

First Beyond Federation Abolish the States Commentary

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1 People

Within Beyond Federation, we many people who have contributed to email discussions and attended congresses. Its from these discussions that we derive this booklet. Please note that the contributions cited in this booklet may not be the original, but the edits have been OKed by those concerned.

Here's an outline of the people involved :

- John August

That's me ! I have a physics qualification, but work in IT. I live in Sydney. I always found myself identifying more as an Australian rather than a New South Welshman, and found the States unnecessary. I founded the group "Abolish the States Collective" and am very much involved with Beyond Federation.

- Simon Bastin

Simon works at the Australian Nuclear Science and Technology Organisation, and has written a "Counterfactual Constitution". He lives in Sydney

- David Bofinger

David Bofinger is a Defence Scientist who lives in Sydney. He gave a talk at one of our first congresses, which you'll find on our webpage.

- Max Bradley

Max Bradley is a former Councillor in Berrigan Shire, a Shire to north of the Victoria-NSW border, covering 2,200 sq km, with a population of 8,000. Max has been active in the Local Government community for many years, but found the idea of States very strange when he first had to deal with the border anomalies over the NSW-Victoria border.

- A.J. Brown

AJ is a constitutional lawyer who has completed a PhD on Federation in Australia. He works at the Key Centre for Ethics, Justice and Governance, Griffith University, and lives south of Brisbane.

- Bob Buick

Bob lives in Mountain Creek in Queensland, where he is active in local affairs. Bob is the author of the book "All Guts & No Glory", covering his experiences during the Vietnam War.

- Anthony David

Anthony lives in Canberra where he works in IT. Anthony is a member of the Democrats, and first became involved in our group after Mark called him after he wrote a letter to the editor supporting abolition of the States.

- Mark Drummond

Mark has had a longtime interest in Abolishing the States, and has recently completed a PhD on Government in Australia with Canberra University. He lives in Canberra with his wife Barbara and three children.

- Pat Gagel

Pat is a onetime architect who now works as a public servant delivering infrastructure projects for the ACT Government.

- Charles Mollison

Charles lives in Woombye, Queensland and is involved with the Foundation for National Renewal. Along with Abolishing the States, he has an interest in making democratic processes more participative, with public initiated referenda for changes to the Australian Constitution. He has written a book based on his and others' Vietnam experiences : 'Long Tan and Beyond'.

- Jim Snow

Former Labor member for Eden-Monaro, Jim works as a Pharmacist and lives in Canberra. He first supported Mark Drummond's calculation of the saving resultant from abolishing the States while a member of Parliament. He is active in the former member's association.

- Klaas Woldring

Klaas is a retired academic and keen Republican. He is behind Republic Now! and has been involved with the Progressive Labour Party. He lives on the Central Coast North of Sydney.

- Peter Woods

Peter Woods is a former Mayor of Canada Bay, and former President of the Australian Local Government and Shires Association. He lives in Sydney.

2 Abolishing the States : Introducing Change

2.1 Introduction

We're Beyond Federation, a group which is lobbying to remove the states from Australia, and we've put this booklet together to outline our plans for change, and the disadvantages of the current system.

When we talk to people, we find that the great majority of people say "great idea - but it'll never happen". If only we could get all those people together who say that, so they could look at each other.

There are good reasons why it should happen, and as with so many things, its just a matter of getting the interest going. We'll be doing our best in pursuit of this.

2.2 Problems of State Government

So, why should we abolish the states ?

We have many problems, including :

- Duplicated Bureaucracies and Regulatory Regimes Between the States.
- Duplicated Bureaucracies and Regulatory Regimes Between the State & Federal Govts.
- Wasteful competition between the States - endless bidding wars.
- Buck-passing and lack of accountability generally
- Wasteful and often frustrated coordination among the States
- Legal inconsistencies.
- Recognition of Qualifications.
- Excessive parliamentarians.
- Lack of transparency on responsibilities and priorities.
- Inequities in independence and funding of similar population sizes having only accidental historical differences.

Mark Drummond has calculated the cost of these problems. In order to do this, he identified duplication costs, and modelled the different Governments as fixed cost plus variable cost based on population. He identified the costs to business, together with costs of population movement.

Mark's '95 calculation was 30 Billion dollars. He has published a more recent paper, which goes into these costs in more detail, and looks at different possibilities for government change.

Not all this money is available to Government; some represents a business cost. The absence of these business costs would mean more economic activity available to tax; it also means that business can run more profitably or provide cheaper goods - regardless, we have increased prosperity.

Government is always going to costs us something, but we of course want something for our money - that is, representation. But changing government operation doesn't just save money, you also have improved government.

The money saved could eliminate payroll tax and be spent at the coalfaces of public service delivery, rather than wasted in needless duplication of government, bureaucracy and regulation. We've heard government talk about restructuring in pursuit of economic efficiency. But the interesting thing is that while the efficiency of many industries have improved under the help of government, nobody has scrutinised the efficiency of government, or sought its improvement.

We have some interesting International Comparisons₄ on this. I'm operating from Ken Thomas' 91 figures :

- Australia 1:20,000
- New Zealand 1:35,000
- Canada 1:66,000
- UK 1:45,000
- Tasmania 1:6,611

We can save money by getting rid of the states. But, quite apart from saving money, the States have a perverse inconsistency. Here's a few examples :

- A low security prisoner in Northern Victoria initially prohibited from attending his mother's funeral over the border
- A newspaper article is libellous in Sydney but not Melbourne
- A national company employs six staff to deal with the six different worker's compensation schemes in different Australian states
- The Anzac Day holiday is not celebrated on the same day in Victoria. Australia Day was previously celebrated on different days.
- There was (and perhaps it's still the case) no legal means to provide a DNA sample from a man on remand for murder in NSW to territory police investigating an abduction.
- Regulation of cross-state ecosystems like the Murray are bogged down in a quagmire between states.
- Mental outpatients requiring monitoring in one state "drop off the register" if they travel to another state.

A state might be swayed by local vested interests, but the Federal government must consider the whole economy. State governments can lower taxes and utility charges (water, power) for firms settling in different parts of Australia with no concern for Australia overall.

We have a good deal of inconsistency.

"Justice" varies from State to State, transport is a state issue, even though its an important part of the national economy, and there's no gain from different education systems - it's an added burden to the cost of moving within Australia.

The responsibilities of the States bear no relationship to their size.

There is identity and differences over a whole state. As an example, a farmer in Northern NSW will have more in common with a farmer in Southern Queensland than they will with anyone in Sydney.

The states are moving towards compatibility in their laws, but the more successful they are at this, the more they illustrate their irrelevance.

Yes, inconsistency is a problem. However, there's another way of looking at inconsistency, as people who defend the states do. Our unfair inconsistency is their healthy diversity.

Consider :

- What is legal in a bedroom in one state is illegal in another
- An article is libellous in one state and not another
- The support given to two similar drought stricken communities depends on which side of the border they are on

Is this "diversity" something worth having ? Diversity has its own cost, without any compensation, and Australia has much diversity which gets in the way and feathers the nest of vested interests. Yes, there's also a microscopic amount of variation which might actually be said to benefit us.

2.3 State Abuse of Powers

There are examples of the States abusing their position.

- The Victorian Government has used Federal “Black Spot” money for general road maintenance rather than fixing problem roads, and their road toll declined less than other states.
- The NSW Government has been said to direct Federal money, meant for the whole state, to marginal state electorates.

These events are from the past, and I’m not trying to target present governments, but they provide examples of what can and does go on. Certainly, the Commonwealth government might be said to abuse its position at times. When there’s the temptation, the expanded checks on power we envisage will reduce this temptation.

The difference is that we can imagine structures which prevent the abuse of Commonwealth power, but the structures which we have at present encourage the States to abuse their power.

2.4 Claimed Benefits : experiment

It’s claimed that different states allow for experiment. However, the simple fact that conditions vary is the cause of injustice. If non-uniformity is considered worthwhile to support an “experiment”, we believe the national government should provide “experimental zones” where laws vary, with approval of the local region. This would provide for “experiments” without the cost of unfair non uniformity. Further, we believe states very rarely provide “experiments” in any real sense.

2.5 Checks and Balances

We want a functional set of checks and balances in government. Nobody advocating change wants to give the national government free reign; improved checks and balances are part of the deal.

The present flux between levels of Government means that politicians can dodge responsibility and government becomes opaque, rather than transparent. And this generates its own problems. A “two tier” government can incorporate useful checks and balances, while at the same time shedding problems we have now.

2.6 Responsiveness vs. Power

There’s a fundamental trade off between responsiveness of government and checks on its power. Assume we have something relatively benign, which we want the government to change. If the government is going to change it for the better, it needs the ability to do that. If we have excessive checks on government power, the government can’t do anything bad, but the downside is it can’t do anything good either.

Further, splitting power provides government with convenient excuses for inaction. Government likes to get elected and use its power for the things it wants to do, but at the same time denies responsibility for problems it finds inconvenient.

For a responsive government, we believe there are three prerequisites :

- In order to have responsiveness, you must have accountability
- In order to have accountability, you must have transparency
- In order to transparency, the government must be understandable

(From Elaine Thompson)

Obviously, if you can’t understand the system, then you can’t influence it, and will roll over you. It’s “Disempowerment by Obscurity” - the average citizen is disempowered compared to parliamentarians, bureaucrats and people with an understanding of government.

2.7 The Senate

The Senate does not “represent the states” as originally envisaged. Senators vote along party lines. It is a check and balance on power, but by accident, not design. Inequable representation (by population) is part of the picture.

The resultant checks and balances vary with the model. In Max Bradley’s model, you have an election of one fifth of the voting electorate every year, with the possibility of recall of representatives based on a petition. In Jim

Snow's model, regional governments have elected members which are both regional representatives and Senators in the national Government.

There are more differences within the states than between them. Change appears on a much smaller scale than the states. So, for many of us, the local or regional government is a much more "natural" level of government than the states.

We therefore advocate moving state powers both to a national government and also to local governments.

2.8 Models for Change

If we remove the states, what do we do with the powers and electoral levels that were previously taken up by the states? What do we do with local government? How do we change the operation of Commonwealth Government, and how it links with lower levels of Government? One fundamental choice is whether we have regional governments, or anything between the state and local governments, at all.

This section is an overview. More detail on the models is contained in part II, models for change.

Max Bradley's model removes the states, leaves local government much as it is, moves most of the powers of state government to Federal government. It is a pure two tier system without anything in between.

This means putting much more power in the hands of the National government. Max also envisages increases in the checks on this power, including the power of recall of representatives and having one fifth of the electorate vote each year.

A modification to this approach is that of Klaas Woldring. We merge city local councils into city governments; but we also have a middle tier of government, the mezzanine level government, but these governments are arms of the local government, analogous to current Regional Organisations of Councils. They have much smaller powers than State Government, their purpose being to coordinate between Councils and also between Councils and Federal Government.

At the other end of the spectrum is Charles Mollison's regional government approach. Here, we replace the present State and Local governments with Regional Governments, whose power is such that there is autonomy for that region to deal with its own affairs (but presumably not so much power as to result in nonuniformity of laws and destructive competition.)

Bob Buick's approach is closely related to Charles' model, having different details and a more elaborate approach to dealing with the sparsely populated rural regions.

Jim Snow's model builds on Max's approach. The local councils have members who serve as Senators in national government. This enhances continuity between the layers of government and means local councils are no longer bodies without any power.

Jim also envisages changing the nature of representation - as well as representation based on geographical seats, we also have representation from professions - which means the influence of lobbyists is reduced.

David Bofinger suggests that we directly elect the people in different boards - for example, "The Murray-Darling Basin Agency", "The Northwest Victorian Health Board", "Newcastle Police Administration Area".

2.9 Local Government

Regardless of the model, the "centre of gravity" of government power clearly shifts below the states.

Compared to Australia's roughly 850 State & Federal politicians, there are roughly 7500 local government representatives.

However, local government spends about 5% of total government spending. The "cost per representative" is much lower, and total cost of local government representation is lower than that for State or Federal Government.

There may be an argument for streamlining and amalgamating local government, but the relative expenditures of the different levels of government should be kept in mind.

We believe in the possibilities for local government. There are claims of local government corruption and it providing "jobs for the boys" from higher levels of government. It is our view that interest and democratic participation by ratepayers would rectify such problems.

Eliminating the States would reduce the number of elections, and bring local government into prominence. This would result in an increase in interest in local government, and a renewal of local government.

2.10 Advocacy

ASC / Beyond Federation embrace a range of options. We are the only groups advocating this sort of change. We do not promote a single model, but feel that is to artificially stifle a diversity of ideas.

Some people do feel a group should focus on a single model and move ahead.

Our first goal is to increase the public profile of overgovernment. Once this is achieved, we'll then worry about means for selecting the particular replacement, and look at the details of how to make that change.

2.11 History of Federation

When Federation agreed to, the states had to be persuaded that it was to their benefit, and part of the deal was that the States would have representation in the Senate.

While many people see the Constitution as “written in stone”, its authors did not see it that way. They endorsed flexibility and change. The means for changing the constitution was not intended as a barrier to change, nor a statement that the Constitution was best left alone, but rather an assurance that that change would be worthwhile.

Tasmania's Andrew Inglis Clark, one of the main constitutional architects who always saw it as needing to be “a living force” and not something which worked as the “dead hand of the past”. The dynamics of needing a legislative trigger for the process, and the role of party-politics in campaigns was not appreciated.

Originally, the States only wanted to loosely bind together in the Federation. Over time, the Federal Government has become more powerful. Some might say this is a bad thing, but we take an optimistic view. For us, the issue is not that centralised powers increase, but rather that they increase without a corresponding increase in responsibility, accountability, and checks and balances.

Some say that the change in the nature of the Federation was a betrayal of the original principles of the Federation; but we note that the founding parents did think of the Federation as flexible and open to change; its not so much an issue of changing our founding parents vision as being stuck in the part, inflexible as we realise better ways of doing things.

Federal power increased during wartime - the Federal Government obtained income tax powers, and has kept them since. State Governments have passed powers over to the commonwealth - for example, Aviation and Company Law. We've also had the discovery of “hidden constitutional powers” - the external affairs powers, for example.

2.12 Changing Constitutions

While to 1988 only eight of the 42 proposals for change to the constitution were passed, its important to realize :

1. Some proposals for change were rather political, and even today, still look radical. There have been several proposals for the power to nationalise industry; and similar increased industrial relations powers which people must have been paranoid about at the time. There's also the Menzies change to remove the Communist party.
2. Even without being so obviously contentious, proposals which were linked with the aspirations of one party were defeated.
3. Prior to 1973, 11 of the 21 proposals rejected were approved by 49% of the electors and by majorities in three states. So, there were a good many which were very close.

For the most recent change to the constitution, the Republic, this was defeated not because people were against a Republic, but because they disliked the model on offer.

Removing the States will likely require dramatic change to the Constitution. History is that people will make changes when they agree with the Government that the change is a good idea. This means that the change must emerge from the people with the Government following the wave, rather than the Government pushing the people as has happened in the past.

Dramatic Constitutional change is not the only way by the States might be removed. They could incrementally pass over their powers to the Commonwealth Government till nothing was left. This would work, but obviously it would take longer and have a more inconsistent result compared to decisive Constitutional change.

3 Models for Change

3.1 Max Bradley's model

In Max Bradley's “Shed a Tier” model, the states are eliminated, and state responsibilities are retained by the state bodies which would then report to the Commonwealth Government.

Max's model also includes changes to the National government to make it more accountable to electors, and includes the notion that in view of his changes, the need for a senate as a "check and balance" is less relevant.

There are two issues which Max's model responds to. The first is the presence of the States, and the second is the lack of accountability of the Federal government. This is reflected in the model's focus and its explanation of problems and their causes.

Max's Description :

Australia's system of government would change by abolishing the state governments, to one in which political and financial powers and other responsibilities presently held by the states and territories are transferred to the Commonwealth. Local Government and Regional areas, who are close to the people, will stay much as they are; they will administer and implement the laws and deliver government services, with greater financial support from the Commonwealth.

The present federal electorates and the present Parliament house in Canberra will be retained. Health, police, education and other relevant activities will be administered through the present regions.

The aim of the Shed A Tier model is to keep government as simple as possible so as anyone can understand it and take an interest in politics; solve as many of the present problems as possible with the simplest and smallest changes; and propose changes that enough people will accept so they may be implemented.

I do not dislike the states [in particular], what I have a problem with is the whole system of government in Australia, because it is undemocratic, too complicated, too costly, centralised in the capital cities, and holding back Australia's progression to a better society.

With regard to grants, he says :

The Federal assistance grants are allocated on a formula, that has worked well for many years, so it is tried and proven.

They are allocated on a formula and not on how they are spent so each council can spend them on administration if they like.

Federal assistance grants are thus an example of a relationship between councils and National government which works well.

Any bad things resulting from Commonwealth government are fixed through the application of increased checks and balances.

What about the "meddling in local affairs" by a distant government ? Of course, whether something is "meddling" or "a positive initiative" is in the eye of the beholder. Its possible for an Australia wide policy to be positive, but have abrasive consequences for some particular regions.

Max does not want the councils to have any "State like" powers, or indeed "local additional power" in an attempt to correct any such abuses.

Max's solution to the "distant meddling" is to make government more accountable. Other models propose regional parliaments, so that what would have been "distant meddling" is not at least implemented locally.

Others (like Charles) see this as bringing government closer to the people, moving it from the state capital to a closer regional capital, but Max sees the implementation of regional governments as moving power from a local council to a distant regional capital, with there being little difference between the distance "To Shepparton" vs. the distance "To Sydney" vs. that "To Canberra".

Max writes :

I always use Berrigan and The Berrigan Shire as an example, is so that when a suggestion of regional governments, that will be just new smaller states, or very large councils, and at the same time take away my local council, I can point out some of the repercussions of such actions with very first hand knowledge.

Others propose a direct link of representation from local regions to the National government, something which Max has problems with.

