

Chapter 8

Reforming the federation

8.1 As noted in chapter one of this report, this inquiry was established to 'explore a possible agenda for national reform' on a limited range of issues. It was not established to determine what the outcome of any change should be.

8.2 Even so the committee's work has proceeded on the basis that Australia's system of federal government is the most appropriate for a country of its geographic, political, economic and social character and has overall the support of the Australian community. As noted earlier in the report, however, over time the foundations of the federation have been eroding causing among other things cost-shifting between the different levels of government, an increasing concentration of political and economic power in the hands of the federal government and growing ambiguity over the constitutional roles and responsibilities of national, state and local governments.

8.3 During the enquiry, the committee heard considerable evidence that this process of evolution was less the result of well considered policy decisions than the ineluctable consequence of a series of rather ad hoc responses to pressures for change. The consequences of this, as Dr Zimmermann and Mrs Finlay noted in their evidence to the committee, are that:

[t]he continual expansion of Commonwealth powers has resulted in a Federation far removed from that originally envisaged by the framers. Along the way, many of the advantages of federalism have either been lost, or are not being realised to their full extent.¹

8.4 Many of the submissions to the enquiry noted that the pressures on the structures and processes of the federation had become especially apparent over the last decade or so. As a consequence steps to restore the federation to health are becoming increasingly urgent. Writing in 2006, the Business Council of Australia commented that 'no significant [economic] reform is possible without effective cooperation between the federal and state governments' and that 'reform of our federal system must be part of that agenda.'² This urgency is, if anything, more acute today. The committee looks forward to this report contributing to this process.

8.5 While the previous chapters of the report have attempted to identify the key issues for change on an agenda for reform, in this concluding chapter the committee explores several ideas and suggestions as to how this agenda might be advanced with particular attention to the forums most appropriate to the task.

1 Dr Augusto Zimmermann and Mrs Lorraine Finlay, *Submission 17*, p. 58.

2 Business Council of Australia, *Reshaping Australia's Federation: A new contract for federal-state relations*, 2006, p. 3.

An architecture supporting cooperation and competition

8.6 When approaching the challenge of reform, the committee believes that the objective should be to build and formalise, in the words of Wanna et al., an 'architecture of cooperation' to preserve the benefits of cooperative federalism. While offering its broad support for the ideal of cooperation between the different levels of Australia's federal system of government, it notes, once again, that 'cooperative federalism' can often be a mantra for the Commonwealth assuming more power in a field not previously part of its constitutional authority. Federations need to be responsive to changing circumstances, but institutionalising greater power in Canberra is only one possible response to this challenge. The committee recognises that one of the benefits of federalism can be the competitive tension federalism introduces into policy making and service delivery. This competitive tension is both horizontal (between states) and occasionally vertical (between the states and commonwealth, for example in those areas where there is overlap in responsibility). Accordingly, the committee sees considerable merit in the retaining and strengthening of these competitive tensions. This is particularly true of those tensions generated at Commonwealth level through the exercise of its distributive funding powers.

8.7 Professor Galligan clearly articulates this relationship between cooperative and competitive models of federalism.

Competition and cooperation are complementary dynamics in Australian intergovernmental politics and public policy. Besides explaining the fiscal federalism and how it has developed in Australia, these two modes capture the dynamics of political federalism and intergovernmental relations.³

8.8 Noting the benefits that follow from some federal competition, the essential operating model for Australian federalism, however, is cooperative federalism. This approach commanded widespread support in many of the submissions to the enquiry. For Wanna et al., this 'architecture' consists of three broad and interrelated elements:

1. Principles to guide cooperative federalism
2. Supporting legal and institutional arrangements
3. Appropriate cultural practices and attitudes.⁴

8.9 The Business Council of Australia has approached the reform agenda in a more functional way emphasizing a process of change consisting of the following steps:

- Step 1 recognises that the challenges Australia will face in the coming years and decades cannot be met without collaboration among our

3 Professor Brian Galligan, *Submission 46*, p. 14.

4 Professor John Wanna, Professor John Phillimore, Professor Alan Fenna with Dr Jeffrey Harwood, *Common cause: Strengthening Australia's cooperative federalism*. Final report to the Council for the Australian Federation, May 2009, p. 3.

Governments. A first step towards a better functioning Federation might therefore be to ensure there is an effective vehicle for that collaboration.

