

Part II

Classifications and Data

The core objective of this study, again, is to *estimate the relative financial benefits of a comprehensive range of Australian government structure alternatives*. Part II addresses this core objective through primary objectives (POs) 1 and 4 as follows:

- *Establish methods to estimate the relative benefits of a comprehensive range of government structure alternatives (PO1).*
- *Establish a classification system, or taxonomy, for government structure alternatives in terms of sub-national governments and the distribution of functions between national and sub-national governments (PO4).*

Chapters 6 to 9 present classifications, definitions, notations, data and preliminary results to establish foundations for the methodologies and results presented in Part III. Chapter 6 introduces the four financial years considered in subsequent analyses (1998-99 to 2001-02) and a classification system for the various levels of government, and defines Australia's nine principal political units as the eight States and Territories and Australia as a whole. Chapter 7 defines the 23 expenditure categories used throughout Part III. Chapter 8 presents the Australian Bureau of Statistics expenditure data used for these expenditure categories. Chapter 9 then establishes classification systems for a comprehensive range of government structure alternatives, in terms of numbers of sub-national political units and the distribution of functions among levels of government, and defines transformations between government structures and notations describing such transformations. These classification systems can be considered ends in themselves, but their main role in support of the core objective is to classify the following nine government structure models the relative benefits of which are estimated in Part III: New State Current Local (NSC), Fewer States Current Local (FSC), Regional States (RS), Dual National Current Local (DNC), National Current Local (NCL), Functional Transfer Current Local (FTC), Simplified New States Current Local (SNC), Simplified Fewer States Current Local (SFC), and Simplified Regional States (SRS).