

# Thinking Big: Public opinion and options for reform of Australia's federal system<sup>1</sup>

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After decades of debate, options have sharpened for the scope and process for meaningful reform of Australia's federal system. Signs can be found in public support for the Rudd government's short-term drive to reform intergovernmental relations, and the prominence of further reform proposals in the Australia 2020 'Ideas Summit' of April 2008. Following the summit theme of 'thinking big', this paper examines Australian citizens' attitudes towards the extent of reform needed or possible for 'fixing' the problems of Australian federalism, revealed by an Australian Research Council-funded constitutional values survey conducted by the author and colleagues in May 2008. The extent and depth of public sympathy for reform demonstrates the importance of an approach which embraces the medium and long-term development of Australia's system of governance, in addition to short-term improvements. Large sections of Australia's citizenry have the capacity to 'think big' about reform of the federal system by 2020. In conclusion an argument is made for reform processes that heed this evidence and maximise this opportunity.

## 'Fixing' Australian Federalism

The reform of Australia's federal system of government has been a topic of perennial debate since its earliest days (Brown 2007). In recent decades, commentators have announced that Australia is destined to remain a federal system based on its current structure of state governments (e.g. Galligan and Walsh 1991), and that Australia's version of federalism remains a desirable system both in principle and practice (e.g. Twomey and Withers 2007). However the more that the strengths and weaknesses of Australia's federal system are analysed, the more debate seems to grow over its capacity for improvement.

Much analysis has focused on the challenges and dysfunctions of federal-state relations – and the frequent ascendancy of coercive and opportunistic styles of intergovernmental relations over collaborative solutions (Patapan and Hollander 2007). Collaborative or cooperative approaches to federalism can be celebrated as having delivered significant relief from the troubles of Australian federalism at various periods including, it is widely hoped, the present period. Nevertheless, there have historically been limits to what can be achieved through collaboration alone, and there remain questions as to whether present efforts will prove enduring, sustainable and beneficial, unless accompanied by deeper cultural change and institutional reform (e.g. Anderson 2008; Fenna 2008).

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This article reviews the state of public opinion regarding the performance and future of Australia's federal system, as one input into discussion as to how far, and in what directions, efforts to improve that system might usefully go. Debate over the options for reform of Australian federalism often involves loose claims regarding citizen attitudes towards that system. This is for understandable and often democratic reasons. It is the Australian community that the system of government is ultimately intended to serve. If citizens are broadly satisfied with the system, then there is less case for believing that there are major problems that need to be 'fixed'. Conversely the extent and nature of popularly perceived problems can help explain, and inform, efforts by policy-makers to seek short, medium and long-term improvement.

Until recently, however, there has been little basis for accurately divining the state of national public opinion regarding the performance of the federal framework. In 2001 and 2005 respectively, pilot studies of the attitudes of Queensland and NSW citizens revealed higher than expected levels of apparent support for structural reform of Australian federalism, with support distributed in a range of significant non-stereotypical ways (see Brown 2002a, 2002b; Gray and Brown 2007). However these studies plainly did not provide a national picture.

Accordingly in May 2008, with funding from the Australian Research Council, the author and colleagues conducted a major representative study of citizen attitudes to federalism Australia-wide.<sup>2</sup> This first national 'constitutional values survey' was a 20 minute telephone survey fielded for the research team by Newspoll Limited, collecting the views of 1,201 adult respondents on a range of issues including:

- Perceptions of absolute performance of current institutions, including individual current levels of government;
- Perceptions of the relative performance of different levels of government, and reasons for those judgements;
- The value placed by respondents on different attributes commonly associated with federal systems in general and/or Australian federalism in particular;
- Federal constitutional recognition of local government; and
- Citizens' preferences for the institutional shape of Australia's system of government in the future ('say, twenty years from now').

Conventional, comprehensive data was collected on respondents' demographic characteristics, including education, occupation and employment. To ensure an accurate representative picture, national results were weighted by age, gender, location, highest level of education and federal voting intention. Some key results have been previously presented informally (e.g. Brown 2008a, b) and elsewhere (Brown 2008c; Gray and Brown 2008). Other results relating to the culture of federalism are yet to be presented.

This article presents results of particular importance for charting the success or otherwise of contemporary reform initiatives. Do Australians share a widespread belief that their federal system is 'broken', such that it needs 'fixing'? Which main features of Australia's current

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<sup>2</sup> The Griffith University Constitutional Values Survey was conducted under ARC DP 0666833 by Newspoll Limited. The survey took in a stratified random sample of 1,201 adult permanent residents, distributed nationally, selected via a process of random digit dialling, filter questions and call-backs. Data collection occurred on 1-11 May 2008. Special thanks to Ian Gray and Tony Dunn, Charles Sturt University, for their major contributions to survey design, and to John Davis and Cassandra Marks, Newspoll Limited, for their role in the final questionnaire development, piloting and data collection. Details are available at [www.griffith.edu.au/federalism](http://www.griffith.edu.au/federalism).

institutional structures and operations appear to provide the basis for their beliefs? Given a choice, how far and in what directions would Australians take the reform of their system? Finally, what do these results mean for current reform efforts?

This last question is salient because, as will be argued in conclusion, there is evidence that current reform efforts – while attempting to realise a historic opportunity – are not fully cogniscent of the reform appetite of the Australian community. One recent highpoint in public affirmation of federal reform occurred in April 2008, through the Australia 2020 Ideas Summit (Commonwealth 2008).<sup>3</sup> The Summit's theme was 'thinking big'. Public understanding of the scope of debate around federalism was reinforced when one summit co-chair, former National Party leader Tim Fischer AC, announced that the Rural stream of the summit had 'almost' abolished state governments, and projected alternative maps from the 1920s depicting options for the replacement of the entire State level of government in Australia's federal system (see Brown 2007: 22, 29).

While no such ideas were endorsed by any Summit stream (cf Commonwealth 2009: 233), the Summit did call for major new institutional investments in the machinery of collaborative governance, and a major review of roles, responsibilities and resources 'at all levels of governance', along with processes for this to occur (Commonwealth 2008: 42, 302). The Prime Minister, as the Summit's originator and co-chair, initially responded that he had heeded the message that federalism needed to be 'fixed', as one of the Summit's four overarching messages. The *Sydney Morning Herald's* coverage was typical:

The 2020 Summit has set the Prime Minister, Kevin Rudd, a monumental challenge: nothing less than the wholesale reform of the Australian Federation. That was the inescapable message from the host of recommendations offered by the 10 streams of discussion (SMH 2008).