- Step 2 then focuses on using those collaborative institutions to redefine the relationship between the Commonwealth and the States and to ensure responsibilities and functions are allocated appropriately. Effectively, this means re-invigorating and adapting the framework under which the two tiers of Government operate.
- Step 3 then suggests using this redefined framework to rationalise Government policy development and service delivery to ensure the Federation operates effectively and efficiently.⁵

8.10 In yet another approach, Dr Zimmerman and Mrs Finlay focus on reform through the prism of the issues and methods. Accordingly they argue change should address:

- a) The distribution of constitutional powers and responsibilities;
- b) processes for enhancing cooperation between the various levels of Australian government;
- c) financial relations between Federal and State governments; and
- d) possible constitutional amendments.⁶

8.11 When considering the most appropriate pathway to reform, the committee accepts the general conclusion of Professor Galligan, among others, that not all the changes necessary to restore health to the federation require constitutional amendment. Indeed, as many others have pointed out, proposals for constitutional amendment have a poor record of success in Australia with only eight of 44 referenda passing in a 110 years of federation. There are no doubt many reasons for this level of failure, but the committee sees merit in Professor Galligan's view that 'Australia's poor referendum record is in fact a record of poor referendums.'⁷

8.12 The committee is also of the opinion that Australia has not been well served by the inclination of governments to approach reform in a rather haphazard way, a tendency exemplified by the long periods of time between constitutional referenda and the periodic creation, and then dismantling, of constitutional conventions. The committee believes that the maintenance of the federal compact in Australia requires a more continuous program of review, one that makes use of existing (or newly created) institutions, that can manage a process of change in an orderly way and that is responsive to the constant challenges confronting federal state relations.

5 Business Council of Australia, *Modernising the Australian federation, A discussion paper*, 2006, p. 11, <http://www.bca.com.au/Content/101346.aspx> (accessed 1 June 2011).

6 Dr Augusto Zimmermann and Mrs Lorraine Finlay, *Submission 17*, p. 38.

7 Professor Brian Galligan, *Submission 46*, p. 6.

8.13 Having regard to these imperatives, the committee considers that reform is more likely to meet the needs of the federation if it is conducted in accordance with three broad principles. First, a commitment to regular but evolutionary change directed towards the maintenance of the federal compact. Second, a recognition of the need to pursue change in more creative ways, using institutions, mechanisms and processes that encourage collaboration between the different levels of government and encourage a commitment to sustainability, transparency, accountability and democracy. Third, an acknowledgement of the value and importance to Australia of sustaining a high level of public knowledge and understanding of federal state relations together with a significant level of academic research and teaching expertise within the tertiary sector.⁸

Implementing the principles of reform

Principle one: a commitment to regular, orderly change

8.14 The committee recognises that some significant reforms have taken place in federal state relations in recent years. Among the most notable have been the creation of the COAG Reform Council, the restructuring of Specific Purpose Payments and the process recently commenced, of reviewing the formula for horizontal fiscal equalisation. While the committee welcomes these developments as reflective of a desire to modernise some of the key management processes of the federation, it notes that given that they are very recent reforms and in one case yet to be completed, it is not possible to assess their long term significance.

8.15 At the same time, however, the committee considers that a pattern of change characterised by sudden bursts of reform energy followed by relatively long periods when little or no change occurs is neither an effective, responsible nor desirable approach to the management of federal state relations. Aside from the political and bureaucratic pressures created by this approach to reform, it is not obvious that it necessarily picks up all the issues that may be in need of attention, such as the consequences of periodic High Court decisions.

8.16 The committee believes that in a mature federation such as Australia's, it should be possible to formulate and implement a more orderly and rational method of reform. It notes that while no federal system has fully perfected the challenge of managing change, there are several examples of countries that have recently managed significant reshaping of their federal systems. Twomey and Withers believe this is most evident in Europe and provided the following examples:

In Germany, a federation, major constitutional reforms, described by the Bavarian Premier as the 'mother of all reforms', took effect on 1 September 2006. The Bundesrat (the upper house of the federal parliament), which is comprised of representatives of the States (Länder), has had its veto over

8 Professor A. J. Brown, *Submission 41*, Attachment 1, p. 46.

legislation reduced in exchange for sole responsibility for certain matters, such as education, being transferred to the Länder.

In Spain, a de facto federation, health care and social services spending has been devolved upon Autonomous Communities, along with increased tax powers. Negotiations continue around giving greater powers to the Autonomous Communities.

