

Western Australia and Secession

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In 1900, Western Australia was a hesitant participant in Federation. It had only been granted self-government in 1890 and many in Perth were not keen about handing over some of their new powers to a Federal government after such a short period of relative autonomy.

Only threats from the eastern-leaning goldfields to form a separate colony if Federation was not pursued prompted the powers in Perth to agree belatedly to a referendum in the colony about Western Australia joining the Federation.

The referendum to join the Federation passed, with more than two-thirds of votes in favour. There were complaints that this strong vote was boosted by pro-federation voters recently arrived in the goldfields from the eastern colonies.

Nonetheless, it was seen as final. Sir John Forrest, the then Premier of Western Australia, said at the time:

The Commonwealth is not only for today, or for tomorrow, but forever. It is indissoluble. We are going to bind ourselves to join and never separate again unless, of course, we are separated by an Act of the Imperial

Parliament. That would be the only thing. An Act of the Imperial Parliament could sever us as it unites us.

And yet, just six years later, a resolution for a referendum on secession was passed by the Legislative Assembly of Western Australia. The Rason ministry resisted it and, at a subsequent election, was returned with a comfortable majority.

In 1933, Western Australians sang “Westralia shall be free” and voted in a State referendum on secession. Two-thirds of West Australian voters supported secession. This message was blurred, however, by the fact that, on the same day, West Australians voted out the pro-secession Liberal Government and voted in the anti-secession Labor Party.

The incoming Labor Government nonetheless said it would pursue secession. Faced with either seeking a Federal referendum, or petitioning the Parliament of the United Kingdom to re-establish Western Australia as a colony, the Labor Government chose the latter option. The UK Parliament declined to act on the petition.

Since 1933, talk of secession by Western Australia has waxed and waned. In 1974, the discussion was enlivened by Lang Hancock, who founded the Westralian Secession Movement. This had about 3 000 supporters at its peak, but a string of prosperous years saw its numbers dwindle and it was dissolved in 2011.

Complaints about the distribution of the Goods and Services Tax by the Commonwealth Grants Commission, ironically a body established in part to soothe Western Australia’s concerns after the 1933 referendum, are now leading some to suggest that perhaps its time has finally come.

Let me declare my position – I am all in favour of Western Australia seceding, for reasons which I will explain.

I do not pretend to be an authority on political philosophy, or of political history, but I am somewhat of a fan of Thomas

Jefferson and his thinking in relation to governments and power.

In his view, and mine, governments are inherently dangerous. They are always looking for ways to increase their power at the expense of the people, and it is incumbent on the people to be constantly on their guard against that.

There are many famous quotes attributed to Jefferson. One I particularly like is this:

I hold it that a little rebellion now and then is a good thing, and as necessary in the political world as storms in the physical.

He also said:

The tree of liberty must be refreshed from time to time with the blood of patriots and tyrants.

I can think of a few tyrants who could shed some blood without causing me to shed any tears, and I have no objection to a bit of rebellion, but it would make sense to avoid the need for that in the first place, if possible.

Jefferson had some ideas about that, too. He believed power should be shared, divided, and devolved to the people and groups who are most affected by its application. Jefferson supported the right to secession. He wrote to James Madison in 1799, arguing that, if the principles of the federal compact are not respected, then it would be proper –

. . . to sever ourselves from that union we so much value, rather than give up the rights of self-government which we have reserved, and in which alone we see liberty, safety and happiness.

Jefferson continued to hold this view in 1816, when he wrote a letter in which he set out his concept of ward republics,

or small units of local government. He proposed to divide the counties into –

. . . wards of such size as that every citizen can attend, when called on, and act in person . . . [they] will relieve the county administration of nearly all its business, will have it better done, and by making every citizen an acting member of the government, and in the offices nearest and most interesting to him, will attach him by his strongest feelings to the independence of his country, and its republican constitution.

He suggested these mini-republics would manage their own schools and select their own jurors. They would be the smallest, most intimate parts of political life, and the basis for state republics and the national republic.

Perhaps most important of all, they would act as a restraint on the judicial as well as the legislative and executive branches of government.

As we all know only too well, Jefferson's plan did not materialise. In fact, the opposite occurred; large, central government grew so as to prompt the American Civil War — which, unlike what Hollywood depicts, was not merely a conflict between the good North and the evil South about slavery.

One of the consequences of the victory of the North was that large, central government became well entrenched in America. The same centralising creep of the executive, legislature and judiciary followed Australia's Federation too, such that large central government is now also entrenched here.

In financial terms Australia's State governments now do little more than beg for funds from the Federal Government in order to implement policies the Federal Government has coerced them to implement. Outside that, they impose red tape and nanny state rules that make us less free and treat us like children or dangerous idiots.

Jefferson's concerns are no less legitimate today than 200 years ago. Government centralization presents a threat to rights and liberty, discourages civic virtue, and encourages dependency.

Secession offers an opportunity to rectify that, by empowering government at the lowest possible level.

The recently retired Liberal Member of the WA Legislative Council, Norman Moore, whom I am pleased to say is here, was a strong supporter of secession. He believed it is about States having meaningful authority. I agree that is one good reason to support it, but we should not think of it as merely replacing a big government in Canberra with a big government in Perth.

Secession should embrace the principle of subsidiarity. In other words, devolving the exercise of power to the lowest possible level.

So, what might a "free and independent Western Australia" look like?

For a start you would not need to argue about your GST entitlement. Instead of 34 percent of your equal-per-capita share, you would get all of it! Indeed, because the typical Western Australian pays more GST than the typical easterner, you would get more than 100 percent of your equal-per-capita share of GST – assuming you still thought a GST was warranted.

