

Acknowledgments

Chapters from this volume are based on papers and discussions which took place at the fourth annual *Sir Samuel Griffith Conference: A People's Federation for the 21st Century*. This event was supported by Griffith University's School of Government and International Relations, and the Centre for Governance and Public Policy, through their Federalism, Regionalism and Devolution Program – see <www.griffith.edu.au/federalism>.

Much of the data used in several chapters resulted from research conducted under the Australian Research Council Discovery Project *Confronting the Devolution Paradox: Constitutional Values, Federal Political Culture and Governance Reform* (DP140102682). The editors would like to thank the Australian Research Council for their support on this project, and the other research team members Professor AJ Brown, Professor Rodney Smith, Dr Paul Kildea, Professor John Kincaid, Jacob Deem, Francesco Bailo, Luke Mansillo and the late Professor Richard Cole for their tireless effort on this project. The editors would also like to acknowledge the contribution of Dr Scott Brenton, David Burns, David de Carvalho, Dr Jim Chalmers MP, Rebecca Cross PSM, Brad Kinsela GAICD, Adjunct Professor Jennifer Menzies, Professor John Phillipmore, John Pritchard, Helen Silver AO, Professor Anne Tiernan, Gary Ward and the late Professor Russell Trood for their guidance and support in conducting this research. We also acknowledge Griffith University, the University of Sydney, the University of New South Wales and the Australian National University for their support of the project. We thank Daniela di Piramo for her valued assistance in proofing the chapters. Finally, we thank each of the authors for their contributions to this volume. Without such support, this book would not have been possible.

List of Tables

Table 1.1	Which levels of government should be responsible for different policy areas?	25
Table 1.2	Which levels of government should be responsible for different policy functions?	25
Table 1.3	Which levels of government should be responsible for different aspects of education policy?	28
Table 1.4	Which levels of government should be responsible for different aspects of policies?	28
Table 1.5	Mean scores for different groups of officials on the shared-single policy area scale and the shared-single policy function scale	31
Table 4.1	Australia: Number of councils 1910–2016	73
Table 9.1	Historical SPP growth and projections	153
Table 9.2	Baseline parameter assumptions	155
Table 15.1	Reform issues relating to the Constitution and the roles of different tiers of government	252
Table 15.2	Reform issues relating to the tax system and federal financial relations	254
Table 15.3	Reform issues relating to service delivery and social policy outcomes	255

List of Figures

Figure 2.1	Developmental vulnerability by preschool participation status	40
Figure 2.2	Recurrent government expenditure on schooling (billions AUD\$)	44
Figure 2.3	Proportion of young Australians completing Year 12 or equivalent by age 19	47
Figure 3.1	Promoting the benefits of the local area	62
Figure 3.2	Planning for the future (n = 1979)	64
Figure 3.3	Decisions about how services are delivered in my area should be made primarily on value for money (n = 1934)	65
Figure 3.4	Communities need to work with experts and public servants to make good decisions about what services they need (n = 1983)	66
Figure 3.5	Communities know enough to make good decisions about what services they need (n = 1936)	67
Figure 4.1	Australia: Average population size of local governments by jurisdiction 1910–2016	73
Figure 4.2	Australian local government spending by category, 1992–1993	75
Figure 4.3	Australian local government spending by category, 2013–2014	77
Figure 4.4	Merger proposal: Armidale Dumaresq, Guyra, Uralla and Walcha Councils	78
Figure 6.1	Frequency of interaction with other jurisdictions	108
Figure 6.2	Reasons for interacting with other jurisdictions	110
Figure 6.3	Positive v negative interaction experiences	112
Figure 9.1	Scenario 1, base case state fiscal gap	155
Figure 9.2	Low growth scenario (nominal GDP growth of 4% rather than 5%, Case A1)	156
Figure 9.3	Low GST growth (4.2% rather than 5.2%, Case A2)	157
Figure 9.4	High state tax growth 7.1% rather than 5.4% (Case B1)	158

LIST OF FIGURES

Figure 9.5	Low spending growth 4.7% rather than 5.2% (Case B2)	158
Figure 9.6	Increasing growth in SPPs to the states from 2.5% to 7.2% (Case B3)	159
Figure 9.7	Increasing GST rate from 10% to 13.7% (Case B4)	160
Figure 10.1	VFI, Commonwealth grants and state taxing and spending, 2013–2014	168
Figure 10.2	Native title in Australia	176
Figure 10.3	Main contributors to the equalisation of GST in 2016 update	179
Figure 13.1	Priorities for reform – All respondents	220
Figure 13.2	Categories of barriers identified by respondents	222
Figure 14.1	Allocations of policy responsibility in health, education, housing, environment and roads	235
Figure 17.1	Structural reform of the federation – major preferences	277
Figure 17.2	Federal and state parliamentarians’ views on federal financial reform	281