A year later, the formal response of the Rudd government was to agree that 'improvements can be made', but to decline to adopt the key reform ideas from the Summit 'in the short term' while it first continued to 'work collaboratively with the states and territories through the Council of Australian Governments (COAG)' (Commonwealth 2009: 224). In support of this approach, the government response also made the particular claim that structural reform that extended to replacement of Australia's state governments had 'very limited popular support' (Commonwealth 2009: 233).

As this article will reveal, that is not in fact the case. More generally and importantly, however, it will be seen that a better understanding of the reality of Australian public opinion can help provide a basis for evaluating the relative success of the 'short term' reform program, as well as for design of the longer-term reform processes that current public opinion suggests are still likely to be needed.

## **Overall Attitudes Towards Australia's Federal System**

Do Australians share a widespread belief that their federal system is 'broken', such that it needs 'fixing'?

The short answer is that public attitudes towards the extent of deficiencies with the federal system are mixed. However the degree of public importance placed on the issue of federal

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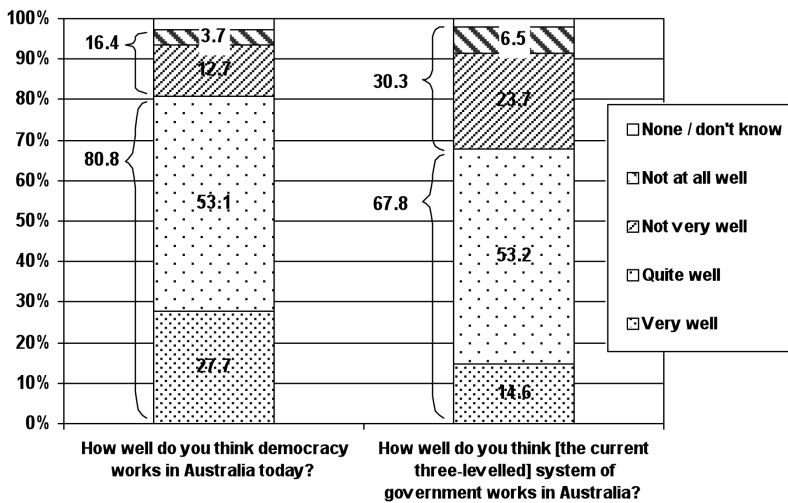
<sup>3</sup> The author was one of 100 participants in the Governance stream of the Australia 2020 Summit.

reform is supported by the fact that a substantial majority of Australian adults (up to 86 per cent) believe that the current system does not work well, either in general or in terms of key desirable attributes, or that a federal system is undesirable in principle.

To provide a benchmark, respondents to the May 2008 constitutional values survey were asked how well they thought democracy worked in Australia. They were also asked how well they thought the federal system worked – however this was put to respondents in the following terms, primarily to avoid confusion between concepts of the 'federal system' and the 'federal government':

As you probably know, Australia has a system of government with three main levels - there's the federal government, state<sup>4</sup> government and local government, that is, local councils. Overall, how well would you say this system of government works in Australia?

Figure 1: Australians' satisfaction with democracy and the [federal] system



As shown in Figure 1, most Australians hold a positive view of Australian democracy, with 81 per cent of adults judging it to work either quite or very well. This positive outlook is consistent with earlier and national surveys (Gray and Brown 2007: 37). However, the proportion of Australians who think the current three-levelled system of federal, state and local government works at least quite well, is significantly smaller (68 per cent). While this might initially suggest a fairly high level of approval for the current system, it will be seen below that a majority of Australians believe that the system should have at least three levels of government even when also believing that the nature of these levels should be radically reformed. It therefore remains striking that 30 per cent of citizens take a basic view that the system does not work well, with this proportion higher among residents of non-metropolitan regions (35 per cent) and among respondents with experience of working for government (34 per cent)<sup>5</sup>, as against the remainder in each case.

<sup>4</sup> ACT and NT respondents were also first asked to 'please think of (the Territory) government as being the same as a state government.'

<sup>5</sup> 532 of the 1201 respondents to the May 2008 survey indicated they had ever worked for government, including 112 who had worked for local government, 309 for state, 178 for federal, and 88 in other capacities, with 179 (34%) having worked for more than one sphere of government. As argued previously (Gray and Brown 2007), these respondents can also be presumed to know more about the system.

A deeper understanding emerges from questions about the performance of the system in respect of key attributes commonly associated with federalism, either in general or in connection with current Australian debate.<sup>6</sup> Further analysis of these results will be presented elsewhere, in light of their contribution to a wider international search for measures of 'federal political culture' (see e.g. Cole et al 2004: 214-220). Suffice to say that some attributes are suggested directly by contemporary Australian arguments, such as that federalism offers 'choice and diversity', 'customisation of policies to meet local needs', and 'incentives to innovate and experiment' (Twomey and Withers 2007: 8).

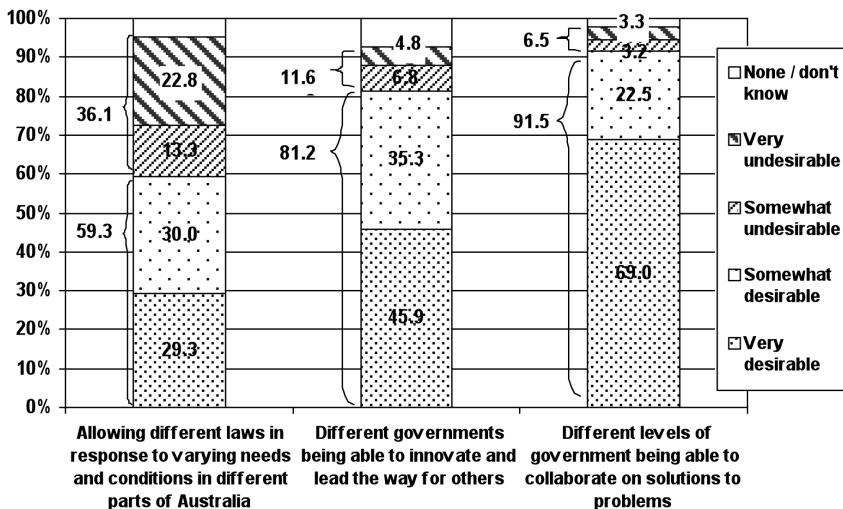
For present purposes, the responses to five attributes help identify somewhat more accurately the nature of current attitudes to the operations of the federal system. Respondents were first asked whether they regarded each of the following to be 'a desirable or an undesirable feature of having a system with different levels of government'. In respect of the first three attributes (marked \*), those who regarded the attribute to be desirable were also then asked how well they thought Australia's system of government actually did it:

1. Allowing different laws in response to varying needs and conditions in different parts of Australia\*\*
2. Different governments being able to innovate and lead the way for others\*\*
3. Different levels of government being able to collaborate on solutions to problems\*
4. Having power divided up between different levels of government<sup>+</sup>
5. Being able to elect different political parties at different levels of government<sup>+</sup>

Most Australians (between 59 and 92 per cent) agreed that each of the first three attributes is desirable (Figure 2a). However fewer believe that the present system achieves each feature well in practice (Figure 2b). For example, while the response indicates that 92 per cent of Australians believed intergovernmental collaboration to be desirable, most of these (48 per cent of all Australians) believed this was not being done well, compared with 42 per cent who believed it was being done well.

