

Recommendations

Recommendation 1

2.29 The committee recommends that the tendency towards greater centralisation within the Australian federation resulting from High Court decisions be among the matters referred for inquiry to the Joint Standing Committee proposed in Recommendation 17 of this report. In the event that the proposed committee is not established, it encourages more extensive academic research to be undertaken on the subject with a view to formulating policy proposals that might be referred to a constitutional convention for possible constitutional change.

Recommendation 2

2.55 The committee recommends that proposed intergovernmental agreements between the Commonwealth and state and territory governments be referred for consideration and review to the Joint Standing Committee proposed in Recommendation 17 of this report.

Recommendation 3

2.56 The committee recommends that exposure drafts of legislation intended as the foundation for a referral of power to the Commonwealth be made available for examination by parliamentary committees, including, as appropriate, the Joint Standing Committee proposed in Recommendation 17 of this report and the Senate Standing Committee for the Scrutiny of Bills, prior to their adoption.

Recommendation 4

2.57 The committee recommends that the Joint Standing Committee proposed in Recommendation 17 of this report, inquire into the consequences and uncertainties created as a result of the decisions in *Re Wakim* and *R v Hughes*.

Recommendation 5

3.53 The committee recommends that COAG be strengthened through institutionalisation to ensure the Council's effective continuing operation and ability to promote improved mechanisms for managing federal state relations. The principles of transparency and joint ownership should be central to this institutionalisation.

Recommendation 6

3.54 The committee recommends that agendas for COAG meetings be developed jointly by Commonwealth and State and Territory governments, that they be made publicly available before meetings, and that the timing, chairing and hosting of COAG meetings similarly be shared.

Recommendation 7

3.55 The committee recommends that outcomes of COAG meetings be published in a more transparent manner than is currently the case with the communiqués.

Recommendation 8

3.56 The committee recommends that the states and territories establish a stronger foundation for the Council for Australia's Federation by providing additional funding, formalising Council processes and ensuring that it meets more regularly than is currently the case.

Recommendation 9

4.47 The committee recommends that the Joint Standing Committee proposed in Recommendation 17 of this report inquire into the need for adjustments to the IGA on Federal Financial Relations and to the level and structure of taxation in Australia to provide the states certainty regarding revenue raising and their capacity to meet their responsibilities. In considering this issue, the committee should inquire into any related matters that the committee determines are appropriate, including the roles of the state and federal governments, and seek advice from the Productivity Commission, the COAG Reform Council and the Commonwealth Grants Commission as required.

Recommendation 10

5.26 The committee recommends that the recently announced review into the distribution of revenue from the Goods and Services Tax give particular attention to the issue of incentives and disincentives to states and territories to maximise their revenue.

Recommendation 11

5.34 The Committee recommends that the Joint Standing Committee proposed in Recommendation 17 of this report be asked to inquire into the extent of and need for reform of the arrangements for horizontal equalisation that currently exists between local government shires and municipalities across Australia.

Recommendation 12

6.67 The committee recommends that the issues of funding and constitutional recognition of local government be among the matters proposed for inquiry by the Joint Standing Committee proposed in Recommendation 17 of this report.

Recommendation 13

6.68 Pending the outcome of this inquiry, the committee recommends that mechanisms other than constitutional amendment, perhaps by way of agreement through COAG, be explored to place Commonwealth funding of local government on a more reliable long term foundation.

Recommendation 14

7.44 The committee recommends that the each state give consideration to strengthening existing regional governance frameworks to improve the delivery of essential services and take into account the needs of local government. In particular, it encourages state governments to review the boundaries of regions created for the administration and delivery of state services such as health and education to ensure their closer alignment with each other.

Recommendation 15

7.45 The committee recommends that the Commonwealth Government review the Regional Development Australia program after three years operation, to ensure the program effectively contributes to the long-term sustainability of Australia's regions.

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.

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.

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.