The Federal Parliament will be retained, but Max envisages several changes to enhance the checks on Government power :

1. Five year term.
2. Every Member of Parliament must stand for an election of the parliament before and not exceeding five years and seven days.
3. Use present Federal electorates, adjusted by the boundary commission as necessary.
4. One fifth of the electorates vote every year, with every electorate voting every five years.
5. Voting will be on the Saturday before the 30th September.
6. Members of the parliament will be dismissed from the parliament for any criminal offence.
7. The parliament as a whole can only be dismissed for not upholding the constitution, by the high court.
8. A member of the parliament who does not serve to the end of their full term will pay the cost of a by election.
9. A member of the parliament elected at a by-election will serve to the end of the normal term of that electorate.
10. An electorate can bring on a by-election when a petition of more the 30% of the electors has been presented to the court.
11. The members of parliament will appoint a leader who will become the prime minister, and this position will be the single highest position as leader of the Australian nation.
12. A referendum will take place when one third of the members of parliament vote for it.
13. The referendum questions with be presented to each set of electorates as they go to the poll, so it may take five years to achieve a result.
14. A member of parliament must be an Australian citizen and cannot have dual citizenship.
15. To become a member of parliament they must be twenty one or older, and must not reach the age of seventy five years during their term in parliament.
16. A member of parliament can only serve three terms consecutively, then must have a five year break.
17. Only Australian citizens can vote.
18. Voting is not compulsory.
19. Must be more eighteen years of age or more to vote.

3.2 Issues arising from Max's model

3.2.1 Recall

Max advocates the power of recall as something to make politicians more accountable. However, consider the US, where Arnold Schwarzenegger became State Governor. This seems a political move, not the result of any genuine problem with the original Governor.

The point is that the power of recall could be abused, much as it might also act as an honest pressure. In addition to having recall, we need a reasonable attitude on the part of the public for it to work. That's not impossible, but it needs acknowledgement as a necessary assumption.

Max also writes :

I have trouble with regions be it thirty or sixty. Even with sixty regions many will still be bigger than Victoria. How could there be a community of interest over such a vast area ? What about the large cities, will they be one region, or divided up - how? People only have an interest in their community and have no interest in a region.

It seems there is a great misunderstanding as to what local government, or councils role is, and what they actually do. If anyone looks at Victoria and sees what has happened there since the amalgamations, they will dismiss the chance of having the people agreeing to having the local councils made bigger.

[However, there are reports that amalgamations in Tasmania have progressed without significant ill effects. - JA]

On speaking to many mayor and councillors from across Australia on the Shed A Tier project, they all agree, state government should go and then many say “ We will replace them with regional government”. When I ask what will these regional government do, no-one has any idea how this will be an improvement on present councils.. Where will the headquarters of the region be, “ In my home town.” How do you elect representatives, how do you pay them, are they full time, where do they meet, what power do they have? Nobody has any real answers to these simple questions.

[this does not consider the discontinuity of laws between states, quite apart from what goes on at a “local” level. People’s interaction with government and the law is not just at a local level. Replacing the system with regional government can improve the State - National separation, quite apart from what happens regionally - JA]

3.3 Klaas’ Model

Klaas describes his model. Comments by **David** are included in bold text.

I advocate a decentralised unitary form of state. This means jettisoning our current constitution with the federal powers limited to those listed in the constitution.

there will no longer be state or regional constitutions and no local government powers, or regional powers, that have the quality of being *sovereign*, protected in a federal constitution (in Section 128). *Decentralised* means that local/regional responsibilities are outlined in the constitution and that these are normally exercised by the lower level units - and also that much of the implementation of national legislation is left with the lower level units powers, at the discretion of the national (not central) government.

To reach this point we require a process of steps in a package which must be tied to becoming a Republic.

Position of Local Government and Regional Organisations.

The second tier should be Local Government, more or less as it exist at present, minus the new City Governments, combined with regions which are built around the Voluntary Regional Organisations - many of which have been around for quite a few years (some 75) and are natural clusters.

there are actually a large number of other, functional regions associated mostly with State Departments, - and these may well continue to exist in a new organisations as part of national departments of state.

The principal purpose of such regions is coordination of local government functions across a fairly large area and, of course regional development. These regions could take over some of the functions of state government on behalf of local government rather than as a delegated function by the national government.

Since the local governments are delegates of the national government anyway, this would seem to be something that relies on the good will of the national government from time to time. Advocacy on behalf of local governments would have to continue indefinitely.

The tier is local government not regional government with its own elected parliament and civil service. I would describe the regions as a *Mezzanine Level*

Over time this could change and the new Republican constitution should make flexible provision for that as a possibility: some regions may prefer that to a group of elected local councils.

The administrative regions should of course be detailed in the new Constitution and be instrumental in receiving and channelling grants to the local government areas.

A big change would be the introduction of City Government in all the larger cities and this would eliminate many traditional city-based local councils. Of course there will be many detractors but many city-based local councils have very little community recognition as THEIR Council - quite different from the situation in country areas. Almost certainly the opposition would come from vested interests of property developers who have their henchmen and women on Councils. Most City dwellers will identify with a broadly representative City Council which could use the old State Parliament as its new home perhaps.

3.4 Charles' Regional Model

Charles' summary :

- State Gov'ts are abolished.
- A National Gov't takes on full responsibility for Defence, Foreign Affairs, Quarantine, Trade, Immigration, etc and POLICY responsibility for 'everything else'.
- Regional Gov'ts are established and they have responsibility for the implementation of 'everything else'.
- The Constitution guarantees the Regions a % of gross revenue.
- There be 100 Regions.
- The regions have an AVERAGE population of 190,000.
- The Regions be guaranteed 80% of gross revenue.
- Regional Gov'ts be largely autonomous. That is, the revenue they get is not tied. They can use it as they see the needs of their particular Region.
- Regional MPs are elected from 'single member' electorates of approx 5000 voters giving an AVERAGE of 25 MPs in each regional parl't.
- Constituents would have the power to recall their representative in the Regional Parl't and to hold a new election.

Charles also suggested a spread of facilities. Of the following list, he asked **Max** :

Could you please advise what you have available now and where it is located? Distance would be sufficient. The idea is to find out how much better off Berrigan would (or would not be) if these facilities were located in the Shepparton Region.

- General Hospital
- Psych Hospital
- Nursing Home
- University
- Tech College
- Tax Office
- Centrelink office
- Employment Office
- Lands office
- Live theatre
- Large general entertainment venue

- Large Public Library
- Public Art Gallery
- Public Museum
- Public Sports Stadium
- Covered Olympic Pool
- District Court
- Supreme Court
- Vehicle Registration office
- Television Station
- Radio Station
- Prison
- Airport

Simon added :

Charles, Of course the size might influence our picture of these. Eg airport for what sized aeroplanes?

- Cinema??
- Ice skating rink??
- Roller skating rink??
- Fair & show grounds with covered pavilions??
- Railway??
- Botanic gardens?
- Zoological gardens?
- Primary Schools?
- High School?
- TAFE College?
- University???
- Dance/dramatic arts school??
- Garbage tip or disposal including recycling facility?
- Green waste facility?
- Bus terminus & depot?

Charles writes, in reply to Simon :

I like the addition of : Fair & show grounds with covered pavilions, Botanic gardens, and Zoological gardens I disregarded the others because one would hope that there would be several of them in a region of approx 190,000 people.

One of the hopes generated by the adoption of regionalism is that there would be a university in each region if the region wanted that. Certainly I would imagine an airport in each region at least capable of taking Fokker Friendship sized aircraft.

3.5 Jim Snow's "Shared Government" model

Jim's model, and his insights, show his experience in Parliament, and his experience of its problems.

Certain powers would be useful over police (eg. traffic, accountability health (eg. work now done by local boards and local govt) and education (eg. subject input related to local environment, social, industry and employment issues)- in my view if:

1. Councils - or whatever they may be called - were larger and based on boundaries that permit full time membership (something like the size of Brisbane City, the ACT, Tasmania, the NT). Otherwise they are corruptible, especially in developing areas.
2. Local government were represented in the Senate in place of the states - otherwise local government would have too little power and therefore would be less responsible. Each local government would have a small proportion of Senators who serve at both local and national levels - no time for estimates committees but the House of Reps could handle estimates.
3. The use of joint parliamentary sittings in the national parliament to deal with unresolved issues. This would be better than the huge array of ministerial councils and legal battles now occurring.

Jim's principles are :

1. International and national pressures demand the existence of strong neighbourhoods
2. The lack of community involvement in decision making can be reversed through strengthening neighbourhoods.
3. If neighbourhoods are to be really strong we need one powerful local government system, with layers of elected persons from neighbourhood to the National Parliament.

My model has an elected full time congress executive in each 'region' (a metropolis is one region and other regions are based on community of interest and catchment issues). The size of the executive to be determined on a population basis. The executive consists of persons elected as Senators (say one or two in the 25,000 areas and up to 8 for Sydney and Melbourne) and persons elected as members.

The Senators attend both congress executive and the Senate in the National Parliament (not onerous). The members attend both the congress executive and locality meetings with elected and honorary Mayors and deputies. The deputies and/or wardens are elected by neighbourhoods (say 100 to 1000 households each) and the Mayor by the whole locality - eg. Bundaberg, Ballarat, Berrigan, Broome.

A Congress of the whole region can meet annually and the rules could oblige the executive to consider all congressional recommendations but the power must be with the full time executive. Delegation of powers to localities may occur but must be subject to the Executive unless subject to something like citizen initiated referenda - initiated by ballot not signatures on paper.

Jim notes he has a paper "shared government" detailing his model. Further, Jim's model includes the notion of "functional representation".

3.6 Jim Snow, Functional Representation

Jim also spoke of "functional representation", with the house of representatives being elected based on profession :

I used to think that only one house based on geographic representation was needed until I realized that what we do (our functions or pursuits) are more important than where we live.

The Shared Government model does not have a House of Representatives from regions but from functional constituencies. Thus we have one house - the Senate - with representation from where we live and the other - the House of Representatives - from what we do. What we do is becoming increasingly more important than where we live and is more logical for representation. It would straighten out the H of Reps occupational bias towards law and the professions and would better represent where things are happening - the economy, industry, peoples' pursuits. It would also put representatives into parliament to represent the under-represented (eg. construction, home duties) in place of lobbyists whose effectiveness depends on the wealth of the sector they represent.

Apparently Britain's early experimentation with parliamentary democracy had a component of functional representation but it was based on wealth rather than involvement in the function. Under Shared Government all workers, including bosses, in their function (or chosen function if they have more than one) have one vote and the number of elected reps of each function is proportionate to the people involved in it.

The Soviet Union also set up functional representation, but the approach was fundamentally flawed. The weaknesses were:

1. Having come from czarist dictatorship the people knew nothing of participatory democracy and were unable to become effectively involved. Stalin understandably saw this as rejection and gave them rule from the top. This gives credence to the original view of Marx that capitalism had to come before communism if the latter were to really succeed. Australians are much more used to participatory democracy.

[This is a bit of a generalisation. The Makhnovists had a different approach; the Britannica notes they carried out 'some interesting social experiments'.-JA]

2. 'Productive units' does not involve everyone including those on home duties and those in pursuits not regarded as productive. Under Shared government all functional sectors are represented.

Under Shared Government the smallest constituency may be 160,000 with 2 elected members and each elector would have only one vote. Everyone in an industry or pursuit would have a vote.

Finally functional representation would be easy to administer and hard to corrupt with proper use of IT. People could enrol, if necessary, by a fixed time before an election indicating their pursuit or, if they have more than one, their chosen pursuit. It would also be hard to stack electorates, a phenomena sometimes suspected in single member constituencies.

Max :

if all the people in the car industry got their act together could elect a senator to represent them in the senate. This does not happen because the vast majority of Australians have no interest in the political system.

It is true that the car industry is unlikely to elect people of like mind, nor would the people of Adelaide. The people of Adelaide are focused on where they live, who would best represent them and which is their political party of choice. With functional representation the people in the car industry - from management to the painter - would be focused on what they do, who would better represent them and which is their party of choice. Under Shared Government they would elect Senators to represent where they live and Representatives to represent what they do. What they do is becoming more important - hence the proliferation of lobbyists hanging around the parliament representing the car industry - many more than 30 years ago. Direct representation is better than lobbyists and puts the onus on elected representatives to make their point to other functional representatives.

Second, with greater communications opportunities between workers there would be much more discussion and interest in how a workplace is represented if, as in the case of the car industry, all those involved in secondary manufacturing knew that collectively they were a constituency.

When I get elected into this parliament representing the mechanic industry what is my likely role ?

If you were elected from the combined service industries you would be answerable - along with others elected from those industries - to workplaces either collectively or to a type of workplace, eg. car mechanics. Tasmania and New Zealand can teach us the various ways of representing multi-member constituencies. You may visit workplaces, set up a chat line to your electorate office for workplace participants, you may build up contacts in relevant unions (which would become more effective) and/or employer groups (which would also become more effective). In the parliament your vote would, as now, not be legally tied to outside direction and you would enter debate as an elected politician, perhaps with a party loyalty.

Two elected members from a constituency, if they vote for and against then they are of no value and if they both vote the same then only one is needed?

I don't see anything wrong with two in a constituency - we have it now in the Senate from the NT and ACT. First, the two vote the same way 70% of the time. The second and important thing is in the committee work including the government and opposition policy committees where those two would work together to ensure their territory is heard.

4 International Comparisons

How does Australia compare with other nations ?

Mark writes :

Local governments are not mentioned in our federal Constitution, and only assume the powers and responsibilities which governments of the states and the Northern Territory delegate to them - the ACT is again an exception here, hosting both state and local government type functions. Local government powers and responsibilities vary across the six states and the Northern Territory but generally include: the maintenance of roads, footpaths, parks and gardens; town planning and building regulations; garbage collection; council rates collection; infant welfare centres; meals on wheels; and public libraries.

Excluding Australia itself, only eight countries in the world are larger in land area than Western Australia, and only 15 larger than Queensland. New South Wales has nearly the population of Switzerland spread across a land area larger than Switzerland, Germany, Austria and Italy combined. Furthermore, whereas Australia's entire population at the time of federation in 1901 was just 3.7 million, nearly 7 million Australians now live outside the capital cities alone, and nearly 4 million Australians live within 100 km of a state or territory boundary.

Mark makes the following comparisons with Switzerland :

	federal government	Cantons (States)	Communes (local councils)
	1(1)	26 (8)	3000 (693)
average population		279,000 (2.4 m)	2421 (27,897)
average land area (square km)		1588 (960,856)	14 (11,189)
% of all govt spending	51.1 (52.4)	28.3 (41.4)	20.6 (6.2 !!)

And with the US :

	federal government	States (States)	Local Govt (local councils)
number	1(1)	51 (8)	3000 (693)
average population		5.4m (2.4 m)	3937 (27,897)
average land area (square km)		183,777 (960,856)	134 (11,189)
% of all govt spending	53.9 (52.4)	22.5 (41.4)	24.6 (6.2 !!)

5 Counterarguments

5.1 A brief reply to the arguments of Geoffrey de Q Walker.

The best articulated argument in favour of the current system comes from Geoffrey de Q Walker. These are stated to be :

1. The right of choice and exit
2. The possibility of experiment
3. Accommodating regional preferences and diversity
4. Participation in government and the countering of elitism
5. The federal division of powers protects liberty
6. Better supervision of government
7. Stability

8. Fail-safe design
9. Competition and efficiency in government
10. A competitive edge for the nation

Prof. Walker's original article on onlineopinion, or his booklet published by the Centre for Independent Studies, should be consulted for further information on his position. In what follows, we will extract portions of his position for comment. It is not our intention to misrepresent his original argument, but the need for brevity means we may not do justice to subtleties in his original argument.

<http://www.onlineopinion.com.au/2001/may01/Walker.htm>

Here's a brief reply to each of Prof. Walker's points :

- The right of choice and exit

This "right" is a privileged one, it can only be exercised by those who have the financial resources to move. It must be balanced against the right to influence government, which can in principle be exercised by anyone regardless of financial position.

In the envisaged systems, there is still diversity throughout Australia - just it is not reflected in idiosyncratic differences in State laws, which exists at present.

- The possibility of experiment

For the most part, States are different through sheer bloody mindedness, rather than reflecting any real difference in that state.

The possibility for experiment is allowed in models which do not involve states; different local governments and/or regions can try out different approaches.

Further, other nations of the world represent a resource for different approaches, and they are going to be there regardless of whether Australia is a Federation or not. But, we can improve Australia by removing the States.

- Accommodating regional preferences and diversity

There are more differences within the States than between them. Diversity takes place on a scale well below the current states, and is better captured by a system whose political units operate based on a scale below that of the States.

- Participation in government and the countering of elitism

A complex and convoluted system makes it possible for an elite, who are more familiar with government to develop. Our models reduce the complexity of government, make responsibilities more tractable, and so make government more open.

Being more open means that elites are in fact less likely to develop.

- The federal division of powers protects liberty

In the US, it is generally acknowledged that the US Federal government was the agency which intervened on behalf of oppressed blacks in Southern States. The Federal approach in this case suppressed liberty.

In models envisaged, the objective is to optimise checks and balances on central power at the same time as that power is centralised. Further, institutions such as the Senate and High Court may be retained to protect liberty.

Federation is not the only, nor is it the most efficient or effective way of protecting liberty.

- Better supervision of government

Its not clear that this emerges from a Federal system and no other. Current models increase the supervision of government over the present system.

- Stability

Stability can be guaranteed through other institutions, such as the high court.

- Fail-safe design

This embraces the idea that a ship with many separate compartments can still go on while one of the compartments is faulty. This ignores the fact that the whole ship can be rusting apart because nobody is looking at the ship as whole. The whole nation can be sick in an ongoing way, like having a cold, and never recover while the current approach persists.

- Competition and efficiency in government

The argument is similar to that for the possibility for experiment.

- A competitive edge for the nation

Saving \$30 billion plus and having the benefits of better coordination between government agencies would itself be a bonus, and a competitive edge for the nation. Its clear to see that Federation at present is holding the Nation back, not giving it a competitive edge.