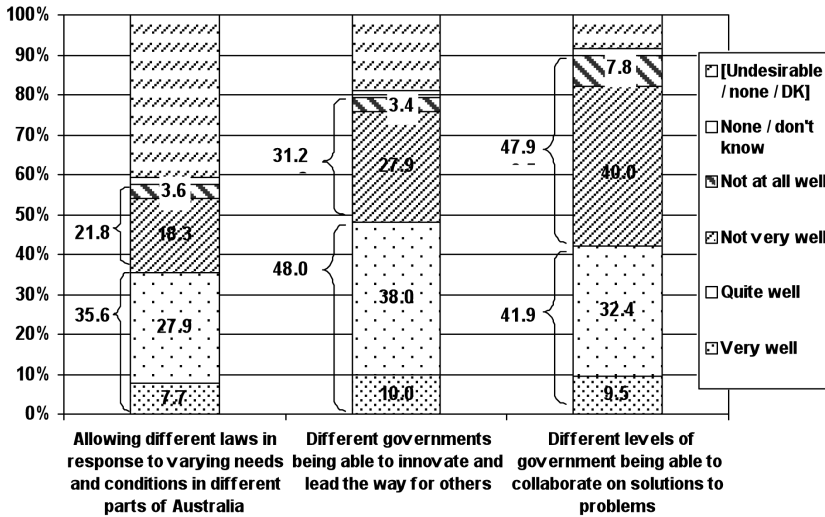
Figure 2: Australians' view of select attributes of the [federal] system

2a. A desirable or undesirable feature of a system with different levels?



<sup>6</sup> The author thanks Professor Cheryl Saunders (a member of the present ARC project team), Professor Andrew Parkin and Associate Professor Anne Twomey for their particular contributions to these questions.

2b. If desirable, how well does our system of government do it?



The responses regarding performance in respect of these three key attributes therefore provide a measure of the proportion of respondents who might be classed as both 'federalists' and broadly happy with a three-levelled system, but who nevertheless see the current system as experiencing problems. In all, 39 per cent of respondents who initially identified the three-levelled system as working well (Figure 1) went on to identify at least one of these three key attributes as desirable but not being achieved well in practice. As a subtotal therefore, more like 69 per cent of Australians can be estimated to hold a view that the federal system is underperforming or experiencing problems.

Further, however, not all Australians agree that the five key attributes of federalism listed above are desirable. Given that attribute 3 (collaboration) is not limited to federal systems, it was excluded from this additional layer of analysis – but the results in respect of the remaining four attributes (marked \*) reveal respondents for whom these federal features are problematic. For example, as shown in Figure 2a, only 59 per cent of Australians agree it is desirable to have a system which allows 'different laws in response to varying needs and conditions in different parts of Australia', even though this is often presumed to be a most basic advantage of federalism. Over a third (36 per cent) of all Australians see such legislative diversity as undesirable, presumably because they believe that it is bad in principle, has had overly negative effects, or has gone too far.

While many of these 'non-federalists' were among the respondents who initially indicated a view that the present system was not working well (Figure 1), a significant proportion of respondents (17 per cent of the total) initially responded that the three-levelled system was working at least quite well – i.e. they did not initially complain – but nevertheless went on to object to at least one of these four basic federal features. In other words, they are broadly happy with a three-levelled system, but disagree with the desirability of one or more of its most fundamental aspects. Clearly therefore, these respondents are also best counted as critics of the current federal system, in at least some cases to the extent of being quite deeply ideologically opposed to it.

In total, the combination of 30 per cent of adult Australians with a basic view that the current three-levelled system does not work at least quite well, a further 39 per cent who believe that federal legislative diversity, innovation or collaboration are not being achieved at least quite well, and a further 17 per cent who may not believe that federalism is even desirable, means a total

of 86 per cent of Australians with a critical or negative view of at least some major aspect of the present system, in practice or principle.

This level of concern helps explain and validate the importance of federal reform as a policy issue. While it may be an overstatement to say that any clear majority of Australian citizens believe the current federal system to be 'broken', at the time of this survey the perception that the system has problems – in some cases, deep-seated problems – did run both high and deep in the public mind. Moreover, as will be seen, this perception increases rather than decreases with respondents' level of direct experience with the operations of government, as well as with education, helping explain the particular prominence of the issue at the Australia 2020 Summit. Right across the popular spectrum, however, there are widespread perceptions that the present system is not delivering desired forms and standards of governance. The question becomes what issues, beyond those already suggested by the above results, appear to underpin these critical attitudes.

Table 1: Performance and effectiveness of existing levels of government

1a. Performance in own right – percentage of respondents nominating performance as 'quite good' or 'very good' (cf quite or very poor)

	National (n=1201)	State/Territory							
		NSW (n=310)	Vic (n=241)	Qld (n=220)	SA (n=160)	WA (n=181)	Tas (n=50)	ACT (n=19)	NT (n=20)
<b>Federal</b>	81.6%	78.2%	84.3%	80.3%	81.2%	86.0%	84.0%	96.0%	80.0%
<b>State</b>	56.9%	37.9%	67.5%	67.8%	61.5%	67.4%	51.7%	60.9%	64.1%
<b>Local</b>	57.0%	47.8%	56.0%	73.3%	54.8%	60.2%	72.5%	27.3%	62.1%

1b. Relative ineffectiveness – percentage of respondents nominating each level as 'least effective' 'at its particular job'

	National (n=1201)	State/Territory							
		NSW (n=310)	Vic (n=241)	Qld (n=220)	SA (n=160)	WA (n=181)	Tas (n=50)	ACT (n=19)	NT (n=20)
<b>Federal</b>	15.7%	10.0%	13.6%	27.8%	23.1%	13.3%	8.8%	4.3%	17.8%
<b>State</b>	32.2%	<b>41.3%</b>	26.7%	<b>30.0%</b>	27.4%	25.1%	<b>41.9%</b>	16.2%	30.1%
<b>Local</b>	<b>35.3%</b>	30.0%	<b>45.3%</b>	27.2%	<b>32.0%</b>	<b>42.3%</b>	34.7%	<b>57.3%</b>	<b>39.7%</b>
DK	16.8%	18.7%	14.5%	15.0%	17.6%	19.3%	14.6%	22.1%	12.3%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1c. Summary of reasons for considering a particular level to be 'least effective' 'at its particular job' (percentage of all respondents nominating that level as the least effective\*)

	1 – Governance Quality / Capacity	2 – Specific Policy / Service Issues	3 – Inclusion / Representation	4 – Structural Issues	5 – Cost	6 – Other	7 – None \ Don't know
<b>Federal</b>	24.4%	23.9%	30.8%	15.1%	9.2%	20.6%	11.5%
<b>State</b>	48.0%	53.7%	18.8%	9.9%	3.2%	9.9%	4.5%
<b>Local</b>	57.5%	25.6%	19.8%	8.9%	3.2%	20.9%	5.4%
<b>Total</b>	47.6%	36.2%	21.5%	10.4%	4.3%	16.6%	6.2%

\* Rows sum to more than 100% as respondents were 'probed fully' and could give any number and type of reasons.