Abbreviations

ABS	Australian Bureau of Statistics
ACECQA	Australian Children’s Education and Care Quality Authority
ACER	Australian Council for Educational Research
ACIR	Advisory Commission on Intergovernmental Relations (US)
ACVS	Australian Constitutional Values Survey
AEC	Australian Electoral Commission
AHMAC	Australian Health Ministers’ Advisory Council
ALGA	Australian Local Government Association
ASGC	Australian Standard Geographical Classification
ATSIC	Aboriginal and Torres Strait Islander Council
BCA	Business Council of Australia
BCCA	British Columbia Citizens’ Assembly
CAF	Council for the Australian Federation
CDBG	Community Development Block Grant (US)
CIR	Citizen-Initiated Referendum
CIV	Capital Improved Value
CGC	Commonwealth Grants Commission
COAG	Council of Australian Governments
DHS	Department of Homeland Security (US)
DIRD	Department of Infrastructure and Development (Australia)
DPMC	Department of the Prime Minister and Cabinet
DPWR	Department of Post-War Reconstruction (Australia)
ECEC	Early Childhood Education and Care (Australia)
FAGs	Financial Assistance Grants
FNQCJ	Far North Queensland Citizens’ Jury
FSRB	Financial Sustainability Review Board (Australia)
FSRC	Federal-State Relations Committee (Australia)
FYA	Foundation for Young Australians

ABBREVIATIONS

GRS	General Revenue Sharing (US)
GST	Goods and Services Tax (Australia)
HFE	Horizontal Fiscal Equalisation
IBRA	Interim Biogeographic Regionalisation for Australia
LGAQ	Local Government Association of Queensland
LGI	Independent Inquiry into Local Government (Australia)
LGNSW	Local Government New South Wales (Australia)
MCEETYA	Ministerial Council on Education, Employment, Training and Youth Affairs (Australia)
NAPLAN	National Assessment Program – Literacy and Numeracy (Australia)
NCA	National Commission of Audit (Australia)
NCF	National Collaboration Framework (Australia)
NCSL	National Conference of State Legislatures (US)
NDRAA	Natural Disaster Relief and Recovery Arrangements (Australia)
NGA	National Governors Association (US)
NHR	National Health Reform (Australia)
NMHC	National Mental Health Commission (Australia)
NQF	National Quality Framework (Australia)
OECD	Organisation for Economic Cooperation and Development
PISA	Programme for International Student Assessment
RANZCP	Royal Australian New Zealand College of Psychiatrists
RGA	Republican Governors Association (US)
ROC	Regional Organisation of Councils
SCRGSP	Steering Committee for the Review of Government Service Provision (Australia)
SES	Socio-economic status
SPPs	Specific purpose payments
ToR	Terms of Reference
ULV	Unimproved Land Value
VAT	Value Added Tax
VFI	Vertical Fiscal Imbalance
WST	Wholesale Sales Tax

About the Contributors

Tracey Arklay is a Senior Lecturer in the School of Government and International Relations at Griffith University, Brisbane. She is the program director for the Graduate Certificate in Policy Analysis and a member of the Centre for Governance and Public Policy at Griffith University. Tracey's research blends theory with practical insights. Her research interests include federal and state politics, policy capacity, parliamentary analysis, disaster management, and electoral campaigning. She is the author of two books: *Arthur Fadden: A Political Silhouette* (Australian Scholarly Publishing, Melbourne, 2014) and *The Ayes Have It: History of the Queensland Parliament 1957–1989* (ANU Press, Canberra, 2010; with John Wanna). Tracey is on the editorial board of the *Australian Journal of Public Administration*. She is a Research Associate with the TJ Ryan Foundation and a member of the Australasian Study of Parliament Group (Queensland Chapter). She currently sits on the advisory panel for the Inspector-General for Emergency Management.

