:

There was general agreement on a need for more States, structured on a Regional concept, underpinned by only two levels of Government. (ie. Federal/Central and States/Regional).

The northern Territory and the Australian Capital Territory it was felt that because of extremely unequal populations they should be amalgamated with some of the other states and the new states.

Northern Territory and the Australian Capital Territory should be amalgamated with some other states.

Powers should be divided between the Commonwealth and the States in a different way, particularly where there is overlapping, duplication or regional implications for the delivery of services, eg Education or Health.
The Commonwealth Government should be given a new power to protect the environment in regard to interstate issues, eg ozone layer, sea, industry, forest protection, endangered species, habitat, water and air quality. Intrastate issue should remain State responsibilities, assuming States are retained.

Before looking at the structure of government and the dividing of powers, we should look at the functions and services provided by government at all levels. We should determine what level the policy should be set at, and the level, delivery and the function of the service. Policy framework to be defined, noting that delivery of services is not always tied to the policy.

The principle of fiscal equalisation should be written into the Constitution as it is important on equitable grounds because of unequal populations and needs. Since this has been the practice for many years, it should be written into the Constitution.

Local government should be recognised in the Australian Constitution as Local Regional Government.

**Whyalla, SA**

The communiqué of the Whyalla Constitutional Convention (held on Saturday 29 Nov 97, chaired by Mr Rod Smith of the Crown Solicitor's Office, Adelaide), as at http://www.centenary.org.au/involving_people/lcc/what_each_convention_said/Whyalla_1.pdf states:

The following propositions put to the group under the topic "The Government" were clearly defeated in the plenary session.

... That the Parliamentary structure of the States and government of Australia be remodelled to provide central government and regional administration.

[Have not been able to track down copies of the Communiqués for Brimbank [28 Jan 98], Broken Hill [21 Feb 98] and Yarra Ranges [4 Apr 98] despite emailing the respective councils]

Of the above it is especially noteworthy that the theme of the Federal system was not even an intended theme for the Brisbane South, Mornington, Parramatta and Whyalla LCCs.

It is further seen that of the 16 LCCs tasked to examine the Federal System, at least the following 11 supported or at least explored the idea of abolishing state governments or establishing new states or some reform of our federal system along such lines:

- Bendigo
- Broken Hill
- Cairns
- Cooma-Monaro
- Crows Nest
- Lismore
- Macedon Ranges
- North Adelaide
- Shoalhaven
- Townsville
- Whitehorse

So of the nine LCCs which dealt only with the Federal System theme, at least seven supported or at least explored the idea of abolishing state governments or establishing new states or some reform of our federal system along such lines.

[the above is a slightly edited version of a summary I (Mark D) originally prepared in August 2001]
Bibliography for Appendix 3D

[Note: The publications below don't include those already listed in Table 3D-1 above]