## Key Current Issues for Australian Federalism

What about Australia's current institutions, or their operations, gives rise to current perceptions of problems with the federal system? While a perceived need for greater intergovernmental collaboration can be directly addressed by efforts in that direction, from the above results it can be seen that attitudes are also shaped by a wider range of issues, going to fundamental aspects of the Australian federation. On their face, these may also include relative roles, competencies and performance of the existing governmental actors, in respect of challenges to which enhanced collaboration may provide only part of the solution.

Insights into the issues informing public judgements can be gleaned from the attitudes of citizens towards individual levels of government, as well as towards the interactions between those levels. Survey respondents were asked to rate:

- The 'performance' of each existing level of government (the 'federal level', 'state level' and 'local level'), with options extending very poor to very good; and
- The relative effectiveness of each existing level at doing 'its particular job' (i.e. by choosing 'the most effective', the next most effective, and by default the least effective), with respondents also asked an open-ended question about the reasons why they thought the last level was the least effective.

Table 1 sets out the results nationally and by state jurisdiction for each of these questions (1a and 1b), with national responses for the last question summarised in Table 1c.

Satisfaction with the performance of the federal level was high – certainly by comparison with levels of 'trust and confidence to do a good job' recorded in respect of particular levels of government in other federal countries (cf Cole et al 2004: 213). While this may have been influenced by the stage in the federal electoral cycle, other results below suggest it is also an indicator of the extent to which citizens genuinely regard the federal level – rightly or wrongly – as the most competent level to resolve key issues in Australian governance.

Conspicuously, and in direct contrast with types of results recorded elsewhere by Cole et al, the subnational state and local levels achieved far lower approval. Most conspicuous of all was the perceived low performance of local government, which in federal countries such as Canada and the United States commands significantly higher confidence.

Table 1c provides the most direct insight into the types of issues that informed the judgments of respondents. These results also suggest that respondents are, on average, relatively rational, informed participants in their political system, and were usually able to justify their choices in ways that accord with expert understandings of the different roles and attributes of different levels. For example:

- Almost half (48 per cent) of all respondents nominated identified deficiencies in governance quality and capacity (such as inexperience and incompetence, personal self-interest or corruption, and insufficiency of resources) as a reason for judging a particular level to be least effective. However this was most likely to be a criticism levelled at local government, and to a lesser extent state government, with such reasons cited by only 24 per cent of respondents identifying the federal level as least effective;
- 36 per cent of all respondents nominated specific areas of policy or services as a reason for judging a level to be least effective. However these criticisms were overwhelmingly focused on the state governments primarily responsible for delivering



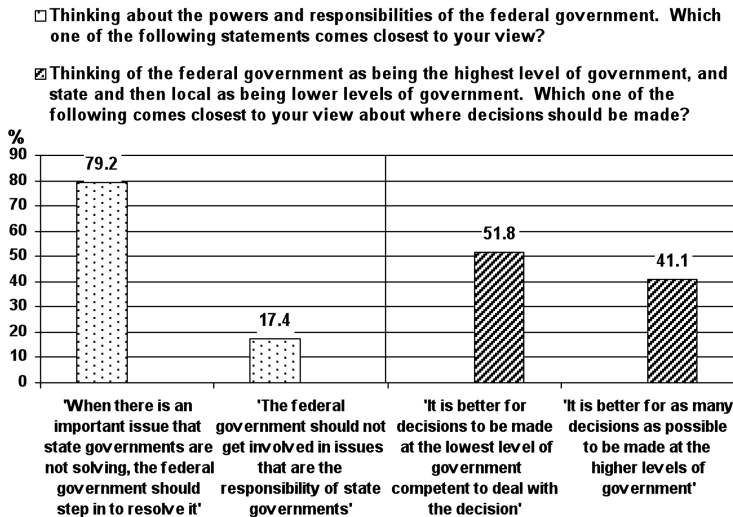
these services. Of the respondents who nominated the state level as the least effective, 54 per cent nominated these specific areas, the main ones being health (33 per cent), public transport (24 per cent), education (19 per cent), roads and traffic (15 per cent), environmental management (11 per cent), law and order (8 per cent) and infrastructure (6 per cent).

Respondents who nominated the federal level as the least effective, were most likely to indicate concern about representativeness, inclusion and the extent to which that level was 'in touch' with community needs, as well as structural issues such as duplication and overlap with other levels, and the cost of government and of living.

On its face, the degree of imbalance in public attitudes towards Australia's national and subnational levels of government, and the types of issues informing citizen judgments, point to deeper issues than simply a need for greater collaboration between governments on issues of common interest. The deficiencies in governance capacity and quality most keenly perceived at the local level, but also at the state level, are indicative of structural or constitutional weaknesses in the system.

Similarly, greater federal involvement may be desirable in the policy and service areas for which state governments are currently held responsible. However the fact remains that these are not areas for which a national government would normally be seen as taking sole or even principal operational responsibility in most multi-levelled systems of government. This leaves open the question of how the underlying reasons for these perceived deficiencies at the state level will be addressed, even if the federal government redistributes revenues or otherwise takes a stronger hand.

Figure 3: Australians' support for central intervention and subsidiarity



The degree of tension within Australian federal practice is reinforced by further results in response to questions over which governmental actors should, in broad terms, be doing what. As shown in Figure 3, respondents to the survey were twice asked to choose which of two dichotomous statements came closest to their view – first on whether federal intervention in state affairs was or was not desirable, and secondly on whether it was generally desirable for decisions to be made at lower or higher levels of government.