Nicholas Aroney is Professor of Constitutional Law at the University of Queensland. He has initiated and led several international collaborative research projects on constitutional law and legal theory, with particular emphasis on questions relating to the theory and practice of federalism, the design and performance of bicameral parliamentary systems, and freedom of speech. His books include: *Restraining Elective Dictatorship: The Upper House Solution?* (UWAP, 2008) (co-edited with Scott Prasser and John Nethercote); *The Constitution of a Federal Commonwealth: The Making and Meaning of the Australian Constitution* (Cambridge, 2009); *The Future of Australian Federalism* (Cambridge, 2012) (co-edited with Gabrielle Appleby and Thomas John); *The Constitution of the Commonwealth of Australia: History, Principle and Interpretation* (Cambridge, 2015) (co-authored with Peter Gerangelos, James Stellios and Sarah Murray); and *Courts in Federal Countries* (Toronto, 2017) (edited with John Kincaid).

Scott Brenton is a Senior Lecturer in Political Science and Public Policy in the School of Social and Political Sciences at the University of Melbourne. He is the author of *The Politics of Budgetary Surplus: Ideology, Economic Governance and Public Management Reform* (Palgrave Macmillan, 2016) and co-edited *Constitutional Conventions in Westminster Systems: Controversies, Changes and Challenges* (Cambridge University Press, 2015). Scott has authored many other journal articles on comparative politics, ethics and accountability, and worked at several universities in Australia and Europe. He has also worked at the Commonwealth Parliament as the Australian Parliamentary Fellow. He was a lead researcher on the Renewing Australian Federalism project, in collaboration with the Victorian Department of Premier and Cabinet.

AJ Brown is Professor of Public Policy and Law in the Centre for Governance and Public Policy at Griffith University, Brisbane. He is also a board member of Transparency International Australia, Fellow of the Australian Academy of Law, and Fellow of the Regional Australia Institute. He has worked or consulted in or for all levels of government, and in all branches of government in Australia, including as a state ministerial policy advisor, and researches, consults and teaches widely in public policy, public sector management, public accountability and public law. A leading commentator on Australian federalism, intergovernmental relations and devolution, he is the foundation lead researcher of the Australian Constitutional Values Survey, conducted every two years since 2008. His books include *Restructuring Australia: Regionalism, Republicanism and Reform of the Nation-State* (Federation Press, 2004) and *Federalism and Regionalism in Australia: New Approaches, New Institutions?* (ANU E-Press, 2007). In 2008, he was a delegate to the Australia 2020 Summit. In 2011, he was a member of the Australian Government's Expert Panel on Constitutional Recognition of Local Government. He is currently leading an Australian Research Council Discovery Project on the future of federalism, *Confronting the Devolution Paradox*.

Mark Bruerton is a Senior Researcher with the Centre for Governance and Public Policy at Griffith University, Brisbane. He recently completed his PhD at the University of Adelaide with the thesis 'COAG, Democracy and the Australian Constitution: You Can Choose Two'. He has worked for a number of academic research centres both at Griffith University and at the University of Adelaide including the Socio-Legal Research Centre (Griffith University), the Centre for Housing, Urban and Regional Planning (University of Adelaide) and the Institute for International Trade (University of Adelaide). He has co-authored several articles and conference papers on federalism, democratic accountability and public accountability.

Jacob Deem is a PhD candidate at Griffith University's Centre for Governance and Public Policy. He has a keen interest in federalism and issues of multi-level governance. Jacob's research focuses on the 'principle of subsidiarity', and in particular investigates whether public attitudes of citizens in Australia, Germany, Canada and the UK explain variations in subsidiarity's realisation in those countries.

Joseph Drew is a Research Fellow in the Institute for Public Policy and Governance at the University of Technology, Sydney. His research interests focus on expenditure and revenue structures for local government, performance measurement, corporate governance and fiscal federalism. Previously he worked in senior management positions in performance monitoring within the retail banking sector. His work has been recognised in the 2004 Australian College of Educators awards and he is the recipient of the University Medal (2003) and the DH Drummond award for economics in 2014. Recent publications have appeared in *Local Government Studies*, *Public Money & Management*,

Public Administration Quarterly, the *Australian Journal of Public Administration*, *Australian Taxation Forum* and *Policy & Politics*. His co-authored book, *Local Government in Australia: History, Theory and Public Policy*, with Bligh Grant, was published by Springer in 2017. He has consulted with numerous Victorian and New South Wales councils on municipal reform, accounting, finance and economic matters. Joseph has also been called as an expert witness for State and Federal Government Upper House inquiries.