An independent Western Australia could levy its own personal income and company taxes. This presents the opportunity to set itself up as a low tax zone, dropping income and company taxes to, say, a flat 15 percent and imposing royalties on mining, petroleum and the gas industries as it sees fit.

If Western Australia embraced Jefferson's concept of mini-republics, it could devolve some taxing powers to regional councils. That might lead to a special low tax zone in the north, for example, as a means of encouraging development there.

International capital would flood in and many major

international firms would be likely to base their operations here.

An independent WA would sensibly have free trade and unrestricted capital movement, and could avoid regulatory barriers to trade by recognising licences obtained and standards met in other jurisdictions.

An independent WA would, however, need its own immigration system. This offers a unique opportunity to learn from the experience of our national system, and to ensure immigration genuinely benefits the economy.

It might mean unrestricted movement for citizens and permanent residents of eastern Australia, provided the Western Australian Government did not come to a view that Canberra is granting such residency and citizenship irresponsibly.

It might mean welcoming skilled migrants from other parts of the world, while perhaps charging a substantial fee for family reunions and ensuring Western Australian citizenship is only granted to those who assimilate and share its values.

An independent Western Australia would need its own currency and should not have a common currency with the hopelessly incompetent eastern States such as South Australia and Tasmania. The lesson of the Euro looms large here.

The Western Australian economy, with its reliance on minerals and energy, would inevitably be subject to significant economic cycles. A fluctuating currency is one of the best ways of ironing out the effects of this.

Defence could be handled by joining ANZUS and signing a defence co-operation treaty with eastern Australia.

On the industrial relations front, WA could abandon all centralised wage fixation in favour of individual employment contracts and the abolition of the minimum wage, just as Scandinavian countries do. This would almost certainly see unemployment fall dramatically, while employment growth would draw labour away from the eastern States.

In healthcare, secession would provide the opportunity to abandon the socialised medicine model of Medicare, and replace it with a policy based on individual responsibility. One way of achieving this, as shown by Singapore, is health savings accounts. This would work in a similar fashion to the current superannuation savings accounts, being tax exempt, with those having savings below a certain amount being obliged to use the funds to take out health insurance.

Even those on welfare could have insurance, with their premiums drawn from their welfare benefits. Imagine a drug addict on welfare being told his insurance premium will fall if he cleans up, meaning he will have more of his welfare left over. And, more broadly on welfare, Western Australia could have a system that provided a safety net for the genuinely disadvantaged, but including incentives for people to look to their own resources before calling on others for assistance.

There are many ways of achieving this. One that I like is for tax-free savings accounts to be used to fund loss of income insurance, or at least be available as the first port of call in the event of unemployment.

Abolition of the minimum wage would ensure many disabled could obtain jobs that paid more than the disability support pension. This would mean they had the dignity of work and a higher income, while saving their fellow Western Australians the cost of paying them to do nothing.

Age pensions could return to what they were originally intended to be, a last resort for those who were unable to save enough for their retirement during their working years. They could be strictly means-tested, taking into account both assets and income, so that nobody received a pension that was paid for by someone who was poorer than they are.

All the insane restrictions on saving for retirement, now in our national superannuation policy, could be abolished – things

like caps on contributions and total funds.

Western Australia could decide for itself how far it wants government to go in preventing discrimination in the private sphere. Discrimination by private individuals is a natural part of everyday life, but our governments have chosen to outlaw certain types of discrimination. An independent Western Australia would have the option of leaving the Racial Discrimination Act, Sex Discrimination Act and the commissars of the Human Rights Commission to the luckless eastern States.

An independent Western Australia could also decide whether to entrench rights and freedoms against encroachments by future governments. While devolving power to Western Australia is good in principle, it tells us nothing about how an independent Western Australian government would exercise that power.

One option might be to adopt the original Constitution of the United States, together with the first dozen or so amendments. Another is to have its own constitution in which it enshrined freedom of the press, free speech, freedom of worship, equality before the law, and the right to bear arms (giving meaning to what Jefferson said in relation to rebellion) as the constitutional birthright of its citizens.

A government that fears the people, rather than vice versa, is far more likely to respect liberty.

I do not for a moment expect all these things would occur if Western Australia were to secede. Nor do I consider them all essential. But even if it did adopt some of them, I believe a free and independent Western Australia would quickly become the Singapore of the South Seas, with prosperity and a standard of living that would quickly leave eastern Australia behind.

Western Australia could become an international Mecca for corporate investment and hard working, ambitious migrants from throughout the globe.

And if it did, I might move here myself!

But it could also secede and do things quite differently. It could impose income taxes that take a third or more of the income of average wage earners, and tax companies at a rate higher than most other countries.

It could impose barriers on imports, and subsidise failing industries to protect jobs. It could even seek to build its own submarines, frigates and destroyers in order to create jobs in marginal electorates.

It could make it difficult for skilled migrants to come, while facilitating family reunions and humanitarian arrivals.

It could introduce its own centralised wage fixing system, with a minimum wage of more than \$18 an hour plus mandatory penalty rates for weekends.

It could adopt its own socialised health system, with no incentive for health service providers to compete or be more efficient, or for the public to keep itself healthy. It could introduce welfare including unemployment and disability schemes that offer little incentive to work. It could pay benefits like child-care subsidies that take almost no account of income. It could provide free stuff like public hospitals and public schools that anyone can use irrespective of means. It could have an age pension scheme which took no account of the wealth of the recipient.

It could impose discrimination laws that prohibit individuals from discriminating on the basis of gender, sexual preference, race, age, and so on, so that if same-sex marriage is legalised, those who disagree with it could be taken to court. And it could rely on international treaties and the grace and favour of judges to protect fundamental human rights.

But if that was all secession offered, why would you bother? You have all that now. Increasing Western Australia's share of GST would not make that much difference.

If you want to secede, go ahead. But for God's sake do it properly.