The first question was designed to test the extent to which centralising trends in Australian federal-state relations, plausibly decried as having become both acute and *ad hoc* (e.g. Craven 2005, 2006; Twomey and Withers 2007), may in fact have occurred with substantial public support. The second question was designed to test the degree of public attachment or sympathy with the policy principle of 'subsidiarity' (which states that matters should be dealt with by the lowest level of government practicable: see e.g. Twomey and Withers 2007: 4, 28).

The results shown in Figure 3 vary between states. For example, support for the idea that the federal government should not get involved in state responsibilities (17 per cent nationally) was lowest in South Australia, Victoria and NSW (11 per cent, 13 per cent and 15 per cent respectively) but much higher in Western Australia, Tasmania and the Northern Territory (all at or just above 30 per cent). Similarly, support for the principle of subsidiarity (52 per cent nationally) was lowest in Tasmania, South Australia and NSW (43 per cent, 44 per cent and 46 per cent respectively), and higher in the Northern Territory, Victoria and Queensland (62 per cent, 58 per cent and 56 per cent respectively).

Nevertheless, these results help explain the prisoner's dilemma in which debate about federal reform in Australia is currently caught. On one hand, there is majority support (52 per cent) for decentralisation within the system, in the form of the principle of subsidiarity. However there is also still substantial support (41 per cent) for the principle that decisions are better centralised. Most importantly, the majority support for decentralisation in principle co-exists with extremely strong support (79 per cent) for centralist intervention as a means of resolving problems, in practice.

Taken together, the results presented thus far support two interim conclusions about the scope of the federal reform challenge in Australia.

First, the concerns of citizens in respect of the federal system often appear based at least indirectly in issues of how governance is structured (citizens as participants), and not simply on governance outputs (citizens as consumers). In other words, citizen perceptions appear to reflect the reality that performance and effectiveness are determined in part by which governmental actors have responsibility and capacity to discharge which governance functions, at which spatial or societal level. This has implications for the extent to which collaborative reform aimed at improving the performance of government, can succeed in that goal without also addressing more fundamental issues of institutional reform.

Second, to the extent that Australians appreciate the benefits or potential benefits of a system of government that entrenches devolution, most appear to feel that the present system is very limited in its capacity to realise that potential. While a bare majority of citizens appear to favour decentralisation in principle, the evidence that a large majority of citizens also support federal intervention to remedy perceived underperformance by state governments, coincides with the evidence that only a minority (36 per cent) see the present system of state governments as effectively delivering key reputed federal benefits such as legislative diversity 'in response to varying needs and conditions'. The perceived weakness of Australian local government to meet such needs is, of course, even clearer.

This conclusion accords with arguments that while Australian state governments might rightly complain that federal-state relations have long abandoned the principle of subsidiarity, so too Australia has seen insufficient devolution of political, legislative and financial capacity beyond the level of state governments, to appropriate regional and local levels (Head 2007,

Wiltshire 2007). These results challenge assertions that Australia's federal system – in practice as against principle – effectively achieves 'customisation of policies to meet local needs' or accommodates 'differences in climate, geography, demography, culture, resources and industry across our nation' in such a way as to bring 'democracy closer to the people, allowing them to influence the decisions that affect them most' (Twomey and Withers 2007: 4).

Instead, while many citizens would prefer decisions to be made at the lowest competent level, it appears that they do not currently rate *any* lower level of government to be as competent as it could or should be. Given the nature of politics, it appears possible that this perception of under- or misaligned-capacity on the part of Australia's subnational governments itself contributes directly to the strength of the 'knee jerk' preference for federal governments to instead expand and intervene.

Many Australians may consider that a three-levelled system of government works at least quite well. However the perceptions of most about the constituent parts of that system – and the relationships between them – demonstrate fundamental continuing questions about basic issues of roles, responsibilities, capacity, accountability and responsiveness. The case for deeper, structural reform of the system is confirmed by evidence of the shape of the governing institutions that citizens would like to have, given a choice.

## Preferences for the Future

Given a choice, how far and in what directions would Australians take the reform of their system? The present survey invited respondents to describe how they thought their system of government should look 'in the future – say 20 years from now'.

Given the historical debates regarding alternative federal and non-federal systems noted at the outset, and the results from earlier surveys, respondents were asked to describe their preferences in terms of the number and nature of the levels of government they thought Australia should have. They were also asked the approximate number of local and/or state governments preferred, if they retained those levels. For the same reasons, 'regional' government was introduced as a possible new level in the future, defined as 'an area larger than a local government area, but probably smaller than a whole state'.<sup>7</sup> The survey also collected other data regarding the extent to which respondents were already conscious of and identified with this regional scale (see Gray and Brown 2008).

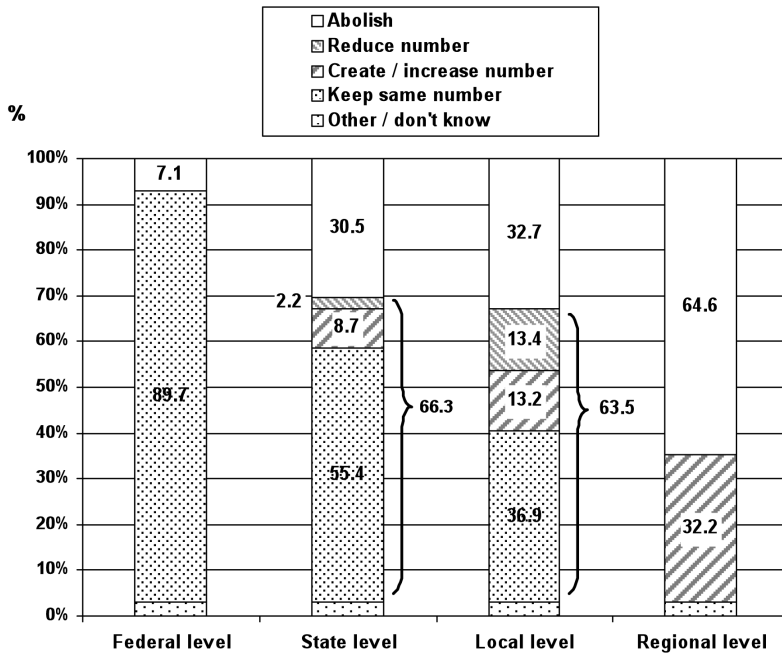
Figures 4-6 and Tables 2a and 2b set out the results. Figure 4 and Table 2 show the proportions of Australians who would abolish, retain or institute each of the levels. Table 2a shows these results for the entire sample, while Table 2b shows the even stronger reform orientation of all respondents who have worked in government.