In Switzerland, a federation, the distribution of powers was clarified by constitutional amendment in 2000 and further reforms were ratified by the Swiss people and Cantons in a referendum in November 2004. These reforms included the reallocation of some powers (such as responsibility for people with disabilities being transferred to the Cantons) and a new formula of fiscal equalisation between the Cantons.⁹

8.17 Federations, like all forms of government, are shaped in large measure by their unique constitutional history, institutional structures and their political culture. None is perfect and applying an overseas model to Australia's own unique federal system is unlikely to be successful. Nevertheless the institutionalisation of a pattern of governance that enables Australia's federal and state governments to respond to the need for change in an orderly, collaborative and timely way is an objective the committee considers to be strongly in the nation's interest.

8.18 As noted earlier in this report, the committee recognises that Australia has some of the mechanisms in place to respond to this challenge. For example, COAG and the processes that surround it are significant in this respect. But as the committee noted in its discussion, COAG has some significant deficiencies in its structure and processes. These need to be addressed if COAG is to be reflective of the values of sustainability, transparency, accountability and democracy mentioned above. To this end the committee reiterates recommendation 5 in chapter three of the report proposing that COAG be reformed.

Principle two: a more creative approach to change

8.19 In addition to the need to develop more regular and orderly habits of reform, Australia needs to develop a more creative approach to change, one that employs better mechanisms to both evaluate and implement reform proposals. The committee is of the view that for this to become a reality Australians need to re-evaluate the way they think about constitutional change.

8.20 As we have seen, constitutional amendment is not easy in Australia. For this reason Australians often see it as a mechanism of last resort. This attitude stems at least in part from problems with our constitutional architecture and the evolution of our political culture. The committee believes it would be immensely helpful to

9 Dr Anne Twomey & Dr Glenn Withers, *Federalist Paper 1: Australia's federal future. Delivering growth and prosperity*. A Report for the Council of the Australian Federation, April, 2007, p. 7.

managing the challenges of a complex federation if Australians were able to develop both less distaste for, and a more sophisticated approach to, constitutional innovation.

8.21 At one level, this might enable sound constitutional reform to take place more readily. At another it might help to discourage a state of mind that tends to equate real and lasting change whether in the area of federal state relations, or in relation to some other matter, as dependant on constitutional amendment. This state of mind appears to underpin, at least in part the strong desire of some to have local government recognised in the constitution.

8.22 The committee acknowledges that on occasions governments may have little option but to seek a constitutional amendment if serious reform is to be possible. The often invoked means of responding to this need is through some form of constitutional convention.

Constitutional convention

8.23 In this regard, the committee notes the suggestion in a 2008 report of the House Standing Committee on Legal and Constitutional Affairs' calling for the creation of a regular constitutional convention.

8.24 A convention was also one of the recommendations from the 2020 Summit (in 2008) relating to the reform of the Australian Federation. It was proposed that there be 'A convention of the people, informed by the Commission [of experts looking at the mix of Commonwealth, State and Territory responsibilities] and by a process of deliberative democracy.'¹⁰

8.25 The importance of a constitutional convention was reinforced by the Gilbert and Tobin Centre of Public Law in its submission to the committee:

Conventions are an accepted way of debating changes to Australia's Constitution and system of government. A Convention on the Australian Federation would signal serious intent to deal with major questions concerning the future shape of our federal system. It would also do so in a way that brought together a range of voices, and focused media and popular attention on the reform agenda. Importantly, it would also have the potential to produce momentum for reform.¹¹

8.26 The Centre went on to propose a model that uses COAG as the central coordinating organisation.

It would be important for this Convention to have a clear and specific agenda. COAG will be the most effective body for framing the agenda, determining which issues can best be resolved at the Convention and which

10 *Australia 2020, Final Report: The future of Australian governance.* p. 308.
http://www.australia2020.gov.au/docs/final_report/2020_summit_report_9_governance.pdf,
(accessed 27 June 2011).

11 Gilbert and Tobin Centre of Public Law, *Submission 7*, p. 6.

are best left for resolution in other forums. The types of matters that should be placed on the Convention agenda should include many of the matters listed in this inquiry's terms of reference, including the division of roles and responsibilities, fiscal relations, and the position of local government. COAG should also determine the rules of the Convention, its composition and all other matters connected with its operation.

