



Australia Report

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Sustainable Governance Indicators 2022

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Executive Summary

Somewhat paradoxically, the COVID-19 pandemic appears to have moderated the political instability that characterized the preceding 12 years, and served to undermine sound policy development and implementation underpinned by a long-term vision. However, the pandemic has also somewhat weakened the federation. There are eight state and territory governments, and the state governments have been aggressively asserting their powers in respect to public health measures. The state governments have made little effort to coordinate between themselves or with the Commonwealth government. Western Australia and to a lesser extent Queensland have been particularly prone to policy exceptionalism. National unity has diminished, and it is unclear when or even whether coordination and cooperation will return to pre-pandemic levels.

A more positive development was that 2020 showed what income support policy could achieve in reducing poverty, although arguably at a cost the electorate is unwilling to bear. Nonetheless, it became clear to many that much better provision could be made for disadvantaged groups at relatively low cost and indeed a sustained increase in the unemployment benefit was implemented in 2021.

Aside from the COVID-19 pandemic, the most significant development in the review period was the further deterioration in Australia's relationship with China. China has placed selective import bans on Australian products and has closed down most communication channels. This has both economic and geopolitical implications, which was likely to be an important reason for Australia's foreign policy pivot toward the United States and the United Kingdom in 2021 in the form of the AUKUS alliance. The most tangible manifestation of the AUKUS alliance to date has been the scrapping of a AUD 90 billion submarine contract with the French government in favor of an in-principle agreement to source nuclear-powered submarines from the United States and United Kingdom.

The intransigence of the Senate – which no government has had control of since 2007 – continues to be a source of frustration for governments seeking to implement their policy agenda, but arguably it has become less of a factor in the review period. In part, this is because the May 2019 election saw the

Morrison government need the support of only four instead of nine independent senators. Moreover, disunity within the major political parties has been less evident since the re-election of the Morrison government.

Since the end of the mining boom in 2012, Australia's economic circumstances have fundamentally altered, with living standards stagnating. The government's fiscal position has also deteriorated precipitously, particularly since the onset of the pandemic. Difficult fiscal policy decisions will be necessary over the coming years, yet there does not appear to be much appetite for these among the political leadership. That said, after an initial period of policy paralysis, the Turnbull government experienced some success in passing reform legislation over its final two years. To a significant extent, this reflected the government's adoption of a more moderate or balanced agenda that proved more acceptable to independents and minor parties. This has broadly continued under new Prime Minister Scott Morrison.

Despite the pandemic, economic and social outcomes continue to be relatively good in absolute terms, and sustainable policy performance compares reasonably favorably with many other developed countries. Indeed, the unemployment rate is lower and employment participation is higher than before the onset of the pandemic due to strong domestic demand and an effective freeze on immigration. However, real wages and household incomes remain stagnant, notwithstanding a temporary boost in 2020 due to government income supports.

Overall, policy performance remained relatively unchanged in the current review period compared with the previous one, despite the massive change in circumstances brought about by the pandemic. There was hope of an improvement in federal-state relations following the replacement of the Council of Australian Governments by the National Cabinet, but ultimately there was no improvement. There is consequently considerable scope for improvement in governance. In its early years, the coalition government cut public sector employment, reduced funding for several government agencies, and partially reneged on the healthcare and education funding agreements reached between the state and territorial governments prior to the 2013 election. More recent government actions have only slightly improved the situation. In particular, many persistent problems remain, including the vertical fiscal imbalances between the federal, state and territory governments; the lack of a coherent, effective and sustainable energy policy; the absence of legally protected human rights; the politicization of the public sector; and the degree of concentration in media ownership.

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<https://theconversation.com/republic-of-western-australia-how-the-west-has-always-charted-its-own-course-from-secession-to-covid-167048>

Key Challenges

Australia faces a number of major strategic challenges over the coming years. Of course, dealing the COVID-19 pandemic is the most significant immediate challenge, one shared by all countries. That aside, the most pressing challenge is managing Australia's relationship with China, which has deteriorated substantially during the review period. China and Australia are economically important to each other, creating a solid foundation for a good relationship, but political factors in China may trump its economic interests. Australia has been forthright in being unwilling to compromise on its liberal democratic values and this currently appears to be unacceptable to the Chinese government.

Other pressing challenges continue to include addressing the lack of wage growth; restoring immigration; increasing infrastructure spending; developing a sustainable, reliable and cost-effective energy sector; preserving and enhancing social cohesion and the system of social protection; and delivering an affordable housing system that meets the community's needs. It is unclear, or is at least a matter of some controversy, what policies may be required to restore wage growth and preserve social cohesion. However, the policies required to address the other key challenges are reasonably clear.

Despite some progress in recent years, Australia still requires significant increases in public infrastructure investment. Infrastructure investment would also help improve deficiencies in the housing market, which has once again experienced very high price growth since mid-2020 (although additional policies would also be required to address this issue).

With regard to energy policy, the Turnbull government appeared to be making some progress toward achieving a coherent and stable energy policy, but ultimately was unable to secure the agreement of all party members. The challenge for the Morrison government is thus to implement a policy that reduces carbon emissions, increases reliability and reduces costs to consumers. Australia has substantial scope for improvement in responding to environmental challenges. Considering Australia's climate policies, there is considerable potential for the development of sustainable energy and environmental protections. And indeed, some promising initiatives are already under way. The future of energy policy is beginning to take form in the Northern Territory and Western Australia. The Sun Cable project is a solar farm with 15,000 hectares of solar collectors and batteries for storage. Most of

the electricity generated there will be exported to Singapore via a 3,800-kilometer cable, supplying enough energy to cover 20% of the city-state's electricity needs. Even more spectacular is the Asian Renewable Energy Hub, a project in Western Australia. This project consortium, which includes wind-turbine manufacturer Vestas and Macquarie Bank as financiers, is planning to export hydrogen. A capacity of 15 gigawatts is planned for an area of 6,500 square meters. The hydrogen produced will be sold domestically, and exported to South Korea and Japan. Australia has the potential to become a major beneficiary of the measures to reduce CO₂-emissions.

