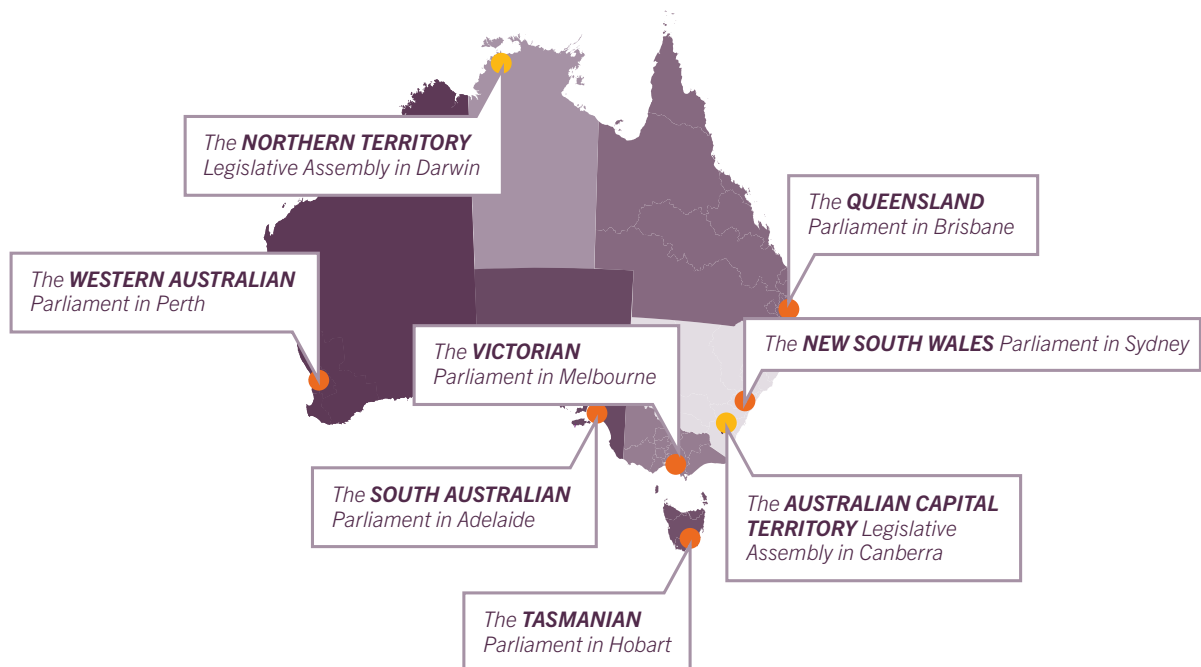


FEDERATION

Before 1901, Australia was one continent with six colonies (South Australia governed the Northern Territory). In 1901, these six colonies became states and transferred some of their power to the Commonwealth Government according to the new Constitution of Australia.

In 1911, the Commonwealth Government created the Northern Territory and the Australian Capital Territory. They are not states.



All nine parliaments have the power to collect and spend taxes. However, the Commonwealth collects more taxes than any other government and returns much of this tax money to each state and territory.

Other federations include the United States, Canada, Malaysia, Brazil, Germany and India.