Intergovernmental Relations in Australia: New Modes, Old Realities

Alan Fenna and John Phillimore

SUMMARY: 1. Australian Federalism and Intergovernmental Relations (IGR)

Increasingly, federal systems are evolving practices to bridge the gap between the principle of divided powers and the reality of shared or overlapping policy governance. These practices are the day-to-day political and administrative relations between central and subnational governments—liaising, negotiating, cooperating, coordinating, collaborating, and inevitably at times engaging in conflict. This evolution is often seen as encompassing not only an intensification of relations, but also, most importantly, the ‘formalization’ of those practices: “in most federations it is possible to detect a trend towards institutionalisation of IGR [intergovernmental relations].”1 If there is such a trend, it represents a notable development because intergovernmental relationships operate in something of a parallel universe to the formal, constitutionally defined, institutions that traditionally delineate a federal system. If indeed real, it also represents a convenient trend because, as has often been noted, the parallel universe of IGR is ‘notoriously opaque’, resistant to study and as a consequence neglected relative to the fiscal and juridical dimensions of federal systems.2

This chapter explores these developments in the Australian context. It looks at the way intergovernmental relations have, consistently with the

---

trends identified above, become a significantly more important component of Australian federalism over the past 25 years. As in other federations, IGR have established themselves as ‘the workhorse’ of the system. Federal governance in Australia has become increasingly entangled and the two levels of government interact in countless ways, encompassing everything from overt conflict to genuine collaboration. This process accelerated during the past 25 years, with two periods being of particular note—first in the early 1990s when a burst of negotiations between governments led to the establishment of the Council of Australian Governments (COAG) and a range of subordinate bodies, and then following the election in 2007 of a new Labor government explicitly committed to a more cooperative relationship between the Commonwealth and the states and territories.

We argue, though, that caution must be exercised in drawing conclusions about how meaningfully ‘institutionalized’ these working relations can be said to have become. The intensification of cooperative federalism in Australia has evolved within the context of an ongoing process of centralization. Those power relations have not changed fundamentally, and institutionalization has not advanced much beyond the level of established practices in sectorial agencies ultimately subject to central government direction and control. In this respect, the chapter also emphasizes the importance of distinguishing between, on the one hand, the peak political or decision-making bodies of executive federalism and, on the other, the sundry lesser bodies of a more administrative nature.

Additionally, the chapter indicates ways in which a functional division of powers characteristic of German-style federalism is being overlaid on the original model of Australian federalism. To an increasing extent, Australian IGR take the form of ‘executive federalism’ in two different senses. In the most part, this means simply that, because Australia is parliamentary, the relations between governments are conducted at the level of the executive branch, with little opportunity for involvement by legislatures, and have the character of


4 The Commonwealth being the Australian government, the states being the six constituent units of the federation, and the territories being the two self-governing jurisdictions operating on delegated powers but functionally similar to States. Reference in this chapter to ‘the states’ can generally be taken as encompassing the territories as well.