5.2 Gavin Putland's detailed "Regional" reply to Prof. Walker

The above is a general counter to Prof. Walkers points, written without favouring any of the models so far put forward. Gavin Putland has written a reply which looks at things from the point of view of regional government. (<http://onlineopinion.com.au/view.asp?article=919> ; June 30, 2001)

In broad terms, whatever argument you use to say that centralisation is bad should also be applied to the states, because the States centralise power, which means power should be decentralised further downwards.

Putland states :

A *federal* system of government is one in which the subnational units are *autonomous*, meaning that they have certain powers and prerogatives that cannot be taken away by the central government (and, by implication, that they cannot be unilaterally dissolved or amalgamated by the central government). A *unitary* or "centralist" system is one in which the subnational units, if they exist at all, are not autonomous. autonomy is the key: a system with *non*-autonomous subnational units may call itself federal, but in reality its central government holds all the cards.

Thus Australia is a federation of States because the States are autonomous. Similarly, Canada is a federation of Provinces and Switzerland is a federation of Cantons. But the individual Australian States are /unitary/ because the municipal (local) governments only have such powers as are delegated to them by the States and can be dissolved or amalgamated by the States.

If, as some reformers propose, Australia's six States, two major Territories and 900-odd municipalities were replaced by a few dozen self-governing "regions", the resulting system would be a true federation provided that the regions were truly autonomous. Some "regionalist" models do indeed provide for autonomous regions. It is even possible (although not this writer's preference) to create a regional system without changing a word of the present Constitution: the existing Territories or parts thereof could be made autonomous under s.121, while the existing States could split into smaller States under ss.123 and 124, and the new mini-States could, and probably would, refer some of their powers to the Commonwealth under s.51(xxxvii).

Professor Geoffrey de Q. Walker, in his recent article "Ten Advantages of a Federal Constitution (<http://www.onlineopinion.com.au/2001/may01/Walker.htm>)" (OLO, May 2001),

acknowledges none of this. In his opening paragraph he uncritically contrasts "federalism" with "waiting for an appropriate time in which to abolish our spent State legislatures". In the next paragraph he quietly correlates the States with "constitutionally decentralised government". In the fifth paragraph, where he says that "centralists give federalism the disparaging label 'states rights' ", he reinforces the false identity between federalism and the States, and establishes a false dichotomy between centralism and the States whereby his opponents are branded as "centralists" for the remainder of the essay.

Let us re-examine these supposed advantages from a regionalist viewpoint.

1. The right of choice and exit

"A federal system allows citizens to compare political systems and vote with their feet by moving to a state they find more congenial," says Walker.

Citizens could also vote with their feet in a regionalist federation. Moreover, the political differences between regions, unlike those between States, would reflect demographic differences between urban and rural areas.

2. The possibility of experiment

Says Walker: “Federalism ... is more conducive to rational progress because it enables the results of different approaches to be compared easily. The results of experience in one’s own country are also less easily ignored than evidence from foreign lands.”

There is an element of circularity here. If the policy on a certain issue differs from State to State, these differences are indeed harder to ignore than international differences on the same issue. But if the policy is determined centrally, the States do not distract attention from international comparisons. Combining this point with Walker’s argument, we conclude that we must have interstate differences because international differences are too easily ignored because of those interstate differences that we had to have.

That said, a larger number of autonomous regions gives more scope for experimentation, on issues within the powers of the regions, than a smaller number of States.

3. Accommodating regional preferences and diversity

“The decentralisation of power under a federal constitution gives a nation the flexibility to accommodate economic and cultural differences,” Walker writes, without admitting that the “economic and cultural differences” between States are dwarfed by those between the urban and rural parts of any one State. Accommodation of these differences requires regional governments, not State governments.

4. Participation in government and the countering of elitism

“A federation is inherently more democratic than a unitary system,” says Walker, “because there are more levels of government for public opinion to affect.” That is true, but note that the comparison is between a federal system and a unitary system, and *not* between two different federal systems.

Regionalists usually propose that the present three levels of government be reduced to two. There are at least three reasons why fewer levels would *not* mean less democracy. First, the present three levels would be more accurately described as “two and a bit” because of the lack of autonomy for local governments. Second, overlap between Federal and State responsibilities means that the will of the people expressed at State level can be frustrated at Federal level. Third, complexity is increased by an extra level, and increased further by overlapping responsibilities and lack of autonomy. A more complex system of government is harder for the people to understand and consequently harder for them to influence.

Walker complains that unelected international bodies can impose their will on sovereign nations, but fails to relate this problem to the existence of the States or to federalism in general. If he is suggesting that the present federal system restrains international agencies because policies implemented at State level are beyond the reach of treaties, I deny it, because s.96 of the Constitution allows the Commonwealth to dictate terms to the States by attaching conditions to grants. (While I cannot speak for other regionalists on this point, my preferred constitutional model would do away with s.96 and prevent the circumstances under which I would consider the use of s.96 to be justified under the present system).

“Voice is more effective in small than in large political units one vote is more likely to be decisive in an electorate of 100 than in an electorate of 1000 or 1 million,” says Walker. This is a convincing argument for breaking the States into smaller units. But the units must be big enough to make a difference it’s no use having a voice in a government with no teeth. For the purpose of giving effective voice to the individual voter, the States are definitely too big, while most of the present local governments are arguably too small and certainly too weak. The regional government proposal is an attempt to strike a reasonable compromise.

5. The federal division of powers protects liberty

Walker notes that “The existence of independent state court structures prevents a national government from filling all the courts in the land with judges believed to be its supporters.” But it doesn’t stop the government of each State from stacking the courts of that State. Such abuses could be prevented by requiring bipartisan parliamentary approval of all judicial appointments. But the same political parties that extol the safeguard of multiple judiciaries would not support bipartisan appointment, because that would take away their opportunity to stack the courts wherever and whenever they happen to hold executive power.

Walker gives a catalogue of Federal assaults on personal liberty, but fails to mention two more serious violations of human rights, namely the failure to compensate home owners whose homes are devalued relative to other homes in consequence of government decisions, and the failure to reimburse the legal costs of persons acquitted of criminal offences. These violations are mostly committed by the States. Walker concludes that

Australia “has much to fear from any further concentration of government power,” but fails to acknowledge that regionalists would break up the present concentration of power in State capitals.

“In a properly working federation,” says Walker, “a national government seeking to implement a uniform policy in an area where it has no constitutional power must learn to proceed by negotiating and seeking consensus, not by diktat, bribery or menaces.” Has he forgotten s.96, or is the system that he is defending *not* a properly working federation?

6. Better supervision of government

“Citizens can exercise more effective control over government officials when everything is on a smaller scale,” says Walker. “Rent-seeking is easier in large than in small governments.” Again, these are compelling arguments for breaking the States into smaller autonomous units.

7. Stability

“Federations are exceptionally stable,” says Walker. Perhaps that’s another reason why so many regionalists are federalists.

8. Fail-safe design

Walker submits that federalism makes it harder “for any one group of politicians to ruin the entire economy at once.” Or for any one group of voters to rescue the entire economy at once? But again the same arguments apply to a federation of regions.

9. Competition and efficiency in government

Walker complains that government programs tend to be administered so as to create a surplus that can be used in the interests of the administrators, and that this tendency is greater if a government has monopoly power. Presumably this argument applies as much to subnational governments as to national governments, in which case the only remedy is to limit and impede the autonomy of the subnational units. This is the antithesis of all that Walker espouses.

“Small entrepreneurs need simpler and less intrusive government, union Structures and taxes,” says Walker. In that case, all business regulations and enterprise-level taxes should be imposed by the same level of government, all industrial awards should be national, and the division of powers between levels of government should be clear-cut. Regionalists have long been aware of these needs.

Walker alleges that the redundancy of 576 state parliamentarians plus their supporting bureaucracies would not be a net saving. To support this claim, he belatedly acknowledges that “Centralists [sic] always suggest replacing the six states with ‘regions’, between 20 and 37 in number.” He has not found it convenient to mention the regions before. And nowhere does he find it convenient to mention local governments. Needless to say, the regions are meant to replace not only State governments, but also local governments (or most of them; some regionalists, not including this writer, would allow the largest cities to be further divided into boroughs). The proposal is not to replace half-a-dozen governments with a few dozen, but to replace several hundred with a few dozen.

Walker’s international comparisons of government expenditure have more to do with different levels of service, especially in health and education, than with different systems of government. His observation that the current populations of the States are large by comparison with the founding American states is yet another argument for breaking the States into smaller autonomous regions.

10. A competitive edge for the nation

Here Walker suggests that competition between States enhances national competitiveness. He says nothing about competition between autonomous regions.

Prognosis

Looking to the future, Walker endorses the myth that the GST “provides the secure revenue basis the states have long needed and is a step towards more balanced federal-state fiscal relations.” In fact the GST revenue is distributed by the Commonwealth on the condition (s.96 again!) that the States abolish several of their own taxes, making the States more dependent on Canberra than ever before. In the same paragraph Walker refers to a national bill of rights. This is gratuitous and irrelevant because such bills can exist in both federal and unitary systems.

5.3 Greg Craven

A less well articulated counter - argument is that of Greg Craven. Much of his argument is that the States are there, and we should live them. Its reminiscent of an ongoing torture which we are condemned to, and something we must just ... “put up with”.

6 The Small Business View - Michael Martin

Michael Martin is is small business person, and member of the Small Business Reform Group. His views encapsulates one “small business” view of the world. Michael is the owner of a small business, LMR Roofing. LMR employs about 26 people including 15 apprentices and several hundred contractors. From where he sits, he sees the Federal Government as taking positive initiatives, with the State Governments holding things back. Michael comments on his situation :

As a Small business owner (45% workforce), I get smashed by the Unions and Big business (25 employees +, and 55% of the workforce) while jumping through various governmental regulatory hoops therefore I have little faith in the two party system of Government unless one of their policies align with issues that I feel advances progressive, good and equitable government. As a Small Business, the Productivity Commission seems to be the only path to achieve government reform.

Michael believes in uniformity of legislation, and is concerned about the current state of Industrial Relations Law :

Industrial Relations Law lacks a clear objective; it should contain guidelines drawn up for the workforce to understand and follow legislation. Clear guidelines will allow market forces to increase our productivity , rewards for effort , standard of living and levels of employment.

He is also concerned about the accessibility of law :

Legislation needs to be clear simple and concise without using an “academic High Court Judge style legislation” which is to vague and difficult to interpret. This also leads to the business community not being able to interpret the guidelines but it leads to lawyers to twist the spirit of the legislation.

The Productivity Commission is seen as an agent for positive change :

The productivity Commission looks to be heading in the right direction for IR reform. However, looking to past Productivity Commissions recommendations that haven’t been acted on by the Government , portraying it as a “toothless paper tiger”. Hopefully , the current Public servants driving it won’t hit a dead end.

The productivity commission should be a negotiation vehicle for political issues where the masses and business , small & large, meets government.

His feelings on Politicians, the system and the media :

Of the local, State and Federal politicians I have met (50+) recently , all seem passionate about what they are doing in their various capacities. It is the bureaucratic structure of the system they work with that shackles good politicians and government.

I have spoken to quite a few local , state and federal polities lately and most seem quite passionate about their part in the 2 party /3 tiered system . They also were gob smacked when I told them that the average Joe thinks that they are fat cats , self indulgent, rort mungers, wine stealing(maybe a political set up by the press), no better than a car salesman, etc. The media communicate the will of the editor / businessman; another distortion of the will of the people.

Maybe the press have a case to answer, the polities use the press to their advantage but by doing that they give the owners of the newspapers the power to influence peoples attitudes by way of TV , radio and newspapers. Then, the electorate votes on the info given to them via these channels come election time.

The Nature of Democracy :

I am still in favour of democracy but I would love a two tier structure with regionally elected representatives that report the will of the people directly to the the national government through the senate. If the regional rep doesn't give the people of the region the results he or she promises, then another representative is elected.

Regional representatives have a tough job . The will of the people is “pretty scary” after seeing the anger and passion in some local community meetings on issues like Green Zoning, Fences, Law & order, family Law, Land Title, etc.

7 Local Government, an important part of the picture

7.1 The Nature of local government

Peter Woods cites Local Governments unique characteristics :

Unlike State or Federal Parliament, all councillors must be present throughout the whole meeting - the only exception if they are out of the city or Ill. This is in contrast to State or Federal Parliament, where a politician can be talking to the wall, but it only when the bells ring - when there is a division - that politicians must make their way to the chamber.

Unlike State or Federal Government, at Council ratepayers have a right of audience - it is possible for them to address a council in session. Try doing that at State Parliament.

State Government seems to think that Councillors only have to be remunerated for turning up to Council meetings. But let me tell you, as an ex-mayor, constituents have an entirely different idea. As a Mayor, you essentially have no weekends to yourself. You're always attending functions. And that's fair enough - its par for the course. But it would be an improvement if State Government realised what being a Councillor or Mayor actually involves.

Should Councillors be paid, and how much ? Some say that paying councillors mean we have professionals who can put time into the office. Some say paying councillors mean we have “professional politicians” who know how to make their way up the greasy pole but no longer represent people in any real sense.

The same argument applies to corruption. Some people say that professional politicians are more likely to be corrupt; others say that if you pay people a decent honoraria there will be less need for them to be corrupt.

Peter Woods :

Paying Councillors a decent amount is a good thing to do because its only fair and reasonable to compensate them for the effort they put in. I don't look any further than that.

There's also a view that people who put their hearts into being councillors will find themselves rapidly burnt out and unwilling to take on another term, because the workload is there but the compensation is not.

Of course, paying Councillors does add up. But given that Local Government expenditure is 5% of total government spending, and the fact that State Parliamentarians themselves receive a lot more, it seems there is room to pay Councillors more.

In a sense, every dollar the State Government passes onto Local Government is one less dollar they have to play with. It encourages the State Government into false economy. Certainly, financial pressures are present, and management is a juggling act - but it is easy for destructive pressures to dominate.

Peter Woods :

The Council Remuneration Tribunal, at least in NSW, are petty and narrow minded. They have no idea of what it really means to be a councillor ... and in particular, a Mayor.

7.2 Responsibilities of Local Government, and cost shifting

Have Federal and State Governments moved responsibilities onto local government without commensurate increases in funding ? It might be tangible public spending, or it might be increased regulatory responsibility. Regulatory responsibility is cheaper than public facilities, but it still needs funding.

According to Peter Woods, higher levels of Government build up community expectations, and cut the the funds to carry them through, so local government ends up bearing the ire of the general public :

Childcare is the responsibility of Federal Government. They build up community expectations about local government provision of these services, and did fund them to some degree. Then, when they later pulled the money, local government was left to bear the brunt of the community's complaints about either retracting the services or increasing rates.

The recent cost shifting inquiry by Jenks saw approval from Peter :

At first I thought they were going to focus on the manipulations by State Government; it was a pleasant surprise to see they were taking a balanced view, and acknowledging the manipulations of the Federal Government as well.

7.3 Grants and alternatives

We have a system with three sets of grants operating at present :

1. Grants from the Commonwealth to the States, income tax, equalising, GST and special purpose.
2. Grants from the State Governments to Local Governments : untied and special purpose.
3. Grants from Commonwealth to Local Governments, untied and special purpose. (FAGS)

An untied grant means that a local government can perform its tasks and provide services as it sees fit. Tied grants mean that local governments deliver services in accordance with the priorities of the State governments.

But, how do tied grants compare with untied grants ? Is it better to have more discretion at local government, or policy control at higher level ? If the money appeared as an untied grant, would the local government spend it on similar things ? Would they spend it more effectively ? If the money were not spent on the tied grant purpose, what would be the impact ?

An example will help to illustrate the point. If there is State money available to build skateboard facilities with on a grants basis, councils apply for that money and the facilities get built. It may be a good thing that some proportion of the tax dollar is known to be spent on such recreational facilities.

However, what if the local government's untied grants were increased by the same amount, without such grants ? Would the councils spend their money on skateboard facilities ? Would they spend some proportion of their money on facilities to keep children happy ? Or would they instead spend it on what they wanted to ? And would that be better or worse ?

It depends on whether councils will naturally appreciate the needs for equitable spending that are apparent to people at State government levels. "Local autonomy" clashes with the idea that people at higher government levels are better placed to understand equity.

Peter Woods :

Local Government is directly accountable, and would be in a better position to spend the money as untied grants; their values are much more likely to reflect those of the community; the State Government is more likely to be out of touch. Further, tied grants are usually dollar-for-dollar (or perhaps \$2-\$1), so you're talking about a preexisting council initiative - the tied grant only makes it happen sooner.

Where there has been money directly fed to councils, the administrative overhead has been 0.5%. But with State involvement, there is a 6-12% overhead.

So, if we did not have the State Management layer, and put the money into untied grants, these good things would happen even sooner.

7.4 Conclusions about Local Government, and lowest level in the new scheme

Why have this cost shifting taken place ? Because the responsibilities and funding of local governments are at the whim of higher levels of government, and the system is sufficiently complex that these higher levels can

manipulate it without being accountable or responsible for perverse outcomes. This suggests a need for some degree of “sovereignty” of the lowest level of government, and a clear and transparent allocation of responsibility.

Responsibility and funding allocated by two levels of higher government can cause problems; if we reduce these levels of government to just one, the system is clearly simpler.

A three tier system can have vestiges of this confusion; this is especially apparent for regional governments combined with local councils (though the increased intimacy between the councils and local government means that cost shifting is more visible); Mezzanine level governments and Parish style governments are less susceptible to this problem as they have no discretionary re-allocation of funds.

Some models try to address this problem by providing councils with a constitutional guarantee of some proportion of tax revenue (excepting only states of emergency such as war).

Of course, the ability for higher levels of government to apply extra discretionary money to councils remains, and councils can still apply special pleading. But even if the upper government withdraws all funding, the basic funds for a Council to perform its core operations will remain, unaffected by the whim of government or a behind the scenes erosion of funding, through inflation or other means.

