

Federation and Federalism

Each Australian colony gained self government between 1850 and 1890 with Western Australia being the last to gain self and 'responsible government'. The new Western Australian Parliament was then able to pass laws on nearly all matters, except for some limitations regarding international trade and links to the British Crown and Parliament. The Colonial Office in London retained the important right, until 1897, to oversee the treatment of Aboriginal people.

During the 1890s each colony sent representatives to special meetings, called conventions, to attempt to form a new federation. Eventually the delegates agreed upon a draft constitution which was voted upon by the peoples of the colonies in a series of referendums. Western Australia voted yes in a referendum dated 31 July 1900.

A federation is a system of government in which a written constitution distributes power and responsibility between a national government and a number of state or regional governments.

What the new Federal Government could do was written down in document widely known as the Australian Constitution. A key section of this Constitution which provides for the federal division of powers is Section 51. Some of the most important powers include:

- Defence-so that Australia can have one army, navy and air force;
- Interstate and international trade-so Australia can have trade between the States and able to make laws about trade with all countries;
- Taxation-so people will pay taxes at the same rates throughout Australia on wages, salaries and profits;

- Immigration and emigration-so there will be the same rules for all States for people coming from overseas and people leaving Australia for other countries; and

- Currency-so we have the same bank notes and coins throughout Australia.



Australian Government

Other matters listed in s.51 (which has 39 sub-sections) include external affairs, marriage and divorce, quarantine, weights and measures, bankruptcy, and census and statistics. It should be noted that many of these powers are called concurrent powers, which means that they are areas in which both the Commonwealth and State governments can act. However, under s.109 if there is inconsistency between such laws, the Commonwealth law shall prevail.

State Powers



At Federation the States were left with what were thought to be important residual powers, those close to the people. The States would continue to make laws about: public housing; hospitals, the environment, criminal and civil law, school and other education matters, transport, natural resources, including land; public utilities (such as water) and police.



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Local Government

There is no mention of local government in Australia's Constitution. Local governments are bodies created by State Parliaments. Only since 1979 has there been a reference to local government in the Western Australian Constitution. Local governments classified as cities, towns or shires vary greatly in areas and in population. Important local government services include, libraries, rubbish collection, town planning, parking, child health (including immunisation), street lighting and street names, sporting and recreational facilities and seniors services.

Changing the Constitution

The method of formally changing the Constitution was based on the Swiss method of requiring the approval of voters in a referendum. In a referendum, all Australian voters are asked to vote either 'yes' or 'no' to a proposed change through at least one House of the Federal Parliament. However, before a change can be made, a 'double majority' is needed. This means a majority of all voters in Australia must vote 'yes' and a majority of voters of the States (at least four) must vote 'yes'. To date 44 amendment proposals (referenda) have been put to the Australian people in addition to three consultative referenda on compulsory military service (1916 and 1917) and the national anthem (1977). Only eight referenda have passed the 'double majority' test.

Federalism

Through constitutional change, High Court decisions and political and economic circumstances, including war, depression and recession the workings of the Australian Federation have changed since 1901. This has meant that the responsibilities of central, state and local governments have altered. The processes of the workings of the federation are often labelled as federalism.



Two Main Features of Australian Federalism

Vertical fiscal imbalance describes the situation in Australia where revenues do not match expenditures for the different levels of government. Originally it was thought that the States with their own resources of taxation and charges would be able to fund their responsibilities. However, the States (and Territories) have become increasingly reliant on the Commonwealth government for grants. Australian federalism is also featured by the policy of horizontal balance which is overseen by the Commonwealth Grants Commission which recommends the transfers of funds to provide the resident of each State and Territory with similar living standards for similar levels of taxation. For example the Goods and Services Tax (GST) is distributed according to horizontal balance principles.