Closely related to energy policy is the challenge of addressing the broader issue of climate change, both in terms of mitigation and adaptation. This has been an area of extreme policy failure on both fronts. The federal government states that it is committed to reducing carbon emissions by 2030 by anywhere from 26% to 28% compared to 2005 levels, but it has offered no credible policies to achieve that target. Notably, the current federal government is firmly opposed to pricing carbon emissions. Indeed, what progress has occurred has largely been due to the efforts of state governments as well as non-government actors.

Other strategic challenges are more perennial. Closely related to the structural deficit has been the need to manage the implications of an aging population. Existing policies have prepared Australia better for this demographic shift than is true of most other developed countries. However, the inefficiencies inherent in the federal system of government have proven more problematic. Notable problems include the division between federal and state responsibilities, as well as a vertical fiscal imbalance. The need to secure agreement with the states on most major issues of shared concern has proven difficult for recent federal governments, particularly in the policy areas of water, healthcare, education and transport infrastructure. To remedy this situation, states should be given greater autonomy and accountability, and the degree of conditionality associated with grants from the federal budget should be reduced.

The tax system also remains complex and inefficient. The 2010 Henry Tax Review produced 138 recommendations for improvements. However, the previous Labor government adopted only a few of these. Similarly, the Liberal-National coalition government has shown little inclination to reform the system radically. While numerous tax reforms are required, an increase in the goods and services tax rate, and the introduction of a land tax are among the more important as recommended by the OECD.

Other long-standing deficiencies that should be priorities for reform include diversifying media ownership; improving regulatory impact assessments by

expanding their scope and application; increasing public consultation and transparency, and conducting consultation prior to policy decisions; and introducing a bill of human rights.

Finally, the situation of indigenous Australians continues to be the most serious social failure of the Australian political system. Over the course of recent decades, numerous policy initiatives have attempted to address the appalling outcomes experienced by indigenous people, but there is little evidence that substantive progress has been made. Remedying this must remain a priority over the coming years.

Citation:

OECD, Economic Survey Australia, December 2014, p. 11.

Kate Darian-Smith: Indigenes Australien – von der britischen Besiedlung bis zur Gegenwart, in: Bettina Biedermann, Heribert Dieter (eds.): Länderbericht Australien. Bonn: Bundeszentrale für politische Bildung 2012, S. 93-125.

<https://www.oecd.org/eco/surveys/Australia-2017-OECD-economic-survey-overview.pdf>

<https://www.fpwhitepaper.gov.au/>

http://www.drd.wa.gov.au/Publications/Documents/wa_renewable_hydrogen_strategy.pdf

Party Polarization

The dominance of two major political groups, the Labor party and the Liberal-National coalition, induces strong partisanship and extreme reluctance to reach cross-party agreements. However, whichever major group is in power typically needs to negotiate with the minor parties and independents to pass legislation in the upper house. Agreements are regularly reached, although as a result most governments feel only partially able to implement their legislative agenda. The review period has seen a slight improvement in the context of tackling the COVID-19 pandemic. (Score: 6)

Citation:

<https://www.abc.net.au/news/2022-02-20/china-national-security-coalition-labor-politics-language/100842216>

Sustainable Policies

I. Economic Policies

Economy

Economic Policy
Score: 6

Australia's economy went into recession in the quarter beginning June 2020, as a result of lockdowns introduced in response to the COVID-19 pandemic. However, since then, the economy has performed quite strongly, despite continued lockdown measures, and the severe curtailment of travel and an effective freeze on immigration since March of 2020. The unemployment rate rose from 5.1% in February 2020 to a peak of 7.4% in July 2020, but has since trended downward, reaching 4.6% in November 2021. Moreover, in November 2021 the employment rate reached 63%, the highest level on record (exceeding even the peak of the mid-2000s' mining boom).

Provision of income supports and other fiscal stimulus measures, as well as monetary policy settings, have been important drivers of this performance. Most notably, the government implemented a massive AUD 180 billion wage subsidy scheme called JobKeeper that ran from March 2020 to March 2021. The unemployment benefit, JobSeeker Payment, was temporarily doubled in value, while a variety of other income supports and expenditure measures were also introduced in response to the pandemic. State governments additionally introduced their own income supports for individuals and businesses. The Reserve Bank of Australia was quick to reduce the cash rate to 0.25% in March 2020 and subsequently reduced it to 0.1% in November 2020, where it has since remained. It has also engaged in quantitative easing since November 2020 via the purchase of over AUD 200 billion of Australian government bonds.

The immigration freeze and travel restrictions have also been contributors to the strength of the labor market. Restrictions on travel have provided a net boost to domestic demand (since Australians typically spend considerably more overseas than foreign tourists spend in Australia). Meanwhile, the

immigration freeze has reduced the supply of workers, resulting in employment growth and declines in unemployment for the incumbent population.

Australia's monetary policy is one of the country's economic bright spots. The Reserve Bank of Australia (RBA) has steered a convincing course between the ultra-loose policies of the European Central Bank (ECB) and the more sustainable approach of the U.S. Federal Reserve. The RBA has sought to prevent a sharp appreciation in the value of the Australian dollar, while also avoiding a situation in which it was providing liquidity too cheaply. It has been quite successful in recent years, but has been unable to contain rising asset prices, real estate in particular.