While financial sovereignty is important, it is also important to retain some flexibility about the nature of that unit of government. Otherwise, we could have a region whose population has dropped to 10% of its original, but refuses to amalgamate or change its borders.

Such changes to local governments should not be at the whim of government, but rather involve some extra - government authority such as the high court.

7.5 Funding of Councils, proportion of spending

Councils undergo continuous scrutiny, and are forever under the microscope by State Government. There’s also amalgamation. But Councils account for about 5% of total government spending. So, if the State Government improves its performance just a little, this may mean a lot more than a similar improvement in Councils.

However, while Councils may not account for much spending, they do have the potential to significantly effect people’s lives; they are the “gatekeepers” for private expenditure which must greatly exceed their share of Government spending. And, the developments they pass or reject represent significant economic activity and impact on people’s lives.

So, why does State Government forever scrutinise Local Government, and push for amalgamations and other reforms ? Perhaps it sees the need to do something, and fiddling with Local Government is an outlet.

But, on the other hand, perhaps amalgamation can yield real benefits. Amalgamations mean we are making councils bigger, and we are making the landscape move closer to the “regional” government approach.

Amalgamation is an issue in the present State-Local Government structure, but it provides insights into the scale of what the lowest level of government should be in any enhanced system. It can also be debated separately of any grand changes to government. Certainly, advocates of Regional governments praise the example of the ACT and Brisbane governments, and see amalgamation as a positive thing.

Traditionally Councils resist amalgamations. Is this because there really is something wrong with amalgamations, or because parties in councils have a vested interest resisting amalgamations ?

The appeal of amalgamation is readily apparent. Different councils pool their infrastructure, and achieve economies of scale. But there are significant friction, significant start-up costs and early onset of diminishing returns. Further, the larger a bureaucracy becomes, the less responsive to the needs of the people it serves it becomes.

However, Peter Woods (see later) asserts these savings were apparent in the Concord/Drumoyne amalgamation, and in Tasmania they were done with the cooperation of the councils concerned, and there were few dramas in their implementation, though any benefits are not clear.

On the other hand, in Victoria, they were done at the behest of the State Government, and the process was painful and there were few benefits.

So, in spite of the fact that there may be a notional saving, an improvement in the value for money ratepayers get, there would normally be a loss in responsiveness. And the crucial issue is whether the improvement in value for money exceeds the loss in responsiveness.

The people who need to assess this are, of course, the ratepayers. Ideally, its a decision they would make impartially, without being influenced by the emotional appeals of the vested interests.

But, significantly the decision about the relative worth of these savings is made by State Government, who are more interested in the financial balance sheet and less interested in the worth of intangibles (like responsiveness).

There have, however, been other reasons given for amalgamations. One has been boundary inconsistencies. People in cities identify more with their suburb than their council, and many suburbs are cut by arbitrary council

boundaries. Of course, this is an argument for boundary reform, not council amalgamation as such.

Peter Woods :

When we talk about amalgamations, its important to realise that there are probably four different situations.

A first are the country “donut” councils where a shire council surrounds a town council, and residents of the shire parasitise from the town. The Albury Council and Hume Shire is a prime example. Amalgamating such councils is the only equitable and fair thing to do.

Second are the country shires which range for a good distance. Here it makes less sense to amalgamate, because the result of the amalgamation would be just too big.

Third is the Sydney CBD council and the councils closeby. Perhaps you have similar stories in other capitals, but I’m familiar with the Sydney CBD. Historically, Sydney council covered a much larger range. When you have both residences and business tenants, its possible for business to subsidise the residents. And when you separate them, business can claim the bonus for itself.

So, the tension over just how large Sydney City Council should be does persist. Sure, there are vested interests in terms of councillors and employees wanting their own sandpit. But, there are vested interests in separating out business into its own council as compared to joining it to residences, and that’s been a major source of the toing and froing over the last few decades.

Sydney CBD as about 12,000 residents at the moment. That a joke. It begs to be larger.

Then, we have the numerous urban councils. In many cases, amalgamation would do them good. There’s a balance - between economies of scale and communities of interest. And frequently, councils are just too small.

In my own case, merging Concord and Drummoyne has yielded real savings and improvements for residents. We now have 20,000 people; we have increased in size only moderately, but the improvement is apparent. When you compare that to Blacktown Council with 300,000 people, you start to appreciate the diversity of Council size in Sydney, and how small the small ones are in proportion.

I’m not in favour of forced amalgamation. But I see too many councils refusing to look objectively at the situation, and I’ve been frustrated by negative campaigns which only seek to obfuscate, rather than engage people with an enhanced appreciation of what local government is all about, so people can take a balanced look at the issues. I saw it in Concord and Drumoyne.

Holding back forced amalgamation only makes sense when you have councils who are willing to look objectively at the situation. But sadly, that’s not what you see out there.

Certainly, we don’t just want naive amalgamation where some goes through the place with a broom. But the lethargy of councils in dealing with these issues - in looking at just how they can deliver better value for their ratepayers, is disappointing.

Brad Row talks about the size of Councils from the viewpoint of an independent Councillor trying to get elected.

In my case, with Hurstville Council having a population of 60,000, there’s three wards of 20,000. There’s four councillors per ward. If you want to get one person elected, that’s 5,000 people.

Its possible for a Council candidate with limited resources to campaign over 5,000 people, letter-boxing, talking and so on.

But, if you have a population much larger than 60,000, its not possible for an “independent” to get a seat at Council. What you have are party organisations. Now, they may not be Liberal or Labour, but they are organised operations, which flies in the face of what you want for Councillors.

Brad and Peter may not be so much at odds - Peter is suggesting increasing sizes to above 20,000, but may not be suggesting much more than 60,000.

However, Brad assumes that you have candidates “pushing” their information onto the community. If people sought out information from their Council candidates, and we had local papers giving the candidates a run, and more people turned up to the “meet the candidate” forums that you have in some councils - well, it seems to me we could have a council of 200,000 people and you could still meaningfully vote in a representative rather than a party person.

But, we are assuming a change in the way that electors relate to potential council candidates.

7.6 Brisbane and the ACT, City wide Councils and Regions

Brad has noted the difficulty in dealing with a bureaucracy centred 20 km away to fix a cracked footpath. But, David B has noted just how frustrating dealing with council libraries are - you need to join each one separately.

Brisbane City Council ? Those in favour of regional government would like to believe it sets a positive example, those against it say bad things.

The weekend Australian in early January 2004 made the claim :

it also helps that Brisbane is run by a big city council with the powers, and revenue base, to provide public transport, parks and freeways across the city. It makes local government more imaginative and effective than in the southern capitals, where cities are sliced into small local government areas.

Jim snow says that from a planning and cost viewpoint, Brisbane council is efficient, but it suffers from a lack of democracy. This lack could be rectified through open committees. Peter Woods agrees that Brisbane council is efficient; he wonders if it is “too big” and is on the “wrong end” of the economy of scale - community of interest balance.

Presumably, Brisbane sets a good example in the ability of a regional government to coordinate public transport, libraries, and development issues of the sort of interest to Jim Snow, and provides an example of “what regional governments would do”, at least in a city.

Certainly, public transport is best set on the scale of the whole city. It is good to mix public transport and development together, along with other issues. Presently, this is done through the State Governments (except for Brisbane and the ACT). An important question is whether this sort of planning (and financial prioritisation) would be better done through National or Regional governments, assuming we were rid of the states (Local government has some input into development, but obviously its difficult to see them coming to grips with issues on this scale).

Of the ACT, **Jim Snow** says :

The ACT seems to me to be an excellent local government model and as one involved on a parliamentary committee for the ACT I can recall getting some good ideas from the running of Brisbane after an organised visit there. The ACT operates on the adversarial system and has a minimum of private committee hearings as does the national parliament.

And there does not seem to have been much discussion of how the ACT might not be a well working government. Mark has noted how much richer the New Zealand “social environment” is, with a lot more money going to councils.

But ... if we put more money into councils, less is going to National and State expenditure. What is the impact of that ? You hear stories about councils being underfunded, but its not like there are potholed roads and garbage rotting in the streets. On the other hand, there are stories about “capital values being downgraded and rate hikes or subsidies being artificially postponed for State government political reasons”.

One issue is that we do not seem to have a handle on just what Government should do, and how much it really costs to do the things we expect of government. Government needs to spend some money on “dealing with crises”, but there’s also money to be spent on “moving ahead and developing a positive environment”.

But we hear a lot about the crises ...

8 Issues in the nature of democracy

8.1 Democracy : The cost of participation

It’s sometimes suggested that democracy maximises input from its citizens. But **David** has questioned this; if people have the absolute maximum input, they all make their own decisions and there’s no society around them.

Further, if people have lots of input, then they have to spend all their time getting familiar with issues and participating in democracy, with no time left to run their lives.

People should have the option to participate or not participate, and I think that a lot of potential influence by the people is taken away not because they have chosen to give it away, but because people in power increase their power incrementally by stealth.

The more complex and confusing the system, the more difficult it will be to engage with, the fewer people will have the time to spare. A simple system encourages participation in democracy.

While there may eventually be a point at which we have too much participation, I think we are *way* short of that. Our government could be a lot more participative, to our benefit.

8.2 Adversarial or non-adversarial ?

Charles has been promoting non-adversarial methods of decision making, as a positive path.

Hugh Mackay, in his book 'Reinventing Australia' has noted Australian's disenchantment with the adversarial system :

[Australians] find it hard to see how the two-party, adversarial approach can continue to be appropriate when the distinctions between the two parties themselves are so hard to define.

It is a source of widespread astonishment [that] ... it is not possible for politicians from both sides of the political fence to work together in a more co-operative and harmonious spirit. The quality of parliamentary debate is regarded not only as a symptom of the adversarial nature of the institution, but also as a symptom either of the poor quality of politicians who are attracted to that system, or the effect of the system on those who are enmeshed in it.

The common cry of parents, in particular, is that they would not let their children behave in the way that politicians typically behave in parliament.

(Reinventing Australia, p179)

Jim Snow feels that the adversarial system, for all its irritating side effects, does a better job of uncovering mismanagement and corruption, because we harness the opposition's desire to cause embarrassment for the government.

Jim :

Unless we can get around the human tendency to do deals we should probably require some sort of adversarial arrangement. I know the people are sick of it and I am sick of it.

... I have seen a party ruin a deal more than once so that it can point score.

Consensus decision making means greater ability to make corrupt deals. On the other hand, it is said to result in "better decisions". It seems the opposite sides of the coin are "better decisions" vs. "corrupt decisions".

What is more of an issue : the danger of hidden vested interests influencing decisions, or the possibility of consensus arriving at better decisions with fewer opportunities wasted ? There's no clear way of deciding on one or the other.

But, the adversarial system has meant that parliament has degenerated into a name calling session, and that because of the opposition's desire to cause "embarrassment", it will seek sensational problems as compared to genuine ones. Hence, the promise of the adversarial system : robust, solid debate which gets to the heart of the matter, falls to the wayside.

But, for all these problems, the adversarial system will presumably trawl a few genuine problems along with the sensational ones. Jim Snow has talked of maximising democracy while removing some of the unattractive bits of adversarial politics.

The synthesis is to have "deals negotiated out" by consensus, but having the different parties maintain an adversarial watch on each other. That's difficult, because open session invites people to "score points", but closed session invites private, possibly corrupt, deals.

Still, Charles has suggested some changes, such as two-thirds majority vote, mixing the seats so you don't have two "sides" and so on. Perhaps they're a positive shift.

8.3 Political parties, independents, minor parties ?

There is a view that political parties get between the people and government, that they obstruct participative democracy. **Charles** articulates :

Real democracy is government BY the People FOR the People. That is, government by representatives of the People (NOT government by POLITICAL PARTIES).

However, **David** notes that, historically, parties were a democratising influence :

Our parliamentary system (single member electorates) derives from a time when there were no parties. That led to a situation where, the people who could get elected were mostly very wealthy, able to afford to run campaigns out of their own pockets or purchase the seats (via rotten boroughs and their ilk) directly.

The subsequent arrival of parties was a democratising effect.

Many, perhaps most, people vote on the basis of party allegiance rather than personal allegiance. Perhaps it's reasonable to allow these people to vote in this fashion if they so choose.

It's an open question whether these people prefer parties, or would prefer a more "individualist democratic" tradition.

David distinguishes between independents and minor parties :

People can vote for whoever they like, but I don't think non-party independents can run a country. I've got no problems at all with minor parties, though obviously there's a lower cutoff where they cease to be able to perform all of a "serious" party's functions. Many people lump independents and minor parties in together as alternatives to major parties, whereas I see them as quite distinct.

Like many Australians, I see political parties as limiting the diversity of views, and polarising things into something or the opposite. The Greens articulate an alternative which would probably never show itself in either mainstream party; party discipline would never let such views come before the electorate.

Jim:

The parties should not be pursued as the enemy in my view. They are on the nose because the people have grown beyond of them. The political parties were an improvement on sword fighting and local wars but people no longer want the adversarial system.

and, developing his points about the Adversarial system, **Jim** notes that :

Political parties are the way we apply adversarial politics and give groups a vested interest in probing, questioning and exposing the weaknesses of the other side.

But Jim concedes that in the longer term, smaller parties and independents will increase and deliver increased democracy, and that civic virtue means a more participative relationship with democracy.

we should be wary of aiming to rid the nation of political parties. Many of the Beyond Federation alternatives would weaken the political parties, would slowly increase the proportion of independents and smaller parties and therefore enhance democracy. That is the way to go and is a bit of a catch up with the people. As civic virtue waxes let the parties wane.

Michael comments :

The balance should be as you say Jim , let the parties exist (what short term choice do we have) & let the parties do deals outside Parliament . But let the people have a say on what issues they should be doing deals on. re: communicated public involvement issues like the Doctors strike near an election.

8.4 Proportional Voting

We had a very vigorous discussion on proportional voting. Proportional voting means that a given electorate generates elects several representatives. It was one of our strongest disagreements - but if you can separate yourself from the disagreement, it brought out some very interesting points.

I'll first outline elements of Brad's position - he looks at the size of electorates, the ease of voting in different circumstances, and importantly, the power of minor parties elected under proportional voting.

Brad :

The first problem is the size of electorates. We currently have roughly 150 members in the national house of representatives. If we hold the house at that size and increase the number of representatives per electorate from 1 to 3 then the number of electorates is necessarily reduced to only 50. Each electorate will be three times larger. As any candidate will attest federal electorates are already colossal. Electorates of this new size would house 400,000 people apiece. If we increase the number of members per electorate to 5, then we have only 30 electorates housing nearly 700,000 apiece.

Brad endorses “doorknocking” :

The larger an electorate, the harder it is to communicate with voters. One of the simplest, most effective, and least expensive techniques is “doorknocking”. The candidate, and perhaps a colleague to keep him company, goes from door to door introducing himself to the voters. Apart from the candidate’s time, it costs virtually nothing - but it is the one form of communication which impresses voters the most.

Doorknocking an entire electorate is difficult in the existing federal electorates. In electorates three or five times larger it becomes completely impossible.

Brad also emphasises the cost of different means of communication. His his point about doorknocking valid, though it does assume circumstances will not change much.

Brad then writes :

Proportional representation will not benefit smaller parties and independents. These candidates lack the resources to get their message across. The only candidates who can survive will be those from the major parties, which already have large branch networks and significant sources of funding.

This is going to be a factor. However, Brad does not acknowledge the distribution of preferences amongst the minor elements. Assume 40% of the vote goes to one major party, and 40% to another. The remaining 20% could be then distributed between (say) 10 minor candidates. If we assume the electorate is for 10 seats, then 4 will go to one major party, 4 to another, and the 20% of votes amongst minor candidates will develop preferences to force them down to 2 candidates.

The issue here is the degree to which voters are aware of their own “local” minor candidate, and whether they are aware of others, and are willing to give preferences to other minor candidates. If they do this, then minor candidates will get in - and perhaps more so than with the current system of single member electorates.

David :

PR, relative to single member electorates, favours those with modest but uniformly geographically distributed support, and penalises those with geographically concentrated support. I would loosely call the first class “minor parties” and the second class “independents”. PR will treat these two groups very differently.

Klaas :

The record number of Independents in the federal parliament demonstrates the dissatisfaction with the system. It is extremely hard to get Independents into lower house parliaments (and minor parties) as a result of the single-member district system.

An assumption behind Brad’s view is that people only vote based on an awareness of candidates which is “pushed” onto them - as compared to “pull” based information - looking up the candidates website - or some intermediate - reading reviews in the local and larger papers.

Brad writes :

Proportional representation will leave us as we started: with large political parties dominating. However, we will have severely increased the distance, both social and physical, which lies between the politicians and the people they are supposed to represent. It’s not my idea of democracy.

While certainly possible, this would only be true if certain assumptions about voting patterns, awareness of candidates and information flow held.

But, Brad’s view of increased distance between people and their representatives is valid. It will be easy for representatives to dodge responsibility. But, it is possible the electorate will choose to re-elect representatives who do not dodge responsibility.

Mark writes :

It's a question of what the national parliament's powers, responsibilities and functions are. If the national parliament is responsible for local/regional matters, then it adds strength to the case AGAINST proportional representation and in favour of single member electorates covering smaller local populations. But if local/regional governments are responsible for local/regional issues, then to achieve democracy and accountability we need strong and well resourced local/regional governments. No voting system for the national parliament can compensate for inadequately resourced and empowered local/regional governments.

Jim makes suggestions about empirical evidence :

The evidence seems to me to show that more independents, Greens and Democrats are elected under PR systems of various types: the Senate, Tasmanian Assembly, ACT assembly, NSW legislative council, compared with House of Reps, Victorian Assembly and Council, NSW, Queensland, WA assembly.

Max says :

Have a look at the power the greens hold over the Carr government in NSW.

But ... this is an easy claim to make. Bit of detail would have been nice, Max :)

Klaas :

Doorknocking is just not done in this country. Voters vote for parties and their programs not for persons who supposedly represent the entire electorate - the myth of the single-district electoral system - but in reality represent their party as a result of which a very high percentage of the Australian electorate is not represented!