Richard Eccleston is Director of the Institute for the Study of Social Change at the University of Tasmania and has written widely on the politics of taxation and federalism. His most recent book is *The Future of Federalism: Intergovernmental Financial Relations in an Age of Austerity* (edited with Richard Krever, 2017).

Alan Fenna completed his BA, MA and PhD in Canada and is Professor of Politics at The John Curtin Institute of Public Policy, Curtin University, Western Australia. He specialises in Australian public policy and Australian and comparative federalism and publishes widely in those areas. His most recent book, co-authored with Thomas Hueglin, is *Comparative Federalism: A Systematic Inquiry* (University of Toronto Press, 2nd ed, 2015). He has been an elected member of local government, worked for the Federal Affairs division of the Department of Premier and Cabinet WA, and served as President of the Australian Political Studies Association (APSA).

Bligh Grant is Senior Lecturer in Political Studies at the UTS Institute for Public Policy and Governance. A continuing focus of his work is local government. His recent works include *Funding the Future* (2013) and *Councils in Cooperation* (2012), both with Brian Dollery and Michael Kortt. His co-authored book, *Local Government in Australia: History, Theory and Public Policy*, with Joseph Drew, was published by Springer in 2017. Bligh has written on a range of other topics, including strategic management theory and leadership, business education and regional economic development. His first edited book, *Pauline Hanson, One Nation and Australian Politics*, was published by UNE Press in 1997.

Bronwyn Hinz is a Policy Fellow at the Mitchell Institute for Education Policy at Victoria University. She holds a PhD in political science and education from the University of Melbourne, where she examined the influence of federalism on school funding reform. She has worked as a historian, a Chief of Staff to a federal parliamentarian, and policy consultant, and has studied at Columbia University Teachers College and Sciences Po in Paris. Her work has won multiple national and international awards and her analysis frequently appears in Australian and international media. More recently she wrote a commissioned report evaluating the federalism White Paper taskforce's proposals for reforming roles and responsibilities in Australian schooling, the Australian case study for a Forum of Federation publication on schooling policy, the education policy

chapter of Oxford University Press's social policy textbook, and has authored or co-authored other publications. For two years she was Vice-President of a parent-run community preschool, with responsibilities for policy, regulatory compliance, quality improvement and more.

Robyn Hollander is Head of the School of Government and International Relations at Griffith University, Brisbane. Her interest in federalism began during her doctoral research into Australian housing policy and has informed her research agenda ever since. She has brought a federal perspective to a wide range of policy areas including competition policy, business regulation, forestry and the environment, higher education and most recently, morality policy. She is currently working in an Australian Research Council funded project exploring attitudes towards Australia's federal arrangements.

Paul Kildea is a Senior Lecturer at UNSW Law School and the Director of the Referendums Project at the Gilbert + Tobin Centre of Public Law. His primary areas of research are federalism, referendums and electoral law. He is a co-editor of *Tomorrow's Federation: Reforming Australian Government* (Federation Press, 2012) and has published in law and political science journals, both within Australia and internationally. Paul is currently undertaking research into federal political culture, the regulation of referendum campaigns and citizen participation in constitutional reform.

John Kincaid is the Robert B and Helen S Meyner Professor of Government and Public Service and Director of the Meyner Center for the Study of State and Local Government at Lafayette College, Easton, Pennsylvania. He is an elected fellow of the National Academy of Public Administration and recipient of the Distinguished Scholar Award from the Section on Federalism and Intergovernmental Relations of the American Political Science Association, the Distinguished Scholar Award from the Section on Intergovernmental Administration and Management of the American Society of Public Administration, and Distinguished Scholar Award from RC28: Comparative Federalism and Multilevel Governance of the International Political Science Association. He served as Senior Editor of the Global Dialogue on Federalism, a joint project of the Forum of Federations and International Association of Centers for Federal Studies (2001–2015); Editor of *Publius: The Journal of Federalism* (1981–2006); and Executive Director of the US Advisory Commission on Intergovernmental Relations, Washington, DC (1988–1994). He is the author of various works on federalism and intergovernmental relations, editor of *Federalism* (4 volumes, 2011), and co-editor of *Courts in Federal Countries: Federalists or Unitarists?* (2017), *Intergovernmental Relations in Federal Systems: Comparative Structures and Dynamics* (2015), *Political Parties and Civil Society in Federal Countries* (2015), *Routledge Handbook of Regionalism and Federalism* (2013), *Constitutional Origins, Structure, and Change in Federal Countries* (2005), and *The Covenant Connection: From Federal Theology to Modern Federalism* (2000).