Nonetheless, a lack of microeconomic and tax reforms over the last decade continues to act as a drag on Australia's economic-growth prospects. Both the slowdown in the growth of the Chinese economy and the political conflict with China, which continued unabated in 2020 and 2021, dampen the economy's future prospects.

Citation:

Details on the operation of National Cabinet: <https://federation.gov.au/>

Labor Markets

Labor Market
Policy
Score: 7

Between 2012 and 2019, the overall unemployment rate rose only slightly, sitting at 5.2% in November 2019 (the beginning of the review period). The onset of the pandemic saw the unemployment rate rise to 7.4% by July 2020, and the underemployment rate rose from 8.6% in February 2020 to a peak of 13.6% in April 2020. However, since mid-2020 both unemployment and underemployment have trended downward, respectively reaching 4.6% and 7.5% in November 2021. This has been driven by government stimulus measures, as well as strong domestic demand due to restrictions on travel and reductions in labor supply due to the effective freeze on immigration.

Wage growth has nonetheless remained very subdued, with almost no increase in real average earnings since 2013. Questions have been raised as to whether the industrial relations system has excessively reduced the bargaining power of employees, for example, through restraints on the right to strike, contributing to tepid wage growth.

Minimum wages, which are set by an independent statutory authority, the Fair Work Commission, have potentially acted as an increasing constraint on employment over the review period. The national minimum wage is relatively

high by international standards, at approximately 55% of the median full-time wage; more importantly, there are also a large number of industry- and occupation-specific minimum wages that can be substantially higher than the national minimum wage. Taking effect in July 2021, the minimum wage was increased by 2.5% to AUD 20.33 per hour. Given the stagnation in real wage levels in the broader economy, the “bite” of minimum wages (i.e., the extent to which they negatively impact employment) has been increasing. Nevertheless, high minimum wages have arguably contributed to stabilizing domestic demand.

In March 2021, the Morrison government passed legislation that for the first time formally defined “casual” employment (no firm advance commitment to ongoing work with an agreed pattern of work). The legislation also required employers with 15 or more employees to offer casual employees permanent work if they have been employed for 12 months or more and have had a regular pattern of hours on an ongoing basis for at least the last six months. The legislation has the potential to improve job security for a significant number of employees. However, it is unclear how many casual employees will take up the offer of permanent employment, since it typically involves the loss of the 25% loading paid in lieu of the entitlements accruing to permanent employees.

So-called skills shortages have been a recurring topic of concern in the Australian labor market, which the immigration freeze since March 2020 has only exacerbated.

Citation:

Minimum wage: How does Australia compare to other countries? ABC. 31 May 2016. Available at <http://www.abc.net.au/news/2016-05-31/minimum-wage-how-does-australia-compare/7461794>

Temporary skill shortage visa: <https://immi.homeaffairs.gov.au/visas/getting-a-visa/visa-listing/temporary-skill-shortage-482>

Legislation regarding casual employment: https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/bd/bd2021a/21bd053

Taxes

Tax Policy
Score: 7

Concerns persist that the federal government faces a structural deficit that will require difficult fiscal decisions in the coming years, most likely involving a combination of spending reductions and tax increases. Moreover, there is long-standing concern over the fiscal sustainability of state and territory governments, which have very limited independent capacities for raising revenue. The increasing need for health and education expenditure by the states and territories has outpaced revenue growth. The massive expenditure measures that were introduced in the wake of the COVID-19 pandemic have only increased the urgency of addressing these problems.

The tax system achieves a reasonably high degree of horizontal equity, with income generally taxed at the same rate irrespective of its source. The main exception is capital-gains taxation, where the family home is exempt from taxation and a 50% discount is applied to capital gains on other assets held at least one year. A further significant exemption is retirement savings (known as superannuation), which are minimally taxed. These exceptions aside, the income-tax system is moderately progressive. Australia's taxation system redistributes less than other OECD countries, and relatively high remuneration after taxes and social security is a major pull factor in its migration policy.

In 2019, significant changes to the income-tax system were passed by the legislature, although the changes will be implemented over seven years. Beginning in 2024, over 90% of taxpayers will face a top marginal income-tax rate of 30%, which will apply on incomes in the range of AUD 45,000 to AUD 200,000 per annum. The current 32.5% rate, applying to incomes in the range AUD 37,000 – AUD 90,000, and the 37% tax rate, applying to incomes in the range of AUD 90,000 – AUD 180,000, will be eliminated, with the current 45% top rate (currently for incomes over AUD 180,000) to apply to incomes over AUD 200,000. This represents a significant reduction in the progressivity of the income-tax system.

The government has been frustrated by the Senate in its attempts to reduce the company tax rate from 30% to 25%, and has settled on a phased reduction for companies with annual turnover of less than AUD 50 million. The 25% tax rate was fully implemented for companies with an annual turnover of less than AUD 50 million from 1 July 2021.

The tax-to-GDP ratio in Australia remains among the lowest of any OECD economy, and has therefore helped preserve the Australian economy's competitiveness. However, this low level of taxation arguably creates bottlenecks in infrastructure development that have not been sufficiently addressed. Sydney and Melbourne are particularly exposed to infrastructure bottlenecks, although there has been a substantial surge in infrastructure investment in recent years (albeit mostly funded by state governments).

The tax system does very little to promote ecological sustainability. There are some tax offsets or credits intended to encourage rural property owners to improve the sustainability of their land use, but little else of note. There is no taxation of carbon emissions.