I can see the potential for good from doorknocking. Its not the only way of communicating, but I think its *a good thing* to know where your candidates are coming from. Klaas and Brad are both in political parties, but parties of rather different character; many people would swear by Brad's position.

I'm sure some people vote for parties and not the representatives. But, equally some voters might vote for "local reps". I know that's what prompted me to vote for independents in the past.

It depends on what we want communicated to the voting public - policies, or the nature of the person you are voting for. And perceptions about what is most important here will depend on personal biases.

Brad wrote in reply to Klaas' position about the Australian public not being represented :

who is not represented? At the last election 47% voted for the Liberals, some 38% voted for Labor. That's eighty five percent to start with. And that's just counting first preferences alone.

The only parties who missed out were the Greens, who scored about seven percent of the primary vote, and the Democrats who scored about two.

We have fundamentally different ideas about democracy. It seems that people like to say we want better DEMOCRACY, and love writing it in CAPITALS, but is all about *their* version of democracy.

I can imagine a challenge to Brad's position : in some sense, that eighty five percent of the population were ill-informed, deluded or something. But its a bad path to go down. We can think that people might vote differently if they were better informed ; well, the onus is on us to work towards them being better informed, rather than sit on a stump and pass judgement.

But, a crucial element of **Brad's** position is articulated :

Personally, I think that if a party cannot persuade ten percent of the voters to give it their first preference it should not be represented at all.

Some would say that ten percent of the vote should gain ten percent of the influence on the outcome; Brad differs.

Klaas asks :

How about the costly senseless by-election now again required in Werriwa?

Brad:

Why is it costly and senseless? It seems to me sensible, fair and democratic, that the voters decide the replacement when a casual vacancy arises. I get worried when people say it is costly and senseless to ask voters their opinion.

Klaas went on to describe the many nations which go in for PR. That's suggestive but not decisive; indeed its a logical falacy to assume that just because a lot of people do something that makes it right.

A more subtle argument is to say the particular reasons why other people took up something are valid and are also valid in the particular case in question. But, people (including Mark) have commented on the relative sparseness of population in Australia.

David considers how minority parties can paralyse a positive government outcome :

One concern about PR is that it leads to government by coalition. Because Israel, for instance, uses PR, it becomes difficult to ignore the religious right, which makes it hard for Israeli governments to make the concessions to the Palestinian Arabs that are needed for peace. PR protects people from oppressive government, but does so in a blunt way, at the expense of the government's ability to carry out good programs as well.

Klaas acknowledges this, with a suggested counter :

The case of Israel and also Italy suggest difficulties with the need to form coalitions which are often unstable or ineffective. For this reason most countries have erected a threshold of 4% or 5% for a minor parties to gain representation in the parliament so that the country doesn't end up with numerous very small parties.

It seems we want more small parties, but not *too* many of them. **Brad** develops his point further :

In principle PR sounds very democratic: each party obtains a parliamentary delegation which corresponds precisely to its level of actual support in the electorate. In practice ...

Take the following example. In parliamentary elections Party A obtains 47% of the vote. Party B obtains 7% of the vote. As proportional representation was employed the corresponding percentages of the parliamentary membership were returned.

Interestingly, here Brad moves away from the argument that larger parties will still dominate the scene, or anything about representation and distance between the electors and the elected. Its not totally contradictory; we could say that party B is "a party", but in no sense a small party in the ideal promoted by PR advocates.

David comments :

If minor parties actually have an advantage over major parties in a PR system, can't the major parties choose to split up into several minor parties? If so, isn't the problem self-correcting? And the voters even get additional choice.

This is a very interesting point (but Brad tells us he did not say minor parties have an advantage). Perhaps major and minor parties operate in different ways, with different benefits; a major party which splits into minor parties loses the benefits of being a major party. Further, minor parties may only have significant power when there is the chance of them being the only one which can form a coalition with a party which is a bit shy of 50%.

Falling short of a full majority Party A must therefore enter into a coalition with Party B. However, while Party B only received support from 7% of the electorate it has its own political and legislative agenda. It therefore says to Party A: if you wish to enter a coalition with us you must know that our support comes at a price. Certain key portfolios must be given to our members. Moreover you must adopt our agenda in part or whole. If you don't like this be well reminded that the other parties are keen to form a government and with our support they can do so.

This represents an extreme amount of influence, which you could say exceeds the 7% influence which 7% should grant you. But its here we hit the bedrock of assumptions about what a majority should entitle you to, vs the large single block vs. some smaller proportion.

We can, however, imagine a lesser amount of influence, closer to the 7% that the vote in fact represents. This is changing the margins rather than the greater policy. The party would have originally allocated its funds in different percentages. The minor party changes things by a percentage up here, a percentage less there. The minor party perhaps makes for a one percent increase in revenue.

That's not the scenario Brad paints : but is there something wrong with have a party which 93% of the population voted for influencing policy ? Well, keep in mind that 53% of the population didn't vote for party A either.

As a part of negotiation, we'd probably find that in game theory, party B has a greater strength in negotiation : they have less to lose than party A, having secured only 7% of the vote, and never being really close to a majority anyway.

But, it depends on the details of the election. What if there were two minor parties, each with 3.5% of the vote ? They'd then be competing with each other. Party A would be in a much stronger negotiating position.

When a minor party has disproportionate power, its the result of the inability of the two major parties to form a coalition with each other. You have an intersection - the structure (PR), a particular outcome (just one minor party with that power) and tension between the major parties which disallows a larger coalition.

The more complex issue is how often we can expect this scenario, and whether the possibility is enough to sink PR. But, why do we blame just PR for this difficult situation ? Why not the tension between the major parties ?

David points to other circumstances checking this event - if a minor party wreaks havoc, the electors will bring it to bear next election. That's not as scary as it sounds, because the same argument is used to justify majority government for the number of years in term. Still, Brad points to the possibility that a minor might see it has just one shot, and goes for it, the future be damned. Now, that's indeed *possible* - but whether its likely - or indeed likely enough to exceed other considerations in favour of PR - is a separate issue.

David points out :

Of course there will be scenarios in which the minor party suddenly finds itself with surprising amounts of power. But there's no theoretical reason to think this will be the usual state, and empirical evidence suggests to me that it's an unusual event. Usually, minor parties get less influence than you'd expect from their vote. They are most interesting when they have a particular issue of special interest and can focus their influence on that: greens on the environment; Harradine on catholicism; Israeli religious parties on West Bank settlements and some other issues; and perhaps the Nationals on rural affairs.

Brad claims the influence of Harradine to be unhealthy :

While Harradine held the swing vote in the Senate, his influence, especially in relation to moral issues, was considerable. Australian censorship became markedly more restrictive. The influence of the minor religious parties in Israel has not just been confined to the West Bank settlements. Much legislation imposing orthodox Jewish religious observances upon the general society has been enacted at their behest. The rural marketing schemes which bedevil much of Australia's primary industries were enacted under the influence of the Country Party. In his day "Black Jack" McEwen virtually ran much of Australia's trade and economic policy. I would not call any of this influence trivial.

Brad comments on the tangible Harradine, and the numbers, in contrast to the "7%" example :

Assuming that the man ever obtained a quota, it could be said at the highest that he represented about one seventh of Tasmania's population. As this population is approximately 450,000 Harradine's vote would have equated to about 64,000 people or about 0.3 percent of the nation's population overall. However, even that figure overstates the man's real level of public support. It is almost certain that he would have been elected with flow-on preferences under the ticket voting system. It might have surprised many people who voted for another individual or party that their preferences ultimately found their way to him. This is, of course, another criticism which may be levelled at the system of proportional representation which presently operates in the Senate and State upper houses.

However, by way of contrast, AJ (sorta) endorses Harradine as a “wild card“ with a worthwhile effect (section 10.7).

David writes :

This is a low level of support for the influence he had. But the problem here isn't PR, it's the bias in the senate in favour of Tasmania. We can take out that effect by pretending Tasmania has a sixth of Australia's population, in which case Harradine's support was about 2.4%.

8.4.1 Preference deals and the flow-on of votes

I endorse Brad's point about the flow on of party preferential votes. But I differ on the solution : people voting their own preferences, not those of a given party. Most of the ill feeling is not about preferential voting as such, but rather the abuses political parties put it to.

In reply to Brad's claim about people being surprised about their votes ending up with other people than they voted for, **David** comments :

It might have surprised many people who voted for another individual or party that their preference ended up with the liberal party, too. These arguments have little to do with Harradine being an independent and much more to do with the evils of non-transparent preference redirection.

Since the original discussion, “Family First” was elected through Labor preferences, which would have come as a shock to many Labor voters at the time.

The important thing is, you can vote as you like, and direct your preferences as you like. You can put a “vote” in for a particular party without following that party's preferences.

Political parties do try to manipulate the voter perceptions, by saying that a supporter who votes for them will follow that party's preferences - but they're just trying to pull the wool over people's eyes.

“Above the line” voting is a difficult thing. Sure, if people did vote by their own preferences, that would be better. But some people will vote above the line because its easier. And who are we to question that choice ?

Preferential voting *can* be empowering. Your effective use of preferences means you can vote according to the principle “I want X, but if I can't have X, then I want Y, and regardless, I don't want Z”.

However, preference deals give the whole thing a bad smell. The best approach would be to have *optional* preferential voting, so if people want to empower themselves they can, but if their voting is “I want X ... and if its not X, I don't care, I don't want to be seen aschoosing between the remainder” - then they can with-hold their preferences and vote along these lines.

8.4.2 Ministerial appointments or changes at the margins ?

Do we have the minor party taking ministerial appointments (Brad's scenario), or just fiddling the percentages (my scenario) ? There's the issue of whether the minor party should *even in principle* be able to influence policy, or whether it *should be able to in principle*, but not have an **excessive** influence.

You could have a situation where a minor party has more power than its raw 7% should entitle it to, but the excess is not so much as to totally devalue PR.

Brad and David differ on the significance of the effect.**Brad** :

This process is a constant feature of proportional representation where a single political party rarely, if ever, obtains a parliamentary majority. In Weimar Germany it was known by the rather expressive term “kuh handel” or cattle trading.

As one major party wag once said of a minor party in the Senate: “you can't buy them but you can certainly rent them”. In other words, in order to get its legislation through that chamber this major party had to take on board parts of that minor party's agenda, no matter how silly, indefensible, or devoid of actual public support those parts might happen to be.

But, this seems to presume that the minor party's agenda to be silly before the argument has started. The minor party could be the last bastion of norms of decency which the majority have run roughshod over.

But, **Brad** makes a criticism of the minority view :

My experience is that the sillier the opinion, the smaller the proportion of the population which is likely to hold it. This is not necessarily true, as at various times in history the correct opinion on a given issue may only be held by a tiny percentage. However, as a statistical observation there is a lot to be said for it. To quote the thrust of what Isaac Asimov once said, it is true that they all laughed at Galileo and Columbus. But it is also true that they laughed at Bozo the Clown.

Its a difficult issue : when will the minority be the custodians of important truth ? When will they be ill-considered noise ? I don't know.

8.4.3 Is the "centre" position more valid ?

Brad says :

I have never been able to believe that the truth or perfection is what happens to lie between the extremes.

Its important to keep in mind that party B with 7% will not necessarily be "centrist", even if we think that's a good thing. Its equally possible they will be "green" (call that extreme left wing), extreme right wing, or in pursuit of very different economic solutions (transaction taxes, land tax, etc.). Its also possible they may try to claim a "centre" position too - which the democrats certainly seem to have claimed to do. But its not clear where they'll end up.

David cites an empirical claim :

Or to borrow from Fred Dagg, "They must have policies, Brian, people vote for them." The Democrats and Greens aren't getting as much of their policies through as the liberal-national coalition is. Even scaling for their electoral support, the fraction is still less. And unless they are getting way more through than their electoral support would justify, I can't see this as a problem.

David challenges Brad's claim about the impact of minor parties, their "rental price" :

I think in the senate, at least, it's more a case of a tail using all its strength to wag part of a tail. Rental prices on minor parties just aren't as high as you imply.

8.4.4 Is "Political Tribalism" *necessary* ?

Defending the tension which exists between major parties, **Brad** writes :

There is no reason to assume that one of the major parties is in any sense 'evil', but rather they are fierce rivals who mutually detest one another and are also absolutely determined to take power, no matter what the cost. Does this not sound like politics in a lot of countries?

Politics is not just about policies. There are the spoils of office, personal hatreds between individuals and plain old human tribalism to consider as well. If you desire an example of the latter I invite you to think about the Blues and Greens of Byzantium. There is nothing even remotely unlikely about such a scenario.

Brad's point has validity. But its a description of how things are, not how they ought to be. We don't have to accept the situation on both terms.

We might re-express the chain of thought as :

Natural politics is going to mean there is tension between the two major parties, and as a result minor parties will get disproportionate power. That's a bad thing

But, there's a counter-claim :

Just because something is 'natural' does not mean it is wanted, or should be endorsed. We have an unhealthy consequence of an unhealthy part of human nature. If this is the outcome, then it prompts us not to abandon PR, but rather to try to suppress this unhealthy element of human nature at its source

And you have the counter-counter-claim :

Natural politics may be a seedy state of affairs, but its better than tyranny. These sort things are a facet of human nature which nothing can prevent. Without endorsing them, its better to accept their presence, do your best with them, and move on.

It seems to depend on the degree to which you're willing to endorse some negative element of "human nature" as being justified as part of some greater trade off.

There was also discussion of whether parties are the same or not, and whether they should or should not negotiate, and whether they will or will not negotiate. Obviously, in different circumstances, parties will be encouraged to negotiate, and will want to; or they be discouraged or not want to. Certainly. The question is which is the state of affairs to be sought after; or perhaps the state of affairs to be tolerated as part of the least worst option.

9 Government Service Delivery

9.1 Current Machinery

Grants, Commonwealth Budget, Senate Estimates Committees, two houses of parliament, COAG, etc. etc.

9.2 Government Powers : A review

Commonwealth Government Powers

- Trade & Commerce
- Taxation
- Defence
- Postal and Telephone Services
- Currency and Legal Tender
- Immigration and Emigration
- Marriage, Divorce and Parental Rights
- External Affairs
- Pensions, Allowances and Benefits
- Copyrights, Patents and Trademarks
- Corporations

Residual State Powers

- Land Settlement
- Transport
- Education
- Health
- Justice
- Roads
- Housing
- Police

Local Government Responsibilities “Services to Land”

- Garbage Collection, Roads, Drainage
- Recreation and Cultural Services
- Protection of Local Environment
- Welfare Services (including information services)

Some Additional Queensland Local Government Authority Powers :

- Health and Welfare
- Housing; Land Use Planning and Control
- Inspection/Licensing
- Regulation of Pollution, animals, advertising etc.
- Civil Defence

There's the claim that local government is under resourced compared to the States, but an alternate view is that local government is corrupt and in need of serious change.

If we were to remove the States and “beef up” local government, what would the result be ? There would be more spending at a local level, partly through the efficiency dividend - the “\$30 billion” calculated by Mark Drummond - but also because some of the states' responsibility and money would move downwards.

We have three possible improvements through having money spent at a lower level : there can be more money, it can be spent more efficiently, it can be targeted better.

Also, less tangibly, we can have more democratic involvement in the spending, which is a good thing in itself. We could have a greater sense of ownership and participation in the world around us.

9.3 Cost shifting and health

As the commonwealth government looks after the Public Benefits Scheme, and also the aged, while the States look after sick people at large, we see perverse outcomes.

The commonwealth government tries to push the elderly into the state hospital system, making them take up beds which would have been allocated to the sick.

It tries to get patients to take their health prescriptions from the State hospitals so they are not a drain on the PBS, and forces people needing expensive drugs not on the PBS to draw them from the State hospital system.

It limits the availability of after hours GPs, forcing consumers to go to the State hospital system.

The state government hospital system also tries to shift costs to the Commonwealth ; they send patients to an outside Medicare billed radiology service ; discharge people with a limited supply of prescription medicine, obliging them to fill their prescription from a local pharmacy on PBS.

But, what we have is a shared pool of money between the State and Commonwealth governments, with sets of nation-wide problems - be they health or elderly. The problems should be dealt with in a cohesive fashion - but that's not what happens. In seeking to shift costs, there's also a net cost to the whole system. By providing patients with a prescription, we have the cost to us all of extra paperwork, while of course the State hospital, being able to isolate itself from the greater world, lowers its net total costs.

We have petty cost shifting, with the problems accumulating with the accountants checking their balance sheets. (from 'Seeking a Remedy', Democrats document)

Of course, let's not understate the inherent problems in dealing with health. The population is aging, medicine is becoming forever more expensive (even some innovations like 'keyhole surgery', while making things cheaper, are riskier and have allowed the increase in total surgery, effectively reducing the potential saving; what's more, they seem to encourage an increase in the total number of operations.).

We need to have a deep understanding on the part of both government and consumers, and face the facts about the health. But, with a fragmented system, problems exacerbated by cost shifting, it does no-one any good.

9.4 Failures in Government : Health and Otherwise.

This section focuses on failures in NSW, but also considers that in other regions.

Most recently, we've had a fiasco with the preventable fatalities in the NSW Campbelltown Hospital. At the time, the problems were pushed under the carpet, and there are reports that the then Minister for Health tried to ignore the issue, threatening the career of the nurse bringing it to his attention and trying to put her off balance.

The Minister should take his share of the blame. But so too, must the Health Complaints Commission which monitors the hospitals.

Max's position is that the State Government is not "too distant", and that it would not be a problem to move the monitoring of hospitals to the National government.

But the claim that Ministers at State level can deal with all that is going on seems spurious. Particular issues get lost in the wash of the *overall* performance of state government. Sure, if a single issue rises to the top of the heap, it can bring down a government, but generally speaking, it never gets noticed. It has to be a huge problem before that happens.

According to David, people would be hard pressed to change their vote for premier based on tree roots. OK, operation of the health system is more important than tree roots, but its clear to see that something similar can happen.

