

Working  
Paper

School of Public Administration  
University of Victoria

LOCAL GOVERNMENT INSTITUTE  
WORKING PAPER SERIES  
November 2006

## What's fair? Intergovernmental Relations in Australia

By: Dr. Graham Sansom, Centre for Local Government,  
Sydney University of Technology, Australia

**Abstract:** This paper, as part of a forthcoming book on local government in Canada and Australia, focuses primarily on the emerging web of inter-governmental relationships between Australian local governments and the federal level. Constitutionally, local government is established by and wholly answerable to the states, but it is largely federal government policies that have influenced the direction taken by local government over recent decades, and that have propelled it on to the national stage. This reflects the shifting balance of power – especially financial power – between federal and state governments.

The paper begins with an overview of the constitutional framework, financial context and history of Australian inter-government relations to the end of the 1980s, and then explores key developments over the past fifteen years, notably local government's success in gaining membership of important federal forums such as the Council of Australian Governments, and its evolving direct links with the federal government. There is also brief coverage of some significant recent trends in state-local relations. The author concludes by considering local government's strengths and weaknesses as a player in the federal system, and hence those factors that will make the difference between continued enhancement of its role and status, or a possible return to irrelevance as merely a local service provider.

Local Government Institute  
School of Public Administration  
University of Victoria  
P.O. Box 1700, STN CSC  
Victoria, B.C. V8W 2Y2

Phone: (250) 721-8055  
Fax: (250) 721-8849  
E-mail: [padm@uvic.ca](mailto:padm@uvic.ca)

Web: <http://publicadmin.uvic.ca/lgi/index.htm>

This research paper was prepared as part of a Local Government Knowledge Partnership between the School of Public Administration and the British Columbia Ministry of Community Services.