Citation:

Australia's Future Tax System, Report to the Treasurer. Canberra: Commonwealth Government, 2009. Available from http://taxreview.treasury.gov.au/content/Content.aspx?doc=html/pubs_reports.htm.

Australian government 'Re:think Tax Discussion Paper,' March 2015:
<http://bettertax.gov.au/publications/discussion-paper/>.
<http://www.treasury.gov.au/Policy-Topics/Taxation/Pocket-Guide-to-the-Australian-Tax-System/Pocket-Guide-to-the-Australian-Tax-System/Part-1>

Budgets

Budgetary Policy
Score: 6

Net federal government debt rose from approximately 19% of GDP in 2019 to 25% in 2020 and is forecast to reach 45% in June 2022. While this increase is directly attributable to an appropriate fiscal response to the coronavirus pandemic, it nonetheless creates significant challenges for future fiscal policy sustainability. At the same time, Australia has significant infrastructure shortages, which would require additional government spending.

Over the longer term, the consensus is that Australia has a structural deficit. This means that, averaged over the business cycle, existing revenue streams will not adequately meet ongoing expenditure needs given current tax rates and expenditure levels. The reasoning is that commodity prices will not return to pre-2012 levels, and expenditure demands are projected to increase over coming years, partially due to an aging population. Prior to the pandemic, Australia's population was continuing to grow, with immigration in particular helping to reduce population aging. However, population growth has been approximately zero in 2020 and 2021, and it is unclear how quickly immigration will pick up.

Citation:

<http://infrastructureaustralia.gov.au/policy-publications/publications/files/Australian-Infrastructure-Audit-Executive-Summary.pdf>.

Net government debt:
https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/BudgetReview202122/CommonwealthDebt

Research, Innovation and Infrastructure

R&I Policy
Score: 6

In November 2017, a report was released laying out a strategic plan to 2030 for optimizing investment in Australian innovation. The Australian government, in its May 2018 response to the report, expressed support in principle for most of the recommendations, but there has been little evidence of substantive policy change since then. The comparatively low quality of the infrastructure is the result of limited spending on its modernization. This reflects the preference of Australian society for moderate levels of taxation.

In the 2020-21 budget, the Morrison government introduced a new R&D tax incentive scheme effective 1 July 2021 that provides up to a 43.5% tax offset

(reduction) on company R&D expenditures. It remains to be seen whether this leads to an increase in private sector R&D investment. The 2020-21 budget also provided for a AUD 1.5 billion Modern Manufacturing Strategy, the centerpiece of which is AUD 1.3 billion allocated to local manufacturers to help them “collaborate and build scale, commercialize their ideas and connect to global supply chains.”

Australia’s support for local manufacturing in six areas – resources and critical minerals, food and beverage, medical products, recycling and clean energy, defense, and space – is similar to the subsidy programs that other OECD countries have embraced.

Citation:

Innovation and Science Australia 2017, Australia 2030: prosperity through innovation, Australian Government, Canberra:

<https://www.industry.gov.au/sites/g/files/net3906/f/May%202018/document/pdf/australia-2030-prosperity-through-innovation-full-report.pdf>

Australia’s Economic Accelerator To Propel Economy, <https://www.pm.gov.au/media/australias-economic-accelerator-propel-economy>

Global Financial System

Stabilizing
Global Financial
System
Score: 6

As a globally oriented country with a high degree of international economic integration, including financial market integration, Australia has a strong interest in promoting a stable, efficient and transparent international financial system. Australia displays a strong commitment to preventing criminal financial activities, including tax evasion. To that end, the government has information-sharing arrangements with a number of countries. However, Australia is a relatively small player in international finance and has a limited ability to shape the regulatory process within multilateral institutions.

Prudential supervision of Australian banks and other financial institutions is generally of high quality. While Australian banks appear to be stable, they have substantial exposure to real-estate lending. Fully 60% of the Australian financial system’s loan book is focused on real estate. A sharp decline in house prices would cause severe problems for the banking system. Motivated by widespread reports of unconscionable conduct by banks and other financial institutions, the federal government convened a Royal Commission of Inquiry in 2018, tasking it with looking into misconduct in the finance industry. The inquiry reported in February 2019, although few policy changes appear to have led from the report.

Australia has accumulated a high level of foreign debt, with net debt of over AUD 1.2 trillion. However, this is almost entirely private sector debt and is not

considered a threat to Australia's financial stability. That conventional assessment might be challenged in the event of a significant rise in interest rates, which is currently unlikely, but not entirely impossible.

Citation:

Michael Janda: Australia's debt binge 'coming to an end,' says Bank for International Settlements. 25 June 2018. Available at <https://www.abc.net.au/news/2018-06-25/australia-named-as-household-debt-problem-country/9905390>

OECD: Households accounts, available at <https://data.oecd.org/hha/household-debt.htm>

Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry: <https://webarchive.nla.gov.au/awa/20200605053315/https://financialservices.royalcommission.gov.au/Pages/default.aspx>

Interest rates will be a touchy subject in an election year, <https://www.afr.com/policy/economy/interest-rates-will-be-a-touchy-subject-in-an-election-year-20211220-p59j0x>

Balance of Payments and International Investment Position, Australia, <https://www.abs.gov.au/statistics/economy/international-trade/balance-payments-and-international-investment-position-australia/latest-release>

Reserve bank keeps interest rates on hold and ends stimulus as Australian economy recovers, <https://www.theguardian.com/business/2022/feb/01/reserve-bank-keeps-interest-rates-on-hold-and-ends-stimulus-as-australian-economy-recovers>

II. Social Policies

Education

Education Policy
Score: 6

The quality of Australia's educational institutions tends to be higher in non-government schools and in major metropolitan regions. Overall, the high-school completion rate is around 80%. However, the low level of preschool spending continues to be a weak point: Australia spends one-quarter of the OECD average on preschools and the country has been falling down the PISA ranking lists as compared to the countries in its region.