The Chelmsford deep sleep hospital is another example. I understand that the government tried to push it under the carpet until the media took an interest and it could no longer evade responsibility. But the natural tendency of government was to evade responsibility.

I'm talking about problems in NSW, but problems have cropped up elsewhere ; in Western Australia we had "WA inc"; there were problems with getting ambulance vehicles to people in Victoria and some controversy there over the Casino generally; the list grows.

Why do these problems arise ? Three possibilities are obvious : scrutiny, structures, openness. In principle, if people watched government enough, they would not be able to get away with it. But, you need to invest a lot of time in watching government and the information may be hidden. You also have the attitudes of the parliamentarians and public servants, and structures which may provide an incentive to push things under the carpet.

If a regional government had input into health, it seems to me the Chelmsford and Campbelltown health problems would have been found and fixed sooner. Of course, we're assuming an attitude on the part of the electors which motivates the regional representatives, but with less ground to cover, its easier to see this happening.

It all begs for democratic input at a level lower than the States. But, this does not necessarily have to be a regional government ...

Berrigan council took the initiative in arranging the development of a local hospital, so there are precedents of local government's direct involvement in normally State based health issues. But, Max has noted his council does not want to be involved in the administrations of hospitals or police as it has no expertise in that area.

Councils *could* form a first "safety valve" in dealing with hospital issues. I'm not sure if the issue is one of culture or the legal framework for council operation. Sure, you may not have the expertise to administer a hospital, but how much expertise do you need to investigate problems ?

9.5 Shortages, Crises and What Government Delivers

Looking around us, we see a crisis in the basic services : health, education, urban form. How much money do we need spent on these to provide a reasonable service ? And what is a reasonable service ?

9.6 The Republic

"Sovereignty of the people" is something which has its origin in the notion of a "Republic".

According to the Macquarie Dictionary, a republic can be two things which are relevant to us :

1. a state, especially a democratic state, in which the head of the government is an elected or nominated president, not a hereditary monarch.
2. a state in which the supreme power rests in the body of citizens entitled to vote and is exercised by representatives chosen directly or indirectly by them.

One element of republic debate is the removal of a hereditary monarch. This is an area which the republican debate overlaps with state removal.

Its not necessary for removal of the states, but some people believe removing the Queen's representative to be a moderate change and a necessary precursor to broader State removal (K. Woldring).

Another view is that while they are separate, it would be good to become a republic so that the public could focus on just one issue, and our initiatives would not be challenged by royalists claiming we had a “republic” agenda.

Some people believe that the issues are separable, and that there are benefits in a disinterested head of state quite separately from the benefits of abolishing the states.

The second republic definition prompts broader debate about the nature of government. Are the people or the parliamentarians in charge ? How should government emerge from the sovereign will of the people ? Is leaving things to the greater voting population “dangerous” ?

There’s the suggestion that parliament has inappropriate powers which are vestiges of royal prerogative.

How might National-State-Local arrangements best realise individual sovereignty ?

Here I’m mostly asking questions that I’m not going to answer. I’m just outlining the overlap between the issues.

The issue of “residual royal prerogatives” is at the periphery of the republican debate. Some people think that our government still having royal prerogatives is a bad thing. However, we prefer to think in terms of “Checks and Balances”.

What should a government which emerges from the sovereign will of the people be able to do ? How should its powers be checked ? Perhaps its powers might end up with something similar to the residual royal prerogatives it has now. But nobody considers what powers it might in fact need.

This should be decided on through consultation and participation of the Australian people, being aware of but not constrained by historical issues.

9.7 Democratic Representatives or Public Servants ?

Government involves both democratic representatives and public servants. How effective are each of them at identifying problems ? In principle, they are equally effective, but practicalities make the elected representative more effective.

A public servant’s career might advance more rapidly if they do not make waves, and so they would have a vested interest in papering over problems. A politician, on the other hand, has a vested interest in appearing responsive, and so would have more interest in pursuing issues.

This must be contrasted with a politician’s party based interest in giving the impression that “there’s no problem”. But, their public profile means they’re more likely to get done for hiding problems, so they’re probably better than a public servant.

(Notably, the parliamentarian who pushed for a review to exonerate the Captain of the aircraft carrier HMAS Melbourne was a member of the then government (Menzies, IIRC). He was, however, something of a maverick rather than a party hack.)

But, on the other hand, a politician in opposition might have an interest in trying to overstate problems, so when there is genuine problem, they will be seen as “crying wolf”. This is a danger, but we’re probably better off with someone in opposition than government if we’re trying to uncover problems.

The optimum outcome, then, is obtained through a democratically elected representative who is independent of the party system.

But, in order to properly develop legislation, a party system may be necessary. There may be a tension between developing legislation and monitoring the public service which implements policy and legislation.

9.8 The Origins of State Boundaries, dating back to 1494

We pretty much take state boundaries for granted, and it’s possible to get very worked up about State identity. But where do the state boundaries come from ? Research by A.J. Brown has shown the boundaries to be a lot more arbitrary than first thought.

It dates back to the Treaty of Tordesillas in 1494, when the Pope divided the world between the Spanish and Portugese, deriving the location of the dividing line from the Azores Islands. This dividing line was called the “Pope’s line”.

Back then, the world was thought to be flat by most people (but Archimedes, reflecting on buoyancy, had the world being round as an assumption). In any case, when you take the Pope’s line around the world, it goes roughly through the centre of Australia.

But, the Treaty was itself ambiguous. Were we talking about the Eastern or Western end of the Azores Islands ? Today, we’d just call it the centre and be done with, but this commonsense approach was not clear to the

Spanish and Portuguese. So, you didn't just have a line through Australia, you had a narrow strip through the Centre of Australia, the width of the Azores Islands.

When the British first colonised Australia, they stuck to the Eastern section, not wanting to offend the custodians of the Western side of the Pope's line through Australia.

But, they did colonise the Western side of Australia, as time moved on and it became less politically antagonistic.

But the strip through the centre of Australia remained, testament to these earlier decisions. And, as time went on, the strip eventually widened from the length of the Azore Islands to the width of the Northern Territory at the top, and the width of South Australia at its base, with a bend on right hand side !

And that is the origin of the left and right boundaries of The Northern Territory and South Australia.

A.J. Brown's research has shown a disconcerting amount of arbitrariness on all the State boundaries he has examined - though the connection of State boundaries to a 1494 treaty is the most bizarre.

10 The Senate

10.1 The Senate, One-Vote-One-Value, Proportional Representation, and other Issues

Some see the Senate as an important check on Government power. Some see it as an unrepresentative obstruction on the ability of government to implement policies which are rightly its prerogative.

Originally, the Senate was started as a house of representation of the States, though since then it has become a "house of review", a place where minor parties hold sway.

Several issues emerge which are relevant to discussion of the Senate.

- Does the Senate have benefits which are worth retaining ?
- Is the Senate the best way of providing a check on power ? How might we improve it ?
- Do states have disproportionate influence on the Senate ? Should this be rectified ?
- If we were to start from scratch on a system of government, should we retain an upper house, and how much should it carry over from our current Senate ?

Does the Senate provide a useful check and balance ? **Max** feels not :

If we do away with forced voting, have a very simple system of government, and give people the ability to recall their elected member and get a new one at any time , then we don't need the supposed check and balance that is in the present system. Presently, when you vote you only get one chance to get it right; this encourages you to have a bob each way (the senate vs. the reps vote). You can do away with this if your 'check and balance' is that you can sack the present member and put one in place who will do what the electors want.

A.J. Brown, however, feels an important benefit of the Senate is its representation of minorities, as distinct to it being a check and balance :

Under whatever alternative system, there is also natural attractiveness in having a second house continue to represent minorities unrepresented elsewhere (as far as I'm concerned, thank God for Tasmania's and WA's incredibly miniscule quotas in helping deliver some wildcards, e.g. Greens and even Harradine); and a house providing the geographic/regional representation the senate was supposed to, but has never done. Boil these things down and there is probably still a role for a bicameral process.

Michael writes :

More independent reps in the senate will mean issues will be dealt with objectively and not in relation to party line voting. This will force the pollies to adopt policies that a majority of regions have common ground on. Controlling the masses after leaving them in the dark for so long via a 3 tiered firewall, good luck!

The Senate is divided along party lines and does not operate as a house of state advocacy; do we want the replacement system to provide "regional/state advocacy" ?

But **David** notes :

If the senate really acted as house of state advocacy it would be far less democratic, because some states really would be getting more representation than others. Given that people vote for the senate without strong regard for state issues, this is simultaneously (a) a democratising effect and (b) evidence against state relevance.

An important issue is that the Senate does not follow principles of one-vote-one-value - that important ? Let's consider some ideas about one-vote-one-value and proportional representation, from **Mark** :

A one-vote-one-value (OVOV) electoral system provides “democratic justice” by having the number of elected representatives proportional to the number of votes for a particular candidate/party. So for our house of reps to be one-vote-one-value it would be necessary that if 5% of people voted Greens, then 5% of seats (hence around 8 seats of our 148) would be held by Greens.

(Clearly, the major parties prefer smaller electorates to maintain their advantage over the smaller parties.)

For our senate to be OVOV, “regions” (such as our present states and territories) would send senators to the Senate in proportion to their populations. A OVOV system would mean particular states were not disadvantaged by having fewer senators per capita compared to other states.

We could remove the states in their present form but retain two houses of national parliament (useful as an additional “check and balance”); OVOV would still be an issue here.

Proportional representation (PR), with fixed terms to address stability problems, provides the standard way of achieving OVOV. PR uses multi-member electorates rather than single member electorates. So our Senate uses a form of PR within each state. PR means multiple parties and coalitions are encouraged/compelled to cooperate to hammer out agreements in an inherently consensual manner. Europe provides examples of PR working very well.

A criticism of PR relates to political accountability, in that none of the individual members could be considered as fully accountable to the electorate, while they are jointly accountable. Hence, electorates with more members more closely approach the OVOV ideal, but too many dilutes accountability. Electorate sizes of around seven (less than the 12 senators per state !) are generally considered to be the best compromise.

Those rejecting regional governments might be comfortable with regional electorates in the national parliament.

The conclusion out of this is that we can retain an upper house, and retain multiple parliamentarians per electorate, but it could make sense to reduce the state inequity in the representation, and provide fewer parliamentarians per electorate, so the Senate is no longer “State” based, but rather “region” based.

David notes an interesting “hybrid” possibility, as we move toward total government reform :

It's possible to imagine the states still being used to elect senators, but not as sovereign administrative units. Perhaps only as an interim measure, but I think the issues are separable.

10.2 State Marginalisation, the Senate, and other approaches

Given what we've considered in the previous “Senate” section, “States Rights” may well support a disproportionate influence in the upper house. How are we to relate to states rights, and presumably, claims of marginalisation by states which feel that way ?

An important thing to realise is that in Western Australia, while there is a general feeling of the eastern states taking away the resources of WA, within country WA, there is a feeling that the State capital (Perth) is taking away the resources of country WA. I've found this in discussions with Dr. Christine Sharp, of the WA Greens. So, the feeling exists at many levels; it begs the question of how real it is, or whether its a feeling which just naturally develops. Having said that, a reduction in relative representation does not have to mean that states are left in the cold.

If there's a formula determining the money fed to a given region, isolation could count for a component. Isolation due to a water barrier could mean Tasmania is not out in the cold in the new system, at least financially.

It depends on how we define the new financial schemes. States might be entitled to compensatory funds, but because of identified disadvantages, rather than merely through nebulous “states’ rights”. If States are disadvantaged, we need to properly articulate what this disadvantage is; and take it into consideration.

Politically, though such states would have less influence than they have now. They would have an influence as accorded by one-vote-one-value, and only lose their original disproportionate influence.

This does bring up the issue of how we should negotiate a balanced sharing of the costs and benefits within a diverse nation, something which emerges from the fact that we are a nation sharing a common border. There’s an important nexus between “one-vote-one-value”, “sharing costs and benefits as a nation” and “states’ rights”.

Its to be noted that there has been support for the abolition of States within Tasmania itself. The Hobart Mercury, in an editorial of 20 August 2001, supported the Democrat’s push at the time to Abolish the States :

In the past decade Tasmania has radically changed the map of government. We have slashed the number of elected representatives remarkably and relatively painlessly ... From 49 local councils in 1992 we now have 29. From 35 House of Assembly members we now have 25. From 19 legislative council members we now have 15.

... We no longer have to struggle under the burden of being the most over-governed state in the Commonwealth - once an amazing 11.42 politicians for every 100,000 people.

... Given the speed of change in our communications, and the success in Tasmania and other states of local government rationalisation, it seems perfectly logical that the Australian Democrats should make the next step and call for the abolition of the states.

... Just the savings in duplication, just the end to different styles of basic services such as health and education, just allowing areas which have community of purpose to operate without the barriers of state borders, make the Democrat plan appealing.

Of course, there’s the really tough part. But what an amazing day it would be if every state politician could be persuaded to fall on their swords in a simultaneous act of good governance.

There were also several letters in support of the editorial; Leo Foley of Lenah Valley commented on 22 August 2001 :

... Just take the advice of The Mercury editorial (August 20), ... and abolish the State government. We’d like to see that!

The “fortress mentality” we would have thought you would see in Tasmanians is not apparent here. They can see their own over-government, and are not protective of their over-representation in the Senate.

Dr. Willam Coleman, presently an academic at the Australian National University, was in 2001 an academic at the University of Tasmania, and wrote an article in support of State Abolition in the Agenda Journal.

David writes about people who would promote States’ rights :

These groups will call themselves “states rights”, or “a fair go for Tasmania”, or “recognition of diversity within Australia” or “keep the protection that the fathers of Federation envisaged” or something equally plausible. It’s not clear we will get any benefit from opposing them amongst the general population, but we will definitely wear their opposition.

If we do go for senate reform, we ought to argue for the change to happen a sufficient time in the future, or to come in gradually, so that the current crop of senators doesn’t become our bitter enemy. A grandfather clause.

10.3 Support from Around Australia

There’s anecdotal evidence of support for State Abolition in Tasmania from newspaper editorials and letters to the editor.

We’ve had discussion with the State Greens and Paul Black in Western Australia. Contrary to what you’d think, there is a feeling in Western Australia that the states in their current form do us harm.

You see coverage of the issues in the major papers quite regularly. See our website for the many articles which have been collected by Mark Drummond and others.

But some of the most interesting research on this comes from Queensland, conducted by **Dr. A.J. Brown**. (After the Party: Public Attitudes to Australian Federalism, Regionalism and Reform in the 21st Century, published in the Australian Law Review, Volume 13).

During Australia's centenary of federation in 2001, the author, the Local Government Association of Queensland and Brisbane's Courier-Mail newspaper surveyed 1,264 Queenslanders on their attitudes to the federal system and future constitutional change. The results suggest that, despite satisfaction with their political system, a majority of the population (62-63 per cent) also expect and look forward to change in its basic structure over the next 100 years. Further, the results indicate a substantial proportion (around 40 per cent) may be interested in more than minor change, including options such as complete replacement of the current States. This higher than expected interest in change challenges assumptions that Australians are inherently conservative in their views about their constitutional system and opens new lines of inquiry about the problematic relationship between Australian federalism and regionalism.

Interestingly, a majority of the Brisbane Courier-Mail respondents (87%) wanted some form of change rather than the status quo; and 62% preferred a two tiered system, with regional governments replacing the States. The greatest single percentage of the telephone respondents (31%) preferred the same two tiered approach.

This demonstrates that, far from being dominated by conservative views about the nature of Government, Queenslanders are forward thinking about the nature of Government and open to new ideas.

It is a good sign for the change we are seeking. Australians overall do seem willing to look at dramatic change to Government, with state abolition a part of that.

11 Regions in Australia

11.1 Geographic Representation, differences in the influence of regions

The Senate brings up the idea of Australia wide asymmetries in representation, of densely populated states compared to sparsely populated states. But there is still the notion of sparsely populated areas compared to densely populated areas, separately to states. We consider that here.

Some perceive there is a problem with seats which make geographic representation. **Pat Gagel** wrote:

The biggest problem caused by the current delineations of electorates is that it is based on number of voters. While well intentioned, I think it needs to be a little more sophisticated than this, and take into account land area.

David :

I can't see a person who lives in the country should have a greater input into control of government expenditure than a person who lives in Sydney. I moved from Armidale to Canberra to Sydney and I don't think I've become less relevant to Australia's government.

Charles :

The primary purpose of delineating electorates is to ensure some equality of voting power (ie, one man - one vote).

There is tension between equality of voting power, and concerns about being subjected to the domination of the majority. Its all very well for people in the country to complain about a lack of representation - but David's argument about what a "correction" to this situation means for an individual is worth paying attention to.

There's a perception that NSW, Victoria and Queensland have a disproportionate say in parliament. But, with each state having 12 Senators, its possible to say that the other states have too much say compared to their population.

One possibility is that there is a sensible land division, however it may have more elected members to reflect the population of the area. However, in votes on vital things like expenditure, some sort of mechanism should be set up to ensure that more popular areas do not drive/dictate the outcomes, i.e. one region, one vote. Maybe the larger regions average their vote to decide their one vote!!

Charles :

A suggested compromise is have a small number of voters in each electorate in a rural area (to elect their regional parliament) and greater number of voters in an urban electorate (to elect their regional parliament). That would produce no inequality of voting power.

When it comes to the national parliament, a suggestion is that, instead of representation on a strict population basis, this be modified somewhat to allow a more appropriate representation of each region. (without going to the extreme situation we have with State Senate representation.)

11.2 Boundary Problems and Amalgamation

One problem with the current system is boundaries, and idiosyncratic laws over boundaries.

It's considered as a reason for getting rid of the states, but it is also a justification for council amalgamation and boundary changes. Max notes that very few inter-council issues arise over boundaries; presumably the bulk of such problems result from the changes in laws over state boundaries.

Some people in Broken Hill envy people who were separated by a natural boundary like a river. Of course, they wanted some sort of natural affiliation with South Australia.