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<sup>7</sup> For consistency, the term 'federal' was used throughout the survey to indicate the 'national' level, but not all respondents who included this level in their future preferences can be presumed to *necessarily* want to retain a federal system – especially the 67 respondents who wanted a federal level but no other level. Only one of the 1201 respondents suggested any other level. A more open method of questioning was used than in the previous Queensland and NSW surveys (Brown 2002a, b; Brown et al 2006; Gray and Brown 2007), which offered a choice of only four scenarios: (1) the same system as today; (2) the same three tiers but with more states; (3) a two-tiered system with regional governments replacing state and local government; and (4) a four tiered system of local, regional, state and national governments. However even with the different method, and notwithstanding the elapse of time, key results for Queensland and NSW respondents in the present survey were remarkably consistent with the earlier results.

In keeping with the earlier results regarding majority perceptions of problems with the federal system, these results indicate that a majority of Australians (66 per cent) hold a view that their system of government should be structured differently, in at least one fundamental way, from the federal system as it stands today.<sup>8</sup> Less than a third (31 per cent) would retain the system as it is today, as a three-tiered system with the present number of states. Only three per cent said they did not know.

Figure 4: Proportions of Australians who would abolish, reduce or increase the numbers of governments at different levels



<sup>8</sup> 'Fundamental' here includes the abolition of any level (including local government), creation of a new level (regional), or increase or reduction in the number of states (being federal units), but not an increase or reduction in the number of local governments (not being federal units). If change in the number of local governments is included, the proportion of citizens favouring structural reform increases to 77.1 per cent.

Table 2: Australians' preferences for their three-levelled system of government, 20 years from now – by state

2a. All respondents (weighted)

	Australia (n=1201)	NSW (n=310)	Vic (n=241)	Qld (n=220)	SA (n=160)	WA (n=181)	Tas (n=50)	ACT (n=19)	NT (n=20)
<b>Restructure the system</b>	<b>65.8%</b>	68.9%	68.4%	59.6%	68.3%	61.8%	63.4%	51.3%	66.9%
<b>Keep system the same</b>	<b>31.0%</b>	28.7%	29.9%	33.5%	28.0%	37.0%	32.2%	43.5%	29.0%
<b>Don't Know</b>	<b>3.2%</b>	2.4%	1.7%	6.9%	3.7%	1.2%	4.4%	5.2%	4.1%
	<b>100.0%</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>How restructure?</b>									
<b>Abolish local government*</b>	<b>32.7%</b>	39.4%	31.5%	24.8%	36.8%	30.2%	26.6%	17.4%	31.8%
<b>Abolish state governments*</b>	<b>30.5%</b>	39.8%	26.2%	27.1%	29.4%	22.4%	21.0%	36.4%	10.5%
<b>Create regional government*</b>	<b>32.2%</b>	32.8%	37.4%	27.7%	30.8%	28.3%	37.8%	20.0%	21.3%
<b>Create more states*</b>	<b>8.7%</b>	5.1%	10.0%	12.1%	8.4%	7.6%	16.8%	7.1%	18.6%
<b>Abolish federal government*</b>	<b>7.1%</b>	7.9%	6.5%	8.1%	4.4%	7.4%	1.0%	4.3%	13.8%

2b. Respondents who currently work or previously worked for government (unweighted)

	Australia (n=532)	NSW (n=133)	Vic (n=92)	Qld (n=101)	SA (n=65)	WA (n=86)	Tas (n=23)	ACT (n=15)	NT (n=17)
<b>Restructure the system</b>	<b>70.3%</b>	75.9%	69.6%	69.3%	67.4%	62.8%	73.9%	53.3%	64.7%
<b>Keep system the same</b>	<b>26.9%</b>	21.8%	29.3%	25.7%	20.0%	38.0%	26.1%	40.0%	29.4%
<b>Don't Know</b>	<b>2.8%</b>	2.3%	1.1%	5.0%	4.6%	1.2%	0.0%	6.7%	5.9%
	<b>100.0%</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>How restructure?</b>									
<b>Abolish local government*</b>	<b>36.8%</b>	43.6%	34.8%	32.7%	36.9%	38.4%	34.8%	26.7%	23.5%
<b>Abolish state governments*</b>	<b>35.7%</b>	52.6%	23.9%	32.7%	36.9%	27.9%	30.4%	40.0%	23.5%
<b>Create regional government*</b>	<b>34.8%</b>	36.1%	39.1%	23.6%	33.8%	30.2%	47.8%	13.3%	17.6%
<b>Create more states*</b>	<b>12.8%</b>	6.8%	13.0%	16.8%	20.0%	12.8%	13.0%	6.7%	11.8%
<b>Abolish federal government*</b>	<b>3.4%</b>	2.3%	3.3%	4.0%	1.5%	4.7%	4.3%	0.0%	11.8%

\* Responses sum to more than 100% as not mutually exclusive. + See n.7 above for explanation; unweighted results.

Figure 5: Number of levels of government preferred by Australians

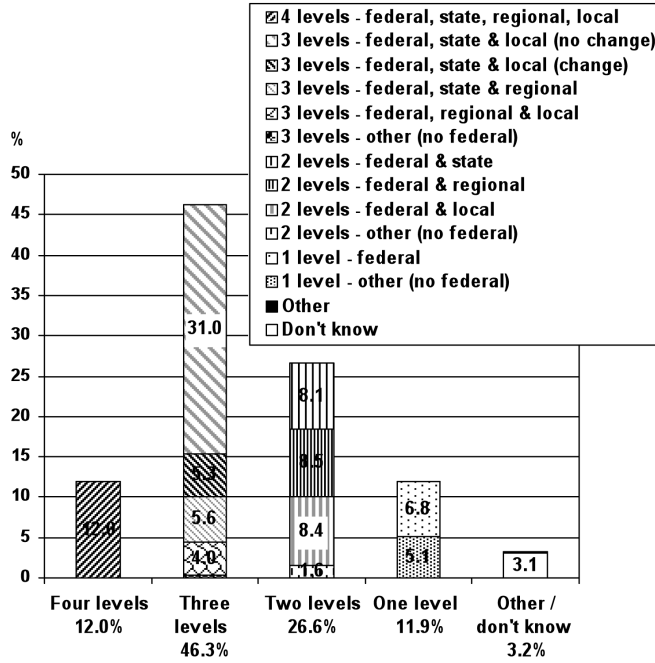
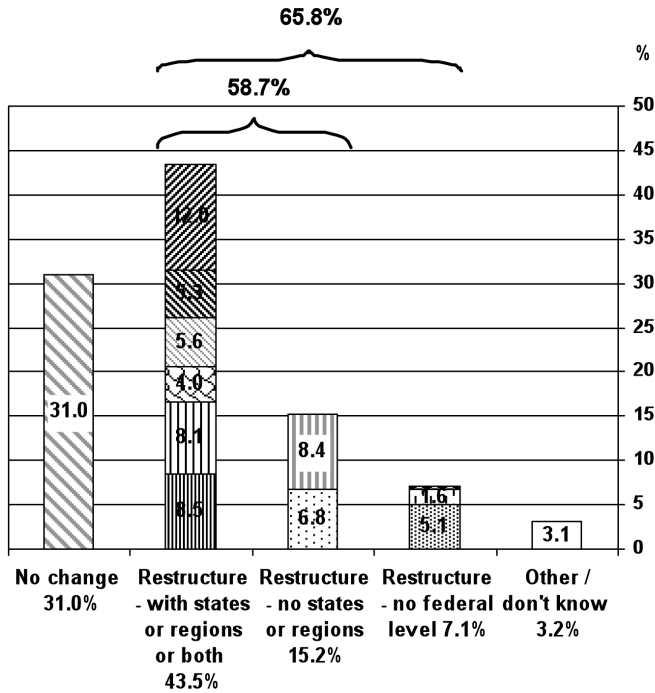