Regarding equity, the continued high level of government subsidies to non-government schools means that inequity in schooling outcomes is high. Unsurprisingly, given the high levels of government subsidy, private-school enrolment rates are significantly higher in Australia than the OECD average. Despite subsidies, tuition fees at private schools are often beyond the means of less affluent parents, contributing to inequality. Moreover, inequity has increased, as government funding per student in non-government schools has increased at a faster rate than government funding per student in government schools. The 2017 budget took steps toward reducing inequity, boosting funding to government schools and reducing funding to some non-government schools in the 2017 – 2027 period. However, following a backlash from the Catholic school sector, which accounts for approximately half the non-

government school sector, the government in September 2018 announced an increase in funding to Catholic schools of AUD 4.5 billion over 10 years.

In the higher-education sector, the Higher Education Loan Program (HELP), introduced in 1989, continues to be an important mechanism for equitably and sustainably funding higher education. The scheme has increased the extent to which students bear the cost of their education without diminishing access to higher education for students from poor families. Several measures in recent years have sought to reduce the cost to government of the higher-education system. For example, since 1 January 2016, Australians living overseas have been required to repay HELP debts on the same terms as those faced by Australian residents.

With regard to efficiency, there is much room for improvement. Australia's educational system is complex, with responsibilities shared between the states and the federal government. Funding for vocational education and training is limited. State and territory governments are highly revenue-constrained, and the federal government has shown little willingness to step up. In recent years, a HELP scheme for vocational training, called VET Student Loans, has been established, but applies only to diploma-level courses.

The higher-education sector is generally efficient, and universities have had to be entrepreneurial to prosper, aggressively marketing to international students and pursuing independent sources of research funds. However, in 2019, concerns were expressed about the sector's reliance on fee-paying international students, especially from China. Some Australian universities derived up to 20% of their income from Chinese students, making them very vulnerable to a downturn in this market. The arrival of COVID-19 saw international student enrolments plummet, with students denied entry to Australia from early on in the pandemic until December 2021. Most universities in Australia have, therefore, suffered financially and continue to do so given that international student numbers appear unlikely to return to pre-COVID-19 levels for some years to come.

Citation:

David Gonski, 'Final Report of the Review of Funding for Schooling,' December 2011: <http://www.betterschools.gov.au/review>

Moshe Justman and Chris Ryan, 'What's Wrong with the Gonski Report: Funding Reform and Student Achievement?' Policy Brief No. 2/13. Melbourne Institute. The University of Melbourne. April 2013: http://www.melbourneinstitute.com/downloads/policy_briefs_series/pb2013n02.pdf

<http://studyassist.gov.au/sites/StudyAssist/VET%20Student%20Loans>

http://www.oecd.org/edu/EDUCATION%20POLICY%20OUTLOOK%20AUSTRALIA_EN.pdf

https://www.oecd-ilibrary.org/education/education-at-a-glance-2018_eag-2018-en

<https://www.abc.net.au/news/2019-08-21/australian-universities-too-dependent-on-chinese-students-report/11427272>

<https://www.universitiesaustralia.edu.au/media-item/17000-uni-jobs-lost-to-covid-19/>

Social Inclusion

Social Inclusion
Policy
Score: 5

Australia has a mixed record on social inclusion. While successive governments have made considerable efforts to promote social policies that reduce social exclusion, the comparatively flexible labor market has probably been the most effective instrument with regard to ensuring social inclusion.

Despite a relatively unequal income distribution and other social-policy weaknesses, Australians are quite content with their lives. Life satisfaction in Australia is higher than in many other OECD countries, and almost as high as in the Scandinavian countries. Australian society offers ample employment and training opportunities for the younger generation. The dire situation of the indigenous population continues to be one of Australia's most pressing social issues. Life expectancy among indigenous Australians is approximately 10 years lower than the Australian average.

The most significant development in social inclusion policy under the Morrison government was in the initial response to COVID-19, which saw poverty in Australia all but eliminated during much of 2020 due to the raft of income support initiatives implemented. However, most of these supports were phased out by April 2021. The main changes that have remained in place are a AUD 25 per week increase in the unemployment benefit compared with its pre-COVID-19 level and a AUD 22 per week increase in the amount a recipient can earn before the benefit is reduced.

Citation:

Australian Institute of Health and Welfare: Mortality and life expectancy of Indigenous Australians 2008 to 2012. <http://www.aihw.gov.au/publication-detail/?id=60129548470&tab=2>.

Reference Group on Welfare Reform, 'A New System for Better Employment and Social Outcomes.' Australian Government. February 2015: <https://www.dss.gov.au/our-responsibilities/review-of-australias-welfare-system/a-new-system-for-better-employment-and-social-outcomes-full-version-of-the-final-report>.

http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Table_1_Youth_unemployment,_2014Q4_%28%25%29.png

<https://www.dpmc.gov.au/sites/default/files/publications/indigenous/Health-Performance-Framework-2014/tier-1-health-status-and-outcomes/120-infant-and-child-mortality.html>

<https://www.dpmc.gov.au/sites/default/files/publications/indigenous/Health-Performance-Framework-2014/tier-1-health-status-and-outcomes/119-life-expectancy-birth.html>

<https://newsroom.unsw.edu.au/news/general/50-boost-jobseeker-makes-australias-payment-second-lowest-oecd>

Health

Health Policy
Score: 7

As with most countries, the COVID-19 pandemic has created significant challenges for the healthcare sector. However, aside from the injection of funding into vaccine and treatment development and deployment, there have been no notable developments in healthcare policy under the Morrison government.