But, using a river to divide regions seems a good idea, but is prone to problems.

Who maintains bridges ? What happens if one side's agricultural practices put more fertiliser runoff into the river ? If the two sides differ in their drought relief, is that not arbitrary ? The agriculture is defined by the climate and catchment of that river.

Hence, a natural boundary is the catchment for that river, not the river itself.

Of course, this does not mean that regional boundaries should always encompass catchments, but any level of government which does interact with these issues should surround the river.

11.3 Regions

If we have a regional government in Australia, something that is between the States and Local Government, what are we thinking of ? What will be its size ? What will be its responsibilities ? How do they sit on Australia's geography ? How would regions relate to federal (and other) electorates ?

One important thing to grasp is the scale of Australia, how urbanised the population is, how sparse is the country, how small are the country towns.

Max makes the following comment about putting 250,000 - 500,000 people in one region, and its impact on country Australia. His own shire has an area of 2,200 sq km, with a population of 8,000 :

Even with 500,000 people in one province, Sydney is divided in 8 provinces and the Sydney region is the size of my shire. Even with 250,000 people in the province for my area it would be the size of Victoria. So what is the benefit of still have an administration that is so far removed from many of the people ?

Leaving out Canberra, the large cities in 500,000 population to include my town would be Wagga, Albury, Leeton, Griffith, Mildura, Swan Hill, Broken Hill, Deniliquin, Bathurst, Orange, Dubbo, Parks, Hay, Wangaratta, Shepparton, Bendigo, Ballarat, Stawell, Horsham, which is nearly twice the size of Victoria.

David comments :

If we look at the statistics on the populations of country centres, we see the dominance of large cities :

Population of centre	Total Population of range	Approx. Equivalent Avg. Centres
5K to 10K	634K	85
10K to 20K	692K	46
20K to 40K	888K	30
40K to 80K	617K	10
80K to 160K	537K	4
160K to 320K	1030K	4
320K to 640K	323K	1
640K to 1.28M	2075K	2
1280K to 2.56M	1291K	1
2.56M to 5.12M	6142K	1

The relative paucity of medium-sized towns – from which we might hope to draw our regional cores – is striking. And the natural consequence is the Bradley complaint: that regions would be made up of too many small towns, with no common interests.

However, **Mark** suggests some possibilities for regional governments :

If the states were to go the local/regional governments formed could host 25,000 people.

Large regions such as a large Riverina region would retain problems of outlying areas being too far from the regional capital, left out, on the outer, with sponge city problems etc. But such problems would diminish as the region size reduces.

There are only 50 or so urban centres in Australia with populations exceeding 25,000, and the total population of these 50 or so cities/towns is some 13 million. So if these 50 cities/towns each became regions in a new system, and the remaining 7 million population was divided into regions of 25,000 each, this would amount to 50 plus (7 million divided by 25,000) equals $50 + 280 = 330$ regions.

Such a number should be more palatable than would the present 700+ local councils (including Aboriginal Community Councils - though I'd still wish to have Aboriginal Community councils retained in any new system)

If the minimum cut-off for region size was increased from 25,000 to 50,000, there would be a total of 174 regions.

The regional level would be better dealt with through governance arrangements other than regional governments as such, and that the locality/township and national levels have the more fundamental entitlements to "governments they can call their own" than do regions, but I remain open to a regional government model that addresses the core-periphery problems/divisions described above - so long as rural/remote areas were not cobbled together into vast regions ...

Charles writes :

Assuming a total Australian pop of 19,000,000 and regions of 25,000, there would be 760 Regions.

If we are talking about 380 Regions of 50,000 people. That could be sold as just amalgamating every second council or every pair of councils.

11.4 Urban, Regional and Rural

Just what do these terms mean, and how do they fit in with government ? Intuitively, "urban" means the the "big cities", "regional" means "large towns" and "rural" means other stuff.

This at least one major use of the word. "Region" can be a boundary drawn on a map to delineate a "region", but normally "regional" is used to refer to non-urban non-rural places within Australia. This can can be a little confusing :)

David made an attempt to define "Regional Australia" :

A political definition: everyone outside the general semi-conurbations which surround state and federal capitals. By that definition the non-regional centres are: Sydney, Melbourne, Brisbane, Perth, Adelaide, Canberra-Queanbeyan, Newcastle, Central Coast, Wollongong, Hobart, Geelong, Rockingham. Doubtful cases Gold Coast-Tweed Heads and Darwin. I'm sure there are others I am missing through geographical ignorance.

Non-regional: 10.8M (minimum) Doubtful: 0.4M Regional: 5.2M (maximum, inferred from total population in local govts)

The ratio isn't as large as I expected. Of course, all these figures are six years old. The concentration in the big cities must have increased considerably in that time. And if we are planning for the future we should think as though that trend has continued. Plus some of those I have counted in "regional" are probably in small satellites of the big cities.

And what about "rural" Australia ? Here's a **David** inspired definition :

anyone living on a farm or in a town whose economic basis relies on services to farmers; or anyone working in a mine or town whose economic basis relies on a mine.

We might broaden out “farm” in some cases to include fishing, depending on whether we think of such coastal towns to be rural.

A next obvious question is, how are they different ? How might we approach them in a revised government system ?

Max outlines a rural council :

The NT is 1,346,000 sq. km and Brisbane is 200 sq. km. so my shire fits in there, it is 2,200 sq km, with a population of 8,000.

300 rural councils like my own do not tender out their operations they do them themselves. We do not have a local police station, out of business hours we have two police on duty to cover 3,500 sq km, six towns and 10,000 people, so the police do not handle barking dogs as it is a council responsibility.

The idea of serving at both local and higher levels is problematic, at the moment I spend two days a week on council stuff, so if the area was to be bigger or more people then where would I get time for national stuff ?

(I am on the Berrigan skate board committee, the Berrigan tidy towns committee, the Berrigan District Development committee, the Suicide prevention committee, the Berrigan tourist committee, and some more, as a representative of council, to report back to council.)

My council does not want any part of running health or the police as we have no real idea of doing this.

About the council in Broome, **Max** says :

This council already implements most government services.

This is an interesting statement about Rural Australia. Perhaps this is true, if we focus on tangible expenditure and work performed.

However, in many cases, a “framework” is provided by State and Federal government which impacts and supports rural activity.

For example : Electricity (State), Driver’s licenses (state), aircraft regulation (Federal), Radio and TV (Federal), Trade (Federal), Transport (State and Federal). In some cases an individual must go out of the rural council to take advantage of these facilities, but they are nevertheless provided by state and Federal governments.

Max’s point seems to be that rural councils “work well”, and that to remove this in pursuit of government reform is to miss an important loss.

On reading how busy Max is, however, I can’t help but think about the saying that “work expands to fill the time available” - Parkinson’s Law. Max is perhaps busy because he’s made himself that way, not because the things he does are in any sense beating on his door, and he cannot imagine alternate ways of doing things.

What about cities ?

Pat suggests they be “special cases” :

We need to stop being naive, and treat Sydney, Newcastle, and Wollongong as special cases. In these larger centres, they may have more members, proportional to the number of people, but in a regional scenario, they should have an equal vote, i.e. 20 councillors/governors whose vote only counts as one, equal to all other regions (i.e. they hold their own internal vote to decide their regions position).

The original system is no longer equitable, and has resulted in unhealthy economic growth, constricted to particular areas. As we move into the information age, I think such restrictions are no longer necessary, or useful for the long term sustained growth of Australia.

12 The Murray-Darling Basin and river salinity

The MDB is a river which spreads over four states. Its an economic resource - farmers draw its water to grow crops. Its also an environment, a place for trees and animals.

Issues of economics, the environment, external impacts and inter-state equity all emerge from the Murray.

How does salinity build up ? Water in the river comes into contact with the more salty water in the ground, and also through exposure to salty rocks. Evaporation of the water in the river is not much of a factor at all. If you remove water from the river and don't return it, then you've removed water but have not in fact increased its salinity.

Eventually, the raw diversion of water, the water we take out of the river, must be an issue, but at the moment, its not the water we take out of the MDB that is an issue, its the salt we expose the Murray to that is the issue.

But, irrigation frequently does not just take water from the river, it exposes it to the ground water and then returns it to the river.

In principle, you could take the water from the river and not return it, but the water seeps into the ground, raises the water table, and then the salty groundwater finds its way into the river of its own accord.

You can reduce the impact of irrigation by improving your techniques. Drip irrigation is considered 90% efficient, and overhead sprinkling can be considered less than 70% efficient.

But regardless of the technology, if you irrigate enough, eventually you must increase river salinity.

Land clearing also causes problems. It seems that without trees to take up rainwater, the water table rises and this salty water then seeps into the river.

Lastly, the ground contains salt bearing rocks, and if you put in locks and dams, which increase the river depth, then salt can leach from the surrounding land. The technology you use to control the river can itself generate salinity.

This increased salinity can kill off trees and the associated ecosystem. It can make farming less viable. Right at the end of the river, in Adelaide, it means the water is less suitable for drinking.

If we look at the river and what interacts with it as an entirety, without states, we can better see what needs to be done to manage the river, when we can see the interactions between water costing, salinity, farming and the environment.

We can only have so much irrigation before the river increases in its salinity. We can increase the land irrigated for a given amount of water by improving irrigation technology, but there's a total loading we must stay below.

So, there's a limit on farming. If we're above that limit, we need to take farms out of operation or improve their irrigation technology.

We could buy farmers out, which takes money, or force them to stop farming, which has its own problems. A middle ground option is to price the water so as to reduce its use.

Pricing the water is a problem. If we want to reduce the load on the river, then we need to continuously increase its price until the usage drops. An increased price does not just prompt reduced irrigation; it can prompt more efficient use of that water.

But pricing is something of an issue; you're not pricing water in accordance with its "true cost", you're increasing its price till the impact declines. As a result, some farms must go out of business.

But its a choice; should we keep the farms in operation which do overall damage to the river ?

There's also the possibility of shifting farming from where it raises the water table to where it does not. We can change how we're damming the water and clearing land. I'm no hydraulic engineer, but it seems to me if, for example, you put a concrete liner around a dam or lock, you'll reduce leaching.

Its difficult to see us getting away without dramatic change. We can pick away at the problem with technology, but I think eventually you have to reduce or change the approach to farming.

Looking at the whole system, the fact there are trade-offs and difficult choices to be made is apparent. In principle, if we had a single authority which we believed could make these trade-offs based on clear transparent principles which could be owned by the people of Australia at large, we could see an improvement.

Its also possible that that we might inject funds from general revenue, to assist with the upgrade of hydraulic works and irrigation technology. But, how do we justify this draw on public funds ? Are the people who benefit from the reforms paying for them, or is it the whole of Australia ? These are difficult issues, but they are more readily resolved at a National level, where these perspectives can be considered for Australia overall.

(Note that this issue bears upon a broader issue of East Coast - Western Australia equity - see later)

Note there's going to some pain there somewhere, and we can't get around that. But, at least the pain would be evenly shared.

But, what is the impact of the present States in the system ?

With different states, this goes one step further. A state can draw more than its fair share of water, or increase salinity for people downstream, depending on how you want to look at it.

They can try to claim the benefits of the river while shifting the impacts of that benefit elsewhere.

But who "owns" the river ? The state where it originates, or states downstream ? This isn't really well defined, and of course its going to be a problem.

There's a theoretical view that one point of a common government is that it can take externalities between different sub regions into account. This is clearly where the Commonwealth Government comes in.

However, it gets complicated. Section 100 of our Constitution reads :

100. The Commonwealth shall not by any law or regulation of trade or commerce, abridge the right of a State or the residents therein to the reasonable use of the waters of rivers for conservation or irrigation.

This section has muzzled the Commonwealth Government powers so far. There's mention "reasonable use". You could now argue that a State is making "unreasonable use" of water, and that Commonwealth Government intervention is justified.

This is something that MPs in the Howard government have commented on. Its something that Christopher Pyne, the present member for Sturt, South Australia, commented on at our 3rd congress on the 22nd March 2002. So far, the Government has tried to negotiate a solution between the different states. Its difficult.

You must get the states to agree. Its an inter-state problem, and something which the Commonwealth government could reasonably get involved with.

Policy initiatives and changes are one thing. But, there's also Federal money, perhaps to help farms improve their irrigation, perhaps to improve locks and dams along the river, perhaps to buy farmers out.

If we have money to fix salinity, then one of the issues is what happens to states where their salinity problem is completely internal, like Western Australia ? I understand from Dr. Christine Sharp that their internal salinity problem dwarfs our own Murray Darling Basin salinity problem.

Well, that's a bigger issue of "fiscal inequality", is the Federal Government getting involved because its an inter-state issue, or because its a big problem for the whole of Australia and they have control of sufficient cash to fix the problem ? This second possibility is of particular interest to the people in WA.

You can see that a common approach to the Murray Darling problem is important. So too is a definite commitment. But, it seems clear to me that regardless of the detail, removing the states is going to make coming to grips with the Murray-Darling basin a lot easier.

We have a situation where the states, by pursuing their own, mean that we cannot in fact agree to a solution to the problem, with the MDB in meantime getting worse.

12.1 Water : Some Discussion

Charles noted an article in the Weekend Australia, with the extracts :

A Researcher comparing the States water rules was struck by the difference between Vic & NSW. 'It was like flying from New York to Moscow, just totally different systems'. and

'Victoria has the best model for sharing water - secure,efficient and cost-effective. NSW licences are not worth the paper they are written on because they are not backed up by water in the system the systems are so over-allocated.'

Anthony David Comments :

And of course Queenslanders want to get in on the water act after seeing what NSW have done downstream with the water that flows past their front door. More opportunity for conflict there.

Ticky Fullerton (of the ABC) has written a book "Watershed". It has an excellent coverage of these area of conflict. You have to read between the lines about the States issue. COAG is seen to be have a positive effect in some areas, but in others she refers to "COAGulation", when states drag the chain on reform.

River basins and conflicting sovereignty are cropping up around the world. The 3 Rivers Dam in China and its downstream affect on countries of the Mekong Delta is an issue that will not go away over the next decade or so. The Danube and its pollution problems was highlighted last decade.

Charles / The Australian Continues :

National Land and Water Resources audit found growing vegies returns\$1295 per megalitre, fruit \$1276, cotton \$452, dairying \$94 and rice \$31.

The bottom line? The value of irrigated agriculture could be doubled with half the water use, thus restoring our rivers to health.

Of course, these prices are relative to the present demand. If everyone grew vegetables, no doubt the market price would drop ...

Max questions these figures :

The return from vegies \$1295. This is a gross income figure, but how much is profit? The return from rice \$31; how much is profit? None, because the cost per megalitre for the water is \$60, some one had better tell all the rice growers that they haven't made any money? The reason that farmers don't all grow vegies is because they cannot make enough money out of doing it.

Anthony comments further :

This is a gross-value yield. See http://audit.ea.gov.au/ANRA/atlas_home.cfm

From the farmer's point of view, Labour cost is the key in this case. Veges are a lot more labour-intensive. Capital cost is another factor.

However, from the point of view of the supplier of the water, the return is also valid. \$60 per megalitre might be the going rate at Berrigan, but a vege grower in Sunraysia is paying a lot more than that.

People in Adelaide are prepared to pay a hell of a lot more again.

What is the true cost of supplying that meg? In economic, social and environmental terms?

This is where the whole water trading issue comes in. The discrepancies between water allocation between states makes trading difficult to say The least. It has happened, however, between Kerang and Sunraysia already.

What are the city-dwellers expecting cheap unseasonal food prepared to do? Apart from appealing to environmental and social consciences, The true costs have to be shared by them (me included) as well.

12.2 Crops on the Murray

What crops should be grown on the Murray ? If we're pricing water and the impact on the Murray is declining, approaching what is tolerable, farmers can grow whatever crops they want to.

But, if the Murray is an issue of National importance, perhaps we should be taking an interest in what's being grown with it ?

Based on different figures to above (the ABS, their "Water Account for Australia 93/94 - 96/97), first reported by Vicki Dunne at one of our congresses :

Rice returns \$189 per megalitre of water used, but irrigated pastures, other grains and livestock returned an average value of \$289 per megalitre. Irrigated sugar came in at \$418 and irrigated cotton at \$612.

One of these crops is cotton. I don't know much about it, and we don't discuss it much because there's no one in our extended group that is part of a community which grows cotton. While we're not including labour and pesticides, it seems that cotton would be most able to bear an increase in the cost of water.

Strangely, there's an increasing amount of rice being grown. Vicki Dunne, speaking at our 3rd congress, told us these figures and thought it was ridiculous we were growing rice, given the fact that we are nation which is short of water.

When we export crops, sure we are exporting nutrients, carbohydrates and what have you, wrapped up in very small packages. But, effectively, we are also exporting water. We're exporting the water that the importing country would have used to farm that crop themselves.

While we may be short of water (but "shortage" is a relative term, mostly defined in context), it nevertheless makes sense to export "thirsty" grain if the receiving country is even shorter of water than we are.

Max Bradley will claim that rice is a lot more profitable for farmers than wheat. Now, how can that be, given the statistics I've quoted ? As Anthony notes, water is just one input, and other inputs can affect the overall profit.

In the economic trade off, water is a factor. But we do have to look further than that. If we charge farmers the "environmentally sustainable" rate for water, and they still choose to grow rice, then that's their choice.

Max will probably also tell us that the farming of rice is well regulated, and they make sure there is so seepage from the water table.

We have statistics on "water used". But this does not necessarily relate to the salinity impact. We might "use" a lot more water and have less salinity impact, so long as there's less water table and salt bearing rock interaction. Perhaps we should be charging based not just on water use, but also based on the salinity impact of that use.

The regulation of rice growing which Max mentions must be an improvement. But, its the regulation, not the fact that you are growing rice. If you can regulate the interaction between the water table and the river for rice, why not for other crops ?

Further, the quotas are going to make things messy. You give a farm a water quota for rice, and what happens if they want to sell it, or split it in two ? You have two farms, one with ten times the river frontage than the other. Do you give one a water quota ten times larger than the other ? What if the smaller farmer complains that its not economically sustainable to run such a small setup ? What if one farm has a smaller total land area than another, but a larger river frontage ?