Figure 6: Major restructure options preferred by Australians



For seven per cent of citizens, their preferred form of restructuring would include abolishing the federal level of government, presumably involving secession of their state, region or locality from the present federation. However even among these secessionists, the common theme was the desirability of restructuring the subnational levels. In all, the results indicate that 64 per cent of citizens would restructure Australia's subnational governance, either by abolishing state governments (31 per cent), abolishing local government (33 per cent), creating new regional governments (32 per cent), creating more states (9 per cent) or a combination of these options.

The prevalence of this reform orientation is demonstrated by the distribution of support for the supposedly radical option of abolishing state governments altogether. Often it is assumed that people would only dare hold such a view if they lived close to the centre of national power, in Sydney, Melbourne or Canberra. However these results show this to be something of a myth. As shown in Table 2a, while support for abolition of the states is strongest in NSW and the ACT (approaching 40 per cent), it does not fall below 20 per cent anywhere other than the Northern Territory. Over a quarter of Queenslanders, South Australians and Victorians, and over a fifth of West Australians and Tasmanians would also like to abolish the states. Further, support for this option is not a particularly urban phenomenon. In four of the six states (NSW, Queensland, South Australia and Western Australia), support is stronger outside the metropolitan region than within it. Across country NSW, support for abolition of state governments rises to 45 per cent.

Table 2b highlights that respondents who have worked for government are also more likely than the remainder of the populace, to support structural reform in general, including the option of abolishing the states. As noted earlier, this more experienced group might well be presumed to have a more informed view of both the imperatives and desirable options for reform. Overall, only 27 per cent of respondents who have worked for government would retain the same federal system unchanged, while 70 per cent would restructure it, including 36 per cent who would abolish the state level. This figure remained unchanged for all those who have ever worked, or who currently worked for state government at the time of the survey. Only in Victoria are those with experience of government employment *not* more likely than the average citizen to support abolition of the states.

Figures 5 and 6 each set out the same results for all respondents, presenting all the reform combinations chosen, in order to emphasise two further results. Despite the significant level of support for abolition of the states or another level, Figure 5 shows that, contrary to some popular assumptions, a majority of citizens (58 per cent) do not feel that Australia should be governed with a system with fewer levels of government than exist now. Even a substantial proportion (42 per cent) of those in favour of restructured system would retain at least three levels.

This result provides a counterpoint to justifications of federal reform on the grounds that Australia is somehow 'over-governed' due to the number of levels of government or of elected legislators it currently possesses (see e.g. Fitzgibbon 2008; Twomey 2008: n35). In fact, Australia is not over-governed in these terms, even if it can be more plausibly argued that its federal system is characterised by unnecessarily complex and duplicatory regulation, insufficiently responsive bureaucracies and over-centralisation. Importantly for present purposes, less than 40 per cent of citizens see a reduction in the number of levels as desirable in itself, even if they do desire structural reform.

Indeed, as shown by Figure 5, 12 per cent of citizens would increase the number of levels of government from three to four – by formalising existing regional institutions into a new fourth level in addition to existing state and local levels. Confirming that regionalism not only exists (Gray and Brown 2008) but manifests itself in political choices, support for this option was strongest in non-metropolitan regions where its logic is readily apparent: eastern Victoria (23 per cent, n=35), the central, Pilbara and Kimberley regions of Western Australia (21 per cent, n=22), south-west Western Australia (18 per cent, n=37), south-west and central-west Queensland (21 per cent, n=35), and Queensland's Gold and Sunshine Coasts (18 per cent, n=47). In these last regions, this preference is perhaps best understood as a desire for the reintroduction of local government, rather than insertion of regional government, since large regional governments are already in place.

Figure 6 provides a further insight into the nature of the reform favoured by most Australians. The groupings in Figure 6 demonstrate that, irrespective of the number of levels, more citizens are interested in reform that ensures an alternative, strong framework of subnational governance based on regional and/or state government, than simply wish to do away with the state level and not replace it. The single largest group – 44 per cent of all citizens, and over two-thirds of those seeking subnational restructuring – would base the system on such an alternative regional and/or state government scheme. Combined with the 31 per cent of citizens who would keep the same system as today, in all 75 per cent of citizens would retain this approach.

This result indicates that for most citizens, effective reform may involve a two-way street. As shown earlier, while there may be strong support among the Australian public for central intervention to resolve problems, there is also clear support for devolution through stronger, decentralised forms of governance. This two-way street was neatly captured by an Australia 2020 Summit participant, the journalist Paul Kelly, when he summarised federal reform as requiring

... two principles of power, moving in opposite directions ... Power has to be both concentrated and devolved. Think of involving people at local levels along with centralised governance (Commonwealth 2008: 320).

These further results reinforce the earlier evidence that many Australians believe existing subnational institutions to provide inadequate or insufficient platforms for the devolutionary elements of such an approach, since their response was to suggest new ones. Given the choice, a total of 47 per cent of citizens would abolish either state or local government or both, confirming the extent to which the perceived problems of the federal system relate to its subnational structures.

Overall, these preferences indicate that irrespective of how they see the problems, or whether indeed they see Australia's federal system as 'broken' at all, citizens can readily envisage a future in which an improved system is achieved not simply through temporary, party-political, administrative or attitudinal reforms. Rather, it is through the development of new institutions that improvements to governance are made visible, transparent, durable and democratic. While the variety of preferences highlights its complexity, such a large reform predisposition highlights the potential for a national discussion about future directions for Australia's federal system, of greater depth and sophistication than many would-be reformers might have believed was possible.



## Conclusion: responses and reform

This article has presented key results from a national constitutional values survey, focusing on public attitudes to the future of Australian federalism, in the light of current debates over the desired scope of federal reform. In the first part, overall attitudes towards the federal system were discussed, indicating that up to 86 per cent of adult Australians share a variety of concerns regarding the nature or operations of the system – validating the currency and significance of federal reform as a policy issue.