The Australian healthcare system is a complex mix of public and private sector healthcare provision and funding. Correspondingly, its performance on quality, inclusiveness and cost efficiency is variable across the components of the system. The federal government directly funds healthcare through three schemes: Medicare, which subsidizes services provided by doctors; the Pharmaceutical Benefits Scheme (PBS), which subsidizes prescription medications; and a means-tested private health insurance subsidy. Medicare is the most important pillar in delivering affordable healthcare to the entire population, but it has design features that decrease efficiency and fail to promote equity of access. For example, the level of the subsidy is generally not contingent on the price charged by the doctor. The PBS is perhaps the most successful pillar of healthcare policy in Australia, granting the Australian community access to medications at a low unit cost.

Quality of medical care in Australia is in general of a high standard, reflecting a highly skilled workforce and a strong tradition of rigorous and high-quality doctor training in public hospitals. However, several medical procedures are difficult to access for people without private health insurance. In particular, waiting periods for non-emergency operations in public hospitals can be many years. Public funding of dental care is also very limited and private dental care can be prohibitively expensive for those on low incomes without private health insurance. Consequently, dental healthcare for low-income groups is poor.

Regarding inclusiveness, significant inequality persists in access to some medical services, such as non-emergency surgery and dental care. Indigenous health outcomes are particularly poor. Lack of access to non-emergency surgery reflects, to a significant extent, the funding constraints of the states and territories, which are responsible for funding public hospitals.

Finally, concerning cost-effectiveness, the healthcare system is rife with inefficiencies and perverse incentives. Total healthcare expenditure is relatively low, but as is the case in most developed countries, the government faces significant challenges due to rising costs from an aging population and development of new diagnostic tools and treatments. The government's Productivity Commission made a number of recommendations to improve

cost-effectiveness, including eliminating low-value health interventions, adopting the principle of patient-centered care, and making better use of health system data.

Citation:

Productivity Commission five-year productivity review:
<https://www.pc.gov.au/inquiries/completed/productivity-review/report>
 Sunil K. Dixit; Murali Samasivan: A review of the Australian health care system: A policy perspective, Sage Med, April 2018, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5900819/>

Families

Family Policy
 Score: 7

Following large increases in family payments over the early 2000s, in recent years these payments have been scaled back. The high cost of childcare for children not yet at school continues to be a problem for many families in Australia. A new childcare subsidy (CCS) that commenced in 2018 increased subsidies for most families. As of December 2021, those earning AUD 70,015 or less receive a subsidy of 85% of their childcare fees. The subsidy rate gradually declines as family income increases and is zero for families with incomes in excess of AUD 354,305. Eligibility for the CCS is determined by an activity test that closely aligns the hours of subsidized care with the amount of work, training, study or any other recognized activity such as volunteering by parents. The CCS has reduced real hourly costs of childcare for parents, but costs are still more than 50% higher in real terms than at the start of the decade (2010). Rural areas still have access to less comprehensive services and as a result families in rural areas are disadvantaged.

A government-funded paid parental leave (PPL) scheme was introduced in 2011, providing 18 weeks of government-funded paid leave at the level of the full-time national minimum wage. Prior to the scheme, only 54% of female employees and 50% of male employees had access to some form of PPL. The scheme, therefore, considerably expanded access to PPL.

Welfare policy has increasingly encouraged or compelled mothers who are welfare recipients to take up employment. Starting in 2006, new single-parent recipients were transferred to the unemployment benefit once the youngest child reached eight years of age. In January 2013, this policy was applied to all recipients of Parenting Payment irrespective of when they began receiving it; in the case of partnered recipients of Parenting Payment, transfer to the unemployment benefit occurs once the youngest child reaches six years of age. With unemployment benefits, single parents receive a lower level of benefits and are required to seek employment of at least 15 hours per week. The latest program, Parents Next, addresses the risk of long-term dependency on welfare payments.

Citation:

OECD, Economic Survey Australia 2014, p. 61 and 69.

Data on childcare costs to 2017: <https://www.abs.gov.au/statistics/people/education/childhood-education-and-care-australia/jun-2017>

<https://www.theguardian.com/australia-news/2018/nov/06/single-parents-forced-to-attend-story-time-or-lose-centrelink-payments>

<https://www.abc.net.au/news/2022-02-18/new-mum-cry-for-help-parliament-debate-childcare/100838760>

Pensions

Pension Policy
Score: 8

Australia has two explicit pension systems, the public age pension and private employment-related pensions. The public age pension is funded from general taxation revenue, and because it is means-tested, it effectively acts as a social safety net. Pensioners enjoy additional benefits such as access to universal healthcare, concessions on pharmaceutical and other government services, and tax concessions.

Currently, the public age pension is still the dominant source of income for retirees. Approximately 70% of people aged 65 and over receive a means-tested pension from the government. About 40% of pensioners receive a reduced government pension due to their own assets. The result is that Australian pensioners' income is the second lowest in the OECD compared to the income of the working population. Measured income poverty of pensioners relying on public age pensions is therefore relatively high. However, over 80% of pensioners own their home. This, combined with the large expenditure subsidies they receive, means that broader poverty measures that take wealth and expenditure subsidies into account show low rates of deprivation among this group.