The idea of a Convention of the Australian Federation has widespread support. It has been championed by a broad section of interests, including the Council for Australian Federation, the Victorian and West Australian Governments, and the Business Council of Australia.¹²

8.27 The Law Council of Australia endorsed this position,¹³ while Rethink Australia proposed 'citizen deliberations' as a process 'where public policy, legislation and changes to the Constitution can be meaningfully proposed and discussed by the wider community.'¹⁴

Committee View

8.28 It is the committee's view that regular constitutional conventions would form an important element of more robust processes and institutions necessary to ensure Australia's Federation is able to respond to changes in society. Currently, mechanisms to effect changes to the Federation and to the constitution are developed on an ad hoc basis. Regular conventions with appropriate resourcing at an interval of about every ten years would help to provide a regular timetable against which constitutional change could be considered.

8.29 The committee sees merit in the Gilbert and Tobin model for organising a constitutional convention, but believes that for this to be an effective process COAG would be required to have the responsibility for planning and organising the convention once a decade to be written into its mandate. If the requirement for regular meetings were not included in the mandate, the committee expresses caution in assigning COAG the sole responsibility for deciding whether a convention should take place. The committee considers that progress towards a convention should not be able to be frustrated by a COAG process that may not support it.

8.30 The committee believes that this matter requires further evaluation alongside the desirability of permitting governments, other than the Commonwealth, to raise issues for consideration at referenda.

12 Gilbert and Tobin Centre of Public Law, *Submission 7*, p. 6.

13 The Law Council of Australia, *Submission 34*, p. 11.

14 Rethink Australia, *Submission 9*, p. 7.

Recommendation 16

8.31 The committee recommends that propositions for change to the Constitution be referred for consideration to a constitutional convention and that responsibility for the agenda and organisation of the convention be the responsibility of a newly institutionalised COAG.

A federation committee

8.32 While the committee notes that conventions have a well established place in Australia's processes for constitutional reform, it also notes considerable evidence to the inquiry highlighting the possibilities for change without the need for a constitutional amendment. Professor Brian Galligan is very clear on this point. He argues that:

The most promising avenues for reforming Australian federalism are political rather than constitutional ones. This is contrary to the approach of constitutional lawyers and others who, when they perceive a problem with Australian federalism, reach for the Constitution and set about devising constitutional remedies. Constitutional change is an unlikely vehicle for federal change, however, and in any case most of what needs reforming can be done via sub-constitutional politics.¹⁵

8.33 The committee considers that one of the challenges to undertaking timely and successful reforms in the area of federal state relations is the absence of a credible, well established pathway for ensuring that proposals for change receive considered evaluation. COAG could assume this role, but the infrequency of its meetings, its dependency on government bureaucracies for support (even after reform), its primary role as a body to implement change and the potential conflicts of interest that may arise as federal, state and local governments evaluate proposals for reform, all raise doubts as to its appropriateness.

8.34 During the enquiry the committee was presented with a proposal to assist in addressing this problem. As part of a continuing and reinvigorated approach to managing the challenges of federation it was suggested that a new parliamentary committee be established. The committee would be designed to be an integral part of the processes of governance in federal state relations.

8.35 The most developed articulation of this proposal came from Professor John Uhr. He suggested a senate standing committee with responsibility for the state of the Australian federation. Its status as a senate committee would recognise the chamber's unique constitutional, though underdeveloped, role as a states' house. Professor Uhr suggested the committee might have three key responsibilities. It would:

[h]ave a watching brief to report regularly on the constitutional and institutional development of Australian federalism, particularly the

15 Professor Brian Galligan, *Submission 46*, p. 3.

changing balance of powers and responsibilities shared by the Commonwealth, the States and the Territories...

[be required] to hold an annual inquiry into COAG. The annual COAG inquiry could contribute much-needed parliamentary oversight and accountability to Australia's most prominent example of governmental power-sharing...[and]

given Australia's role as an outstanding federal democracy in the Asia-Pacific region, the proposed standing committee could sponsor an ongoing regional dialogue among elected representatives and parliamentary bodies on the political management of decentralised and devolved national governance.¹⁶

8.36 Dr Zimmermann and Mrs Finlay similarly proposed the establishment of a Senate standing committee to examine the state of Australian federalism, arguing that it was an appropriate function for the 'states house'.¹⁷

Committee View

8.37 The committee considers that the establishment of a new parliamentary committee has the potential to be a valuable and significant addition to the institutional architecture now required to manage Australia's modern federation. While the committee understands the logic of establishing the new committee as a senate committee, it considers that the likely remit and burden of work of the committee requires that it be supported by both houses of the parliament. It also believes that for the committee to have the status and credibility necessary to succeed in its role, it should be established as a joint standing committee of the parliament, though one supported administratively by the senate and with a senator serving as its chair.