Thinking strategically, what do we have more of ? Land. What do we have less of ? Water. So, other things being equal, it makes sense to grow crops which use more land and less water, like wheat.

But, one reality is that commodity prices have been dropping for many decades, and if the price of wheat has been dropping to the point where we are encouraged to do environmentally stupid things, where does that leave us ? There's no easy answer here.

And then there's water per capita. Some countries may have a lot of water, but be unable to grow enough rice to feed their entire population. So, having a higher population density, they want to import our rice. Perhaps that's understandable. And if it means they pay more for the water we use to make the rice, perhaps that's not as much of a problem.

Ultimately, though, we have an economic - environment trade off to deal with, regardless of the price of exports. We need to look at all the issues, and there's no simple answer.

13 City vs. Rural equality

In order to implement a new system of government, we need to satisfy people that the new system will be more equitable than at present. One major source of concern for country people is a feeling that they are at the receiving end of arbitrary and unjust central government policies where they are out of control.

So, the issue of city and country calls for some examination.

There's the issue of who supports who - does the city support the country, or vice versa. Of course, even supposing we can get at this problem, there's more to it. Some country towns (sponge cities) grow at the expense of the surrounds. And some coastal country towns are doing quite well from tourism (while we might describe these towns as "country", they're not rural, as per David's original definition).

Regardless of who supports who, part of the point of being a community within a nation is that we share the benefits and the costs of wherever we might be located in Australia.

Can we come to grips with the necessary calculations ?

The Short Answer : to appreciate the issues is challenging, but getting an appreciation for the numbers is difficult or impossible.

The Long Answer :

Many politicians and commentators "grind an axe" over the city vs. bush, sometimes to justify policy changes. But, frequently, its just to get votes. There's no reason to it, but they point a finger at the city and appeal to people's prejudices.

However, even if we could identify the components in such an analysis, there are significant uncertainties in allocating the benefits of expenditure. But, making a start on the issues does help in figuring out what's going on, and whether you can so easily claim a bias towards the city or country.

Its of importance if we plan to radically change government. We need to know how our changed systems will affect the balance between the city and the bush. But, equally, if we obtain some insight into current issues, we can apply them to our restructured government.

Regulation can fall more harshly on the City or the Bush; intervention in the market might be said to affect one region or the other more harshly compared to the "free" market. Then there's taxation, which might be claimed to fall more harshly on the city or bush.

(An example are doctors. For some, their supply is too high, prompting doctors in the city to "invent" health problems in the community. For others, their supply is artificially low, but if doctors were freely available, more would have to end up in the bush. But, OTOH, Medicare and PBS payments would be much higher.)

Expenditures by Government have two different benefits. The first is a benefit for which purpose the money has been spent. For example, if we spend money on defence, the whole community obtains the benefit of defence. We call this the "purposive" benefit.

However, depending on where the defence force bases are located, there will be an injection into the local economy, as service people spend their income in the local economy, and the defence base purchases civilian goods

and services from the local economy. We call this the “incidental” benefit.

(Much as defence expenditure provides the clearest illustration of the difference between purposive and incidental benefit, it does not form part of our analysis; this is because there is no clear city or bush bias in defence expenditure.)

Clearly, it is only when the “incidental” benefit is unevenly spread that you have problems.

The more “decentralised” you are, the more spread out the “incidental” benefit will be; but “centralisation” could mean you deliver the “purposive” benefit more efficiently.

Commonwealth untied grants to local governments (FAGS) have a component which allows for the disadvantages of local government. Together with “tied” grants, this cash flow may to some degree compensate for any excess in incidental benefits delivered to the cities.

Apart from Government, private industry is important in delivering services. How many TV stations, cinemas, pubs, hospitals, etc. do we have around?

Its clear that the bush is at a disadvantage in many ways. How much is the result of government policy, and how much has “natural” causes ?

A population must be spread out to take advantage of resources of the land which are spread out (as they do in the bush). If they wish to take advantage of each other’s abilities, then being closeby (as you get in a city) is advantageous.

But, becoming part of the national community presumably means that, at least at some level, you benefit from being part of that community, and so there should be some effort to share these benefits out evenly; or put another way, the costs of living in some location might be shared out, as long as we are part of that same national community.

We could not deliver services equivalent to those in the city, but we could spend additional money equal per capita to guarantee some minimum standard of services consistent with human rights.

Would this be a subsidy ? Or, perhaps a better question is, to what extent should we consider the bush disadvantage as natural, something which people in the bush should live with and let market forces develop an optimum population - or do notions separate of economics and market forces prompt additional compensatory expenditure ? Is the argument about equity, or the vigour of the economic system ?

Of course, the bush is *not* universally in decline. Country centres grow at the expense of smaller surrounding cities, and town on the coast are growing, perhaps at the expense of interior towns. We acknowledge this factor, but focus on “city-bush” inequity.

13.1 Government Policies

Do policies have a necessarily city or bush bias ? For example, we have globalisation in terms of bank reform, industry tariff reduction and exposure to global commodity markets, changes to local government responsibilities and funding.

Reducing industry tariffs makes industrial inputs cheaper for farmers. However, exposure to international commodity prices puts farmers under pressure, perhaps encouraging larger farms and providing less opportunity for risk taking and innovation. On top of all that, financial market deregulation means banks can no longer afford to keep their bush branches open.

Clearly, these policies are mixed bag. Were they deliberately city or bush biased ? Ideally, globalisation means that all industries and primary producers are exposed to competition, and either we will get cheaper economic activity locally or we can purchase cheaper overseas products. Ideally, this is applied impartially to all economic activity, city, bush or whatever.

Different policies will, by their nature, improve either the city or the bush.

Some policies may have an element of assymetry which is impossible to escape, but nevertheless provide some benefit for all. Ports, for example, provide more benefit for city based industry, but obviously provide a benefit rural economic activity as well.

Some policies will be intended as unbiased and end up that way. Some will be intended as unbiased but end up biased. Some may be indented to appear unbiased but in fact be biased.

Government policies cover a great range, and a bias of some policies can be made up by other policies. So you have to “add them all up” to see if there is a net city or bush bias.

But, is government policy intentionally biased towards the city or the bush ? Its my suspicion that this is something that is just too difficult to know.

Cynically, some government policy may result from an objective assessment of the situation, but the greater amount may be result the result of vested interests with political power, together with a little horse trading which is the stuff of the political world.

13.2 Cost of people in the city or bush

Is it cheapest to put people in the city or the bush? One possibility is to place the majority of the population where it is cheapest, and let the scarcity of individuals for necessary jobs drive the wages up to the point where people are willing to be there.

Just what is the cost per capita to service a person in the city compared to the country? In the city, we have grand scale sewerage works pumping into the ocean, and vast dams. We also have a vast electric and communications grid taking power and telephone lines to consumers.

In the country, the scale of operations is smaller. In handling sewerage, either we must treat it much more expensively and pump it into local rivers or pump it long distances to a coastal sewerage treatment plant. It may be necessary to pump water long distances. Long cables may be necessary to service that population with power and telephone.

It may be more effective to have a greater bush population than the minimum necessary to support the industries unique to the bush, if the cost to service additional population is small after we've provided for the necessary minimum.

A related issue is the "spare *existing* capacity" of the bush; it may be that the country has the infrastructure to absorb population at less cost than a similar population in the city, because the city infrastructure is at its limits.

A decision can be made by government about infrastructure; but whether markets follow suit and provide this "larger than absolute minimum service level" is unknown.

It depends on whether we view increasing population as a good or bad thing.

One view sees it as something we have no right to stop, though we can see that Sydney is overpopulated, and it would be better to divert that growth elsewhere.

But what does it mean to divert that growth elsewhere? As long as people continue to settle in Sydney because it is in some way cheaper than the country, how can we say that Sydney is overpopulated? If in a technical sense it may be more expensive to have someone settle in the bush rather than the city, how can we justify that it still makes sense to settle them in the bush?

One answer lies in externalities. If the total cost including externalities is more than the personal cost, then the externality cost should be made apparent to people when they are making their settlement decision.

13.3 Vicious circles, and sustainable cities

There's also the vicious circle element - that once the banks leave a bush town, it's in a downwards spiral.

The "deregulated market" means that towns are not viable, and so perhaps we need to change the deregulated market.

There are concerns about the population migrating to an overcrowded city. Ideally, the cost of living in the city should be charged at such a rate that there is a compensating financial incentive to live in the bush, so that if the cost of living in a crowded city is properly valued, everything will come out of the wash.

Perhaps we have a market failure - because of the critical mass required to sustain a township, no single firm will move from the city to a town, while it might be viable if twenty firms were to move to a township. The market pressures do not prompt incremental movement of firms. And it's the number of firms in a township which provides employment, which is a critical factor determining where people locate themselves.

A counter-argument would be that the benefits of being in a city really do mean a lot to firms, and they are valuing them accurately, and we don't readily comprehend just how significant they are to the businesses concerned.

If we do have a market failure, this prompts intervention by government - they can provide the money which will bypass the incremental inertia of individual firms, industry will be decentralised, and the city will benefit through having its capacity less stretched, and the whole nation will benefit through the better allocation of resources.

13.4 Subsidies to City Public Transport?

You sometimes hear claims from the bush that they are subsidising the "expensive" city public transport system. But, this is unlikely.

Public transport makes a city more compact, and everyone in the city (not just public transport users) benefit from this effect, and there is greater economic activity. Hence, if we tax people overall in the city to capture the benefit, such a subsidy is not a subsidy at all.

We need to identify the economic activity in the city (and the associated tax) with and without a public transport system. If the additional tax collected equals or exceeds the cost of the public transport, then the subsidy is contained within the city, with no net subsidy from the bush.

13.5 Problems and Politics; City-Bush differences in representations and influences

There are claims that people in the bush are under-represented in parliament, and the democratic system acts against them.

However, you also hear from many city people that they are out of touch with and unable to influence the democratic system. You wonder if people in the bush are conveniently thinking that these bad things are only happening to them, and can't see it might also be happening in the city.

The claim of lacking democratic representation seems to evaporate under closer examination. A dialogue might be imagined between the city "C" and the bush "B".

B: We don't have effective representation.

C: What? Are you trying to say there is a problem with the way the democratic system works, or what the representatives do?

B: Well, our representatives take a while to get up to speed. Once they're up to speed, I guess they're OK, it's just they take a while to represent the bush properly.

C: You're saying your representatives aren't local?

B: Yes, they're appointed by the party.

C: So, would you be better off if you had an independent who was familiar with local issues from the word go?

B: No, the parliamentarians need the party machine infrastructure to get anywhere.

C: Er ... people from the bush could readily move to the city in an attempt to progress within the party machine, and the city residents would not be properly represented.

The point is, if we're to try to say that democracy somehow fails the bush, we need a complete theory of that. We are talking about a failure of democracy, and this prompts a serious analysis, not some generalisations from cursory observations.

13.6 The National Farmer's Federation

The NFF have a lot of interesting, possibly valid, things to say. However, I'll here focus on our disagreements.

The NFF have a naive and superficial view of the environmental movement. There are many people in the environmental movement who push for less use of cars, and greater use of public transport, and greater use of bicycles and motorcycles.

Certainly, there are elements of inconsistency when you view the environmental movement as a whole. However, this is analogous to the City lumping disparate bush areas - for example, Broken Hill, a Coastal Town, a inner state centre (eg Bathurst or Orange), and smaller bush regions together, something which I'm sure country advocates would be uncomfortable with.

It seems the county wants people to consider their diversity, but considers other points of view as an amorphous whole, without considering their detail.

13.7 Considering separate expenditure areas

13.7.1 Roads

The bush per-capita expenditure on roads is larger than the city. This is an approximation; we're not considering the money spend at head office vs. around the state.

Bush roads are not necessarily used by country people. They may be used by city people travelling between two capital cities.

Hence, in reviewing the expenditure and benefits of roads, we must look at how they are used, and to who the benefit of the road accrues.

For a stretch of bush road, we can imagine many different trips. Locals might travelling from their residence to somewhere within 50 km; Freight might travelling between the bush and the city; passengers and freight might travel between the city and bush, or it might travel between major cities.

And there's probably a lot of other examples, too. The benefits of these trips might accrue mostly to the bush, mostly to the city, or be shared between them. You need to sum them all together.

We're focusing on bush roads, but we must remember that city roads, primarily built for city traffic, will provide some benefit to bush travellers and freight between the city and country.

This makes sense in principle. However, the sad reality is that the necessary statistics are not available. The best we can do is go on guesses, based on what people with a "city" or "bush" bias would do, and then grind through the sums to find out what the impacts are.

13.7.2 Legislation vs. courts and police

Laws are made in a central parliament, together with some policy setting bureaucratic infrastructure.

Legislation development has a purposive and incidental benefits. Law being made is a purposive benefit for the whole state or nation. The fact that it takes place in the city, rather than being decentralised into the regions, means that the incidental benefit is captured by the city.

Expenditure on law enforcement (police and the courts), has a benefit which mostly accrues locally.

There are two elements to expenditure on police and courts. A first is the "enabling" element of police and courts. Here, we consider the legal infrastructure to be something which facilitates the proper running of society, and a benefit. There is a "purposive" benefit, and the smaller the spending on this infrastructure, the worse off a region will be.

(Within reason; it is possible to spend too much on the law)

But, if we assume that some region has law and order problems above the norm, they will require additional "corrective" expenditure. Here there's a paradox. The problem is partly fixed, but if there are no problems to fix in the first place, the community is even better off.

If expenditure is related to the magnitude of the problem, then there's some inequity. A crime free area subsidises the policing of crime in a crime prevalent area. However, the crime free area has benefits from being crime free in the first place.

Rather than thinking of this as a subsidy or market distortion, a better viewpoint is "equitable impact sharing".

To the extent we are all involved in decision making participatively, and the prosperous communities grant the less prosperous communities a share willingly, all well and good. To the extent the less prosperous communities manipulate their way into an additional share of resources, that's a problem.

This is an equity as compared to a strict economic argument.

13.7.3 Infrastructure : power, water & sewerage, hospitals, communications (fixed line & mobile)

Law & order can be a "corrective" service; the more you *need* it, and the service is delivered, the worse off you must have been to start with.

However, other infrastructure is of a "positive" variety; the more you have of it, the better off you are. Road is one example, already discussed.

However, there are more tractable infrastructure components : power, water, sewerage, hospitals, fixed line & mobile communications. The benefits of these facilities shows a much better correlation to where it is spent.

These presumably cost more to provide in the bush than the city; the further out and more dispersed they would be, the larger the cost. Water and sewerage may be an exception - for a sufficiently small population, residences can obtain their own water from the local river and dispose of sewage in septic tanks.

To the extent we are charging bush residents the full cost of service provision, there is no subsidy issue, but there may be an equity/equable sharing of impact issue.

We can assume the cost of centralised planning to be much smaller than the capital and maintenance cost of that infrastructure. Hence, the impacts of incidental benefits will be small, but the *cost* of the purposive benefits will be the significant component.

14 Working for Change

14.1 Power and Initiative

Why do people not relate to government ? Clearly, its become complicated, politicians can evade responsibility, and its important to change the system.

However, its not just government which is to blame. There is the view that people do need to take an interest in their system.

Max wonders :

When did anybody ring their local member and then they had it wrong or some thing need to be changed.

While Max's local member may be approachable, local members for the most part just pass letters onto the relevant ministers, who may deal with hundreds of letters a month; the system is not as approachable as Max makes out.

Do people feel powerless ? Max feels that if they do,

The reason this feeling is there is because the people do nothing about it, and use the idea they are powerless as a excuse.

Do people feel remote from Government ? **Max** notes :

Even the people in the other towns in my shire which are within 30 kms of the shire office reckon it is to remote, so I really don't know how to overcome this, other than to have a system that put some representation as close to the people as possible.

Perhaps this is something that people will always complain about. I suspect we need to distinguish between "real" remoteness and an expression of people's laziness. Sure, government should be accessible, but it may be necessary that people make some effort above zero in order to get in touch.

14.2 Driving towards change

Within Beyond Federation, we believe in radical change to the system of government - getting rid of the states. Whether that be to have a system we can better relate to, or one with fewer inconsistencies, or because of the efficiency dividend which results.

We have a frustration with the present system. And, we have good reason to be frustrated. But, as noted above, we do need to take responsibility for the way government is, and take the initiative in changing it or demanding better.

Today, people are relating to government and its processes through not just the ballot box - but also through protest and advocacy.

We believe that this alternative thread is important. But, we should not just concern ourselves with the wrong outcomes we see government do. We should also think about what government is, how it performs, and think of ways of making it better.

We should not just lobby for government to spend in areas we see as important. We should try to make government more efficient, so there is more money to spend at the coalface on things we find important - and things other people find important, too.

This booklet is an important part of the process. You can become informed through reading papers and processing that information about government. But, booklets like this, with the information concentrated and arranged - are clearly superior to taking information through the media.

There are books on democracy and government. But, we suggest, few are as relevant to the Australian landscape or readily accessible as this one.

If you are reading this booklet, that's part of the process of making Australia a better place - even if you don't agree with the ideas, thinking them through can only improve the world.

14.3 Ultimate Change - Removing the States

Many people have wanted to remove the states. Its a big ask. But the only way is through gross popular support. Its surprising the number of people who agree its a good idea - but then say it will never happen. If only we could bring them together at once !

The path to such change is simple in principle. We need to have a big enough movement which that the mainstream political parties cannot ignore us.

We need to keep the topic in discussion, and we need to tell everyone what we believe.

If you feel so inclined, join our group. But don't think that joining our group is necessary for you to believe in abolishing the states, or contributing to the cause; you only need identify yourself as a believer to people you know, becoming familiar with the issues, and advocating for the cause.

As time goes on, the various different models will develop. We're agnostic about which one to put into Australia. We could clearly put that up as a plebiscite.

But keep thinking, keep talking !