Over time the balance will shift toward the private pension system, which was only introduced on a large scale in 1992, and reached a minimum contribution rate of 9% of earnings only in 2002. The minimum contribution rate increased to 9.5% on 1 July 2014 and to 10% on 1 July 2021, and is scheduled to increase by 0.5 percentage points per year until it reaches 12% on 1 July 2025. Contributions to private pensions are concessionally taxed at a flat rate of 15%, and private pension income in retirement is largely tax exempt.

Population aging has increased anticipated pressures on the pension system. In response, over the period from July 2017 to July 2023, the age of eligibility for the public age pension is being progressively increased from 65 to 67 years.

In terms of intergenerational inequity, the gradual nature of the shift since 1992 from a pay-as-you-go public pension toward a private pension system

supplemented by a public pension has meant that relatively little inequity has resulted between generations.

Lastly, concerning the fiscal sustainability of the pension system, while reliance on the public age pension will continue to be high for many years, in broad terms the pension system is relatively sustainable, with private pensions increasingly taking on more of the financial burden. Concerns have been raised, however, about the sustainability and equity of maintaining the largely tax-exempt status of private retirement income. More broadly, the government is concerned about the extent to which the retirement-income system is working, and will work into the future, as it should. Consequently, the Treasurer launched an independent review of the retirement income system in 2019, with the report released in November 2020. Among the findings of the review, tax concessions for superannuation were deemed to be very high for high-income individuals, both in the pre-retirement and post-retirement phases. As yet, no policy changes flowing from the review have been introduced.

Citation:

OECD, Pensions at a glance. Paris, OECD 2013. p. 68 – 70.

OECD, Pensions at a glance, Paris, OECD 2015. p. 207 – 211. http://www.keepeek.com/Digital-Asset-Management/oced/social-issues-migration-health/pensions-at-a-glance-2015_pension_glance-2015-en#page209

Retirement income review report: <https://treasury.gov.au/publication/p2020-100554>

Integration

Integration Policy
Score: 8

Prior to 2020, Australia maintained one of the largest immigration programs relative to population size of any established democracy in the post-World War II era. Nearly 30% of the population is foreign-born. Successful integration of immigrants has therefore been a policy priority for much of Australia's history. In general, Australia has and continues to be highly successful in integrating immigrants. The most important contributor to this success has been a highly selective immigration policy. Most migrants are selected on the basis of their skills and English language ability. Australia is more successful than most OECD countries regarding the integration of migrants into the labor market. The effect has been a swift integration into Australian society. The selection of migrants and limited access to welfare payments, combined with a cosmopolitan society, have demonstrated above average success. Integration via the labor market has been a key factor in the integration of migrants.

Concerns arose in the years leading up to the pandemic about the large number of temporary skilled immigrants. Historically, immigration in Australia has

been conceived as permanent resettlement, and the phenomenon of large numbers of temporary immigrants is relatively new, only taking on significant proportions this century. Granting of temporary migrant visas peaked around 2014, when more than 100,000 visas were issued. By its nature, the temporary-immigration program is not geared toward long-term integration of immigrants, creating some potential for breakdown in social cohesion. However, in the last several years leading up to 2020, the government introduced regulations and fees which have reduced the number of temporary visas issued. A rising level of skepticism toward migration is evident in the country, which may have helped Prime Minister Morrison, who promised a cap on migration, to win the last election.

Despite Australia's highly selective immigration policy, an ongoing concern relates to asylum-seekers who have usually arrived on boats from Southeast Asia. Mandatory detention was introduced for asylum-seekers in the 1990s, and offshore processing of asylum-seekers was reinstated in 2012. Following the 2013 election, the Coalition introduced Operation Sovereign Borders, under which the Australian navy prevents all vessels containing asylum-seekers from reaching Australia. While politically very controversial, the policy appears to have been effective in dramatically reducing the number of asylum-seekers attempting to arrive by boat. Tight control of Australia's borders arguably strengthens the political support for continued high levels of skilled and business immigration.

Since the onset of the pandemic, net overseas migration has been negative and it remains to be seen if pre-pandemic immigration levels return.

Citation:

<http://www.smh.com.au/federal-politics/political-news/asylum-seeker-boat-tumbacks-supported-by-71-percent-in-poll-20140603-39h2a.html>

<https://www.justlanded.com/english/Australia/Australia-Guide/Jobs/Unemployment-Benefit>

<http://www.theaustralian.com.au/national-affairs/immigration/dramatic-decrease-in-asylumseeker-deaths/news-story/0967f643c9a38e09d36d0ad1c28c8a54>

Immigration statistics and forecasts: <https://population.gov.au/data-and-forecasts/key-data-releases/overseas-migration-2020-21>

<https://www.theguardian.com/australia-news/2019/mar/20/morrison-says-capping-migration-at-160000-is-to-save-budget-bottom-line>

Safe Living

Internal Security
Policy
Score: 8

Internal security is primarily the responsibility of the states and there is correspondingly some variation in policies and outcomes across them. In most states crime rates are relatively low. Coordination between various policing, enforcement and intelligence-gathering authorities is generally satisfactory.

The issue of violence against women has been receiving increasing attention in recent years. One-third of women in Australia have experienced physical violence. The 2021-22 budget included an additional AUD 1.1 billion for women's safety measures.

Since 2014, a variety of bills concerned with countering terrorism have been passed, including the Counter-Terrorism Legislation Amendment (Foreign Fighters) Bill 2014, the Telecommunications (Interception and Access) Amendment (Data Retention) Act 2015, the Australian Citizenship Amendment (Allegiance to Australia) Bill 2016 and the Counter-Terrorism (Temporary Exclusion Orders) Bill 2019.