8.38 The proposed committee could be established under a standing order that allowed it to undertake a range of responsibilities including to:

- report periodically on the activities of COAG;
- take references from either house of parliament on matters related to the management of federalism;
- examine legislation relating to federal state relations, including proposed referrals of power discussed in chapter 3 of this report;
- evaluate the constitutionality and desirability of any cooperative schemes for the delivery of policy between the Commonwealth and the states; and

16 Professor John Uhr, *Submission 47*, pp 1–2.

17 Dr Augusto Zimmermann and Mrs Lorraine Finlay, *Submission 17*, p. 41.

- explore the necessity for proposals for constitutional amendment involving the distribution of powers between the Commonwealth and the states.

8.39 The committee envisages that the new parliamentary committee might commence its work by looking at several of the matters raised in earlier chapters of this report, including proposals to make COAG processes more transparent, consideration of proposed intergovernmental agreements, and the implications of the decisions in *Re Wakim* and *R v Hughes* for cooperation between the federal and the state and territory governments.

8.40 While the committee recognised there could be considerable value in Australia playing a role in promoting a dialogue on devolved democracy among the countries of the Asia-Pacific region, it is concerned that such a role might be a distraction from the conduct of the committee's core responsibilities. It suggests that the Senate Foreign Affairs, Defence and Trade References Committee might undertake a short enquiry into the merits of this proposal and the way it could be carried forward.

Recommendation 17

8.41 The committee recommends the establishment of a Joint Standing Committee of the federal parliament to be administered by the senate and with a senator as its chair. The committee should have a mandate to conduct its own inquiries and be assigned a range of oversight responsibilities that would enable it to assume a significant and integral role in helping to manage Australia's modern federation. This should include the responsibility to provide regular oversight of COAG.

Recommendation 18

8.42 The committee recommends that the Senate Foreign Affairs, Defence and Trade References Committee undertake an inquiry into the merits of Professor Uhr's proposal that Australia sponsors an ongoing regional dialogue among elected representatives and parliamentary bodies in the Asia Pacific on the political management of decentralised and devolved national governance.¹⁸

Principle three: promoting knowledge and understanding of Australia's federal system of government

8.43 The committee received considerable evidence during the inquiry that the challenges of managing Australia's federal system of government were not well understood within the Australian community.

8.44 The committee notes that there is considerable work done in primary and secondary schools in providing school children with an introductory understanding of issues around Australia's federation and the Australian constitution. Organisations

18 Professor John Uhr, *Submission 47*, pp 1–2.

such as the Museum for Australian Democracy, the Parliamentary Education Office in Parliament House and the Australian Electoral Commission have developed extensive resources relating to federalism and provide onsite school education programs. Australia's federation is also a component of the history strand looking at key figures and events that led to Australia's Federation including British and American influences on Australia's system of law and government. Federalism is also considered as part of civics and citizenship education courses.

8.45 In contrast, opportunities for improving understanding of federal issues in the post-school population are much more limited. This is despite several parliamentary inquiries into the topic. As Professor Brown pointed out, this committee has been traversing well trodden ground. He placed this inquiry in an historical context:

The Committee's work follows in the footsteps of reviews of the functioning of the Federation such as undertaken by the Peden Royal Commission on the Constitution (1927-1929) and the Parliamentary Joint Committee on Constitutional Review (1956-1959)...along with the work of the Australian Constitutional Convention (1973-1985).¹⁹

8.46 More recent inquiries include those by the House of Representatives Legal and Constitutional Affairs Committee, namely: *A Time for Change: Yes/No?* (2010), *Reforming our Constitution* (2008) and *Harmonisation of legal systems within Australian and between Australia and New Zealand* (2006).

8.47 A recurring theme across these inquiries is the necessity to engage the Australian public more effectively in debate around the nature of Australia's federation. The 2008 report referred to above held that:

We need to inspire Australians to engage with the Constitution – to recognise its importance as the founding document for our nation, to seek reforms so it is a relevant document that reflects our current nation, and to debate how it might shape our nation into the next century.²⁰

8.48 Former Senator Andrew Murray, responding to the Australian Government's September 2009 Electoral Reform Green Paper, *Strengthening Australia's Democracy*, saw community engagement in terms of a 'dialogue with the people'. He argued that:

A holistic approach is needed. It is difficult to improve the economic or the social entirely without also improving political governance. That means reassessing the constitution, the separation of powers, a republic, whether the federation should stay and if it should in what form, and the powers states and the commonwealth should each have. It means reassessing how power is acquired and restrained, who has power over what, how money is raised and spent, and by whom.

