

FEDERATION 2100

Homogeneity may be desired in Australia but it will not destroy federalism

There are unitary states less socially homogeneous than federated Australia. France, Italy and England have more regional diversity in speech and manners than we have. Federalism is an acknowledgment of difference, but in Australia federation has been used to *reduce* difference between its constituent states. Australia was an early and the most determined practitioner of apportioning central government funds so that the people in every state enjoy the same level of governmental services. The GST, raised by the Commonwealth for the states, is apportioned on this principle. When Western Australia, made rich by a mining boom, complains about how little it receives, the premier of Tasmania answers: ‘Do we want to end up like the US or Europe, where there is a gross divide between the wealth and quality of life enjoyed across the individual states or member countries?’ (*The Australian*, 1 May 2012)

If there is a deep instinct in Australia to treat its citizens as one and make state borders irrelevant to the quality of life, why do we need a federation? We don’t have anything like a Quebec that requires federal treatment to keep it in the nation. If the size of the continent was once an argument for federalism, it has ceased to be so with instantaneous communication and cheap air travel.

Federation from the first has been criticised as unnecessary for Australia, and suggestions that the states should be abolished are regularly made. So will the states survive another hundred years?

Labor was not party to the formation of the federal compact.

Frustrated by its restrictions on central power, Labor was committed to a unitary state until the 1970s. Just as Labor became reconciled to federalism, the High Court started removing the restrictions on the power of the central government. The scope of section 92 was much reduced; the scope of the treaty and corporation powers were much expanded. Labor, if it were so inclined, could now nationalise banks and monopolies.

The Constitution is no longer a bar to a determined federal government doing pretty much whatever it likes. The case against federalism persists chiefly within the commentariat and relates to waste and duplication and uncertainties about accountability. These are standard within federations. Critics who complain of Australia being over-governed with its three tiers of government overlook the fourth tier—the arrangements between governments to make the federation work. Australia has been creative in this realm, particularly with the formation of the Council of Australian Governments (COAG).

No voices are ever raised in Tasmania or Western Australia about doing away with the states. State loyalty is strong everywhere, and stronger in the smaller states where it is coupled with distrust of Canberra. Since their concurrence would be necessary to end the federation, it is most likely to persist albeit with ever-more elaborate administrative arrangements.

The states will survive to 2100, and Australia will be an example of the local attachments of a homogenous people being sufficient to sustain a federation.

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