The second part of the article reviewed the attitudes of citizens in respect of individual levels of government and the relationship between levels. It suggested that issues concerning the structural roles and responsibilities at different levels of governance are among those that underpin current levels of concern regarding the performance of the federal system, and that tensions between centralist trends and decentralist principles in the current system are confounded by the widely perceived incapacity of any existing subnational level of government to deliver quality local or regional democracy.

In the third part of the article, these structural dimensions of the reform challenge were reinforced by survey evidence of citizens' preferences for the future structure of their system of government. When invited to think in terms of a preferred system, 66 per cent of respondents nominated a system structured differently, in fundamental ways, than it is today, including 64 per cent who supported abolition of state governments (31 per cent), abolition of local government (33 per cent), creation of regional governments (32 per cent), creation of more states (9 per cent) or a combination of such reforms.

Finally, what do such attitudes mean for current initiatives in federal reform? As discussed at the outset, while there is a high degree of consensus that federal reform is an issue, there are divergences in the proposed nature and extent of reform. At the Australia 2020 Summit, for example – held shortly before the present survey evidence was collected – three major ideas were endorsed for pursuing a comprehensive reform strategy:

- Greater institutional support to make collaboration between existing governments more effective, sustainable, transparent and democratic. This included the idea of upgrading the existing informal apparatus around the Council of Australian Governments (COAG), and now the proposed Australian Council of Local Government (ACLG), with a permanent 'national cooperation commission' to make intergovernmental relations more systematic and effective (see Commonwealth 2008: 308);
- Investment in processes and institutions to address structural blockages to more effective federal governance, including not simply relationships between different levels of government, but their basic roles and responsibilities. In the view of the Economy stream, this included the need for 'an independent body—either a new Federation Commission or an expanded Productivity Commission' to:
  - Within two years, carry out a detailed audit of the existing governance, management and financial arrangements applying to major areas of Commonwealth and state and territory and local government activities, including education, health, infrastructure, Indigenous welfare, and regulation.
  - Make recommendations on the priorities and changes required in order to achieve efficient, effective, non-duplicating outcomes, with a clear definition of the roles and responsibilities of respective governments and a true common market.

- Include a detailed cost–benefit analysis of the proposed changes, considering the question of fiscal imbalances and resourcing, and design a road map for implementing the changes.
  - Absorb the COAG Reform Council and subsequently initiate studies into areas of federal and state activity perceived to be operating at sub-optimal level and make recommendations for improvement.
  - Monitor the progress of implementation of the foregoing initiatives against agreed criteria and perform these tasks through a combination of internal research and self-initiated public inquiry.
  - Abolish ministerial councils and steer related matters through the Council of Australian Governments and the proposed new commission.
  - Make reports public early in the process to ensure progress and transparency.
  - Focus initially on infrastructure priorities in growth regions and cities. (Commonwealth 2008: 42).
- The embedding of such an investment in a process that recognised the role of the Australian people, and supported short and medium-term progress with constitutional reform, aimed at enhancing Australian democracy to 'make it work for all Australians' (Commonwealth 2008: 308). The Governance stream thus proposed not only an expert commission to propose a new mix of responsibilities between levels of government, but a convention of the people to adopt and embed the reforms, and drive their implementation whether by intergovernmental cooperation or referendum.

Perhaps most significantly, these ideas were not constrained by the notion that federal reform needs should be able to be satisfied by improved relations between federal and state governments. Rather, it was agreed that processes were needed for 'reviewing the roles, responsibilities, functions, structures and financial arrangements at all levels of governance' (Commonwealth 2008: 308).

In April 2009, the formal response of the Rudd government was to agree that 'improvements can be made', but to decline to adopt any of these ideas 'in the short term'. Instead it committed to first continue to 'work collaboratively with the states and territories through the Council of Australian Governments (COAG)' to secure improved outcomes through enhanced relationships, including clarified roles and responsibilities, between these existing, traditional levels (Commonwealth 2009: 224).

The evidence of Australian public opinion set out in this article, helps bring the differences between these approaches into sharp relief. It has helped explain why proposals for a broader, deeper reform process continue to surface as an alternative to – or extension upon – simple reliance on improved relationships between existing governmental actors. It also highlights the extent to which this simple reliance rests on a lack of understanding of the dimensions of the concerns and reform sentiments held by the Australian people.

For example, the formal concession that 'improvements can be made' to the federal system can only be described as an understatement, viewed against either the evidence of public opinion reviewed here, or the government's own initial response to the 2020 Summit. Similarly, there is no known basis for the claim that structural reform extending to

replacement of Australia's state governments should be discounted simply because it has 'very limited popular support' (Commonwealth 2009: 233). As shown earlier, around 31 per cent of adult Australians can be estimated as supporting this option, within the larger pool of 66 per cent of Australians who favour structural reform. It is scarcely accurate to describe such a body of support as 'very limited'.

A further, final indicator of the quality of the response came in the Commonwealth government's reinterpretation of the text of ideas generated by the 2020 Summit. The clearest example occurred in respect of the key idea, presented above, that review of federal arrangements should include 'roles, responsibilities, functions, structures and financial arrangements *at all levels of governance*' (Commonwealth 2008: 308). Explicitly this included not simply existing formal levels, but informal levels of governance such as the widely discussed regional level, confirmed in this article as having popular and policy salience. However, before responding, the Commonwealth government rewrote this idea as being simply a proposal for review of the 'roles, responsibilities, functions, structures and financial arrangements *of governments*' (Commonwealth 2009: 224). Plainly this reinterpretation accorded with neither the text nor intent of the original proposal.

More generally and importantly, the results presented here show that a better understanding of Australian public opinion can help inform a more sophisticated response to the challenges of Australian federalism. If nothing else, continuing empirical research into citizen attitudes will help identify whether the outcomes of the present 'short term' reform program, based around traditional intergovernmental collaboration, is translating into improvements in citizen satisfaction with individual levels of government, Australia's federal system and federalism in general.

These results have also shown, however, that there remains good reason to look beyond the present short term strategy, to longer-term reform processes. The extent and depth of the issues thrown up by current Australian attitudes to the federal system reinforce the need for a more strategic approach, capable of addressing structural dilemmas and capturing improved approaches to governance in the long term. Recent public attitudes suggest that unless the sources of pressure for structural reform of the federal system are identified and addressed, short-term collaborative approaches may – once again – only be likely to deliver so much. The question becomes whether, by addressing the reasons why so many Australians see the system as capable of dramatic improvement, we can open up real options for a new and better system of democracy.

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