19 Professor A. J. Brown, *Submission 41*, p. 5.

20 House of Representatives Legal and Constitutional Affairs Committee, *Reforming our Constitution* (2008), p. x.

To achieve lasting reform, anticipate a ten year struggle as for the original Constitution, to allow time for dialogue with the people.

To ensure momentum what is needed is a standing elected constitutional convention, serviced by a permanent secretariat, and with a budget to allow for full engagement and dialogue. This could be supplemented by a university based institute for constitutional change, producing discussion papers and fostering public awareness and debate. This is serious business and needs a serious approach.²¹

8.49 With respect to the challenge of generating a deeper knowledge and understanding of the importance of the Constitution, some submitters focused on targeted education campaigns around specific referendum proposals. The preferred model for the Australian Local Government Association, for example, is

an education campaign which is aimed primarily at informing voters in advance of a referendum vote...[including] a national program run by the Australian Electoral Commission which focuses on the role of the Constitution, the mechanism by which it can be changed and the role of individual voters. This should be designed as a factual campaign involving pamphlets and television and radio advertisements. It should be approved by Parliament and the Auditor-General to ensure its acceptance as legitimate public advertising.²²

8.50 As well as hearing evidence that there was a need for Australians to be better educated about their federal system of government, the committee was informed of the limited attention being given to high quality university research on the subject. While Australia has a strong tradition of academic research in the field of systems of government and many distinguished individuals working on various aspects of the subject, several of whom appeared before the enquiry, this expertise is spread unevenly across the country.

8.51 The Committee heard evidence that there is currently no university based research and/or teaching centre concentrating on the academic study of Australian federalism. Australia lacks any institution of sufficient size and capacity to undertake high level academic research into the nature and challenges of Australian federalism. The committee was surprised and disturbed to learn of this deficiency in Australia's intellectual capital.

8.52 This was not always the case. The inquiry was told that until relatively recently, the Australian National University's Federalism Research Centre played an important role in raising awareness of issues related to the Australian federation. This research centre, became defunct when its funding was discontinued. A subsequent

21 Mr Andrew Murray, response to the Australian Government's September 2009 Electoral Reform Green Paper, *Strengthening Australia's Democracy*, p. 10. Available as additional information http://www.aph.gov.au/Senate/committee/reffed_ctte/reffed/submissions.htm

22 Australian Local Government Association, *Submission 24*, p. 17.

proposal for the establishment of a research centre under the Centre of Excellence scheme sponsored by a group collaborating with Professor Brown was not funded.

Committee view

8.53 The committee considers the absence of a centre dedicated to research and/or teaching of federalism is a serious deficiency in the nation's capacity to comprehend fully the increasingly complex challenges of managing a modern federal system of government. An institution within a public university and perhaps jointly funded by the Commonwealth, states and territories is necessary to provide an important academic adjunct to Australia's federal system of government. In his submission Professor Brown offered one possible model for such an institution.²³

Recommendation 19

8.54 The committee recommends that funding be made available by the federal, state and territory governments for the establishment within an Australian university of a centre for the study and dissemination of ideas relating to federalism and Australia's federal system of government.

Recommendation 20

8.55 While the committee acknowledges the important work done by organisations such as the Museum of Australian Democracy and the Parliamentary Education Office in improving Australians' knowledge and understanding of Australian federalism, the committee nevertheless considers there is a need to promote a deeper understanding of federalism in the wider post-school community. The committee recommends that enhanced funding be made available by the federal, state and territory governments to appropriate institutions to promote this deeper understanding.

Recommendation 21

8.56 The committee recommends that the Australian Research Council identify Australian federalism as a priority area for research funding.

In Conclusion

8.57 By way of general conclusion, the committee considers that there is a pressing need for Australia to pay far greater attention to ways in which it manages its federal system of government. It believes there is particular need to recognise that the processes and structures used to undertake reform within the federation is in several material ways outmoded and unresponsive to the needs of modern Australia. Three of the recommendations in this chapter, namely those proposing the conduct of regular constitutional conventions, the establishment of a standing committee of the federal parliament, and the rebuilding of Australia's academic research capacity in the area of

23 Professor A. J. Brown, *Submission 41*, Attachment 6.

federalism, would all make, if implemented, a major contribution, to maintaining the health of the Australian federation and to further developing a considered agenda for its orderly reform.

Senator Russell Trood

Chair