ABOUT THE CONTRIBUTORS

Ron Levy is a Senior Lecturer in law at the Australian National University. He researches and writes on law and political theory: especially constitutional law, the law of politics, and deliberative democracy. He has helped to inaugurate a field at the crossroads of law and politics: the law of deliberative democracy. His books include *The Law of Deliberative Democracy* and *The Cambridge Handbook of Deliberative Constitutionalism*. He is co-director of the ANU-McGill Project on Deliberative Governance and Law.

Sophie Reid is a PhD candidate at the School of Social and Political Sciences at the University of Melbourne. Her main research interests are political theory, deliberative systems, and informal and non-electoral democratic politics.

Roberta Ryan is the Director of the University of Technology Sydney (UTS) Institute for Public Policy and Governance and the UTS Centre for Local Government. Roberta is a leading social researcher and policy, program evaluation and stakeholder engagement practitioner with over 30 years' experience in both the public and private sectors. With considerable expertise in intergovernmental relations and a specialisation in sub-national governance, she has worked in and with all levels of government, across jurisdictions and internationally.

Rodney Smith is Professor of Australian Politics in the Department of Government and International Relations at the University of Sydney, where he has worked since 2001. His books on Australian politics include *Australian Political Culture* (2001), *Keywords in Australian Politics* (co-authored, 2006), *Contemporary Politics in Australia* (co-edited, 2012) and *Contemporary Australian Political Party Organisations* (co-edited, 2015).

Amanda Smullen is a Senior Lecturer and researcher at the Crawford School of Public Policy. Her research aims to locate the study of public administrative practices within comparative, multi-level and transnational contexts. Her areas of expertise include public management reforms such as the creation and functioning of semi-autonomous and regulatory agencies, performance measurement, accrual accounting, and more broadly transparency. Most recently, her research has focused upon Australian federalism, intergovernmental relations, and the interconnection and evolution of health and mental health care reforms across levels of government.

Miranda Stewart has been Professor and Director of the Tax and Transfer Policy Institute, Crawford School of Public Policy, the Australian National University since 2014 and has a joint appointment as a Professor at the University of Melbourne Law School, which she joined in 2000. Miranda has worked in academia, government and legal practice in taxation law and has taught international and comparative tax at New York University School of Law, Osgoode Hall Law School and the University of Florida. She has published on a wide range of topics including tax and globalisation, federal tax structures, abuse and economic substance and transnational tax law. Recent edited or

ABOUT THE CONTRIBUTORS

co-authored books include *Sham Transactions* (Oxford University Press, 2013); *Tax, Law and Development* (Edward Elgar, 2013); and a special issue of *Australian Tax Forum* on a century of Australian income tax.

Neil Warren is a tax and public economist in the School of Taxation and Business Law at the University of New South Wales. He has published widely on a wide range of tax and federalism topics and has contributed to tax policy development both in Australia and abroad.

Carol S Weissert served as editor of the international journal, *Publius: The Journal of Federalism*, for 10 years (2005–2014), and is a fellow at the prestigious National Academy of Public Administration. In spring 2016, she was the Fulbright Distinguished Chair in American Political Science at Flinders University. She is the recipient of the Daniel J Elazar Award for Distinguished Scholarship in Federalism and Intergovernmental Relations, and also the Donald Stone Award for Distinguished Scholarship in Intergovernmental Relations. She was President of the Southern Political Science Association in 2008–2010 and she has served on the editorial boards of four journals including the *American Political Science Review*. She was on faculty at Michigan State University in East Lansing, Michigan, USA, 14 years prior to moving to Florida State. At Michigan State, she headed the Institute of Public Policy and Social Research; at Florida State, she heads the LeRoy Collins Institute for Public Policy. She has also served as staff of the premier intergovernmental groups in the United States – the National Governors Association and the National Conference of State Legislatures. Carol’s research is focused on federalism, health politics and policy. She is co-author of a book, *Governing Health: The Politics of Health Policy*, published by Johns Hopkins University Press, now in its fourth edition. Her academic articles have dealt with health policy, intergovernmental relationships, comparative federalism, state politics, and fiscal federalism. The topic of cooperation and coordination between federal and state governments is a long-time interest for Carol.