The most controversial legislation is the Telecommunications and Other Legislation Amendment (Assistance and Access) Act, passed in December 2018, which requires technology companies and telecommunications providers to give reasonable assistance to law-enforcement agencies seeking to access communication content and data. Many experts have argued this act is ineffectual in countering criminal activity, while simultaneously weakening encryption of data and therefore reducing the security of Australians, for example by making them more vulnerable to hackers.

In July 2017, the prime minister announced that the government would establish a home-affairs portfolio bringing together Australia's immigration, border-protection, law-enforcement and domestic-security agencies within a single portfolio. The new portfolio is more similar to the UK model than the U.S. model – a federation of border and security agencies under which the various agencies retain statutory independence.

Citation:

<http://www.internationalaffairs.org.au/australianoutlook/australian-government-missed-point-with-new-encryption-bill/>

<https://www.homeaffairs.gov.au/>

<https://www.bbc.com/news/world-australia-46913913>

Global Inequalities

Global Social
Policy
Score: 6

Australia plays a significant role in the South Pacific with regard to promoting economic development and poverty alleviation in less developed countries. Australia is also a strong advocate of trade liberalization, especially in relation to agricultural products, which is critically important to economic development in most developing countries.

The 2014 government budget included cuts to foreign aid of AUD 7.6 billion over five years, which arguably represents a backward step in promoting

economic opportunities in developing countries. However, since 2017, the increasingly aggressive foreign policy of China has resulted in some expansion of Australia's regional aid programs.

Due to its status as a middle-sized power, Australia lacks leverage on some issues. For example, it has been unable to provide a major impetus to further development of the multilateral trading system. Australian governments have supported the multilateral trading system rhetorically, but at the same time have contributed to the weakening of the WTO by implementing a number of preferential trade agreements. Australia has concluded free trade agreements with all major economies in Asia (ASEAN, South Korea, China and Japan).

In the South Pacific, Australia has increased its activities and is attempting to counter Chinese investments.

Citation:

<http://www.dfat.gov.au/fta/>

Rod McGuirk: Australia details investment in Pacific as China clout grows. AP News. 8 November 2018.

Available at <https://www.apnews.com/cf3404ef6f4b404197e83066179aa4f4>

<https://www.abc.net.au/news/2021-09-29/pacific-lowy-institute-aid-development-china-influence/100498518>

III. Environmental Policies

Environment

Environmental
Policy
Score: 4

In recent years, environmental policy in Australia has focused strongly on water security. Some progress has been made over this time, including the construction of desalination plants and the creation of the Murray-Darling Basin water-management plan. However, this focus has not resolved water-management issues, not least because sustained droughts affecting large areas of the country appear to have increased in severity.

Environmental pollution is almost entirely the policy domain of state governments. There is considerable variation in the extent of pollution mitigation across the states, and it is difficult to assess overall performance. However, in general, most states enforce relatively strict standards on environmental pollution. There has been no clear change in this regard in the review period.

Climate change policy, clearly the most important component of environmental policy in the current era, has been largely absent. The federal

government remains committed to reducing carbon emissions compared to 2005 levels by between 26% and 28% by 2030, and achieving net zero emissions by 2050. However, almost no policies in support of these objectives have been implemented or even announced.

Energy consumption levels are generally high, and despite great potential for solar and wind energy, the contribution of renewable energy to the grid remains considerably lower than it could be. A government-commissioned review of the national electricity market was published in June 2017. Most of its recommendations were accepted, but in the intervening period up to the end of the review period, there has been almost no progress on the policy front. Industry uncertainty therefore persists, undermining incentives to invest in energy generation and contributing to record-high energy prices for consumers, low levels of reliability and very limited progress on emissions reductions.

Biodiversity decline is also a significant concern in Australia, with considerable evidence of an acceleration in decline over recent decades. In response to this concern, in October 2010 the Australian government released “Australia’s Biodiversity Conservation Strategy 2010 – 2030,” which provides the guiding framework for conserving Australia’s biodiversity over that period. Various policies to address the decline in biodiversity have been implemented, though more action is required.

While Australia has been slow to implement a sustainable energy policy in the past, the country has made significant progress more recently. Western Australia is emerging as a new energy hub for Australia, and as a hydrogen provider for Japan and South Korea. The AUKUS security agreement between Australia, the United Kingdom and the United States, founded in September 2021, could enable Australia to embrace small modular nuclear reactors, which are currently developed by Rolls-Royce.

Citation:

Australian Natural Resource Management Ministerial Council, ‘Australia’s Biodiversity Conservation Strategy 2010–2030,’ 2010: <http://www.environment.gov.au/biodiversity/publications/strategy-2010-30/pubs/biodiversity-strategy-2010.pdf>

Murray-Darling Basin Authority: <https://www.mdba.gov.au/>

In Australien herrscht wegen der Volatilität der Strompreise und der sich häufenden Blackouts eine Energiekrise, Neue Zürcher Zeitung, 11. Mai 2017.

Tesla to build world’s biggest lithium ion battery in South Australia, The Guardian, 7. July 2017, www.theguardian.com/australia-news/2017/jul/07/tesla-to-build-worlds-biggest-lithium-ion-battery-in-south-australia

Electricity Market Review: <https://www.environment.gov.au/system/files/resources/1d6b0464-6162-4223-ac08-3395a6b1c7fa/files/electricity-market-review-final-report.pdf>

<https://www.theguardian.com/environment/2019/apr/08/the-perfect-storm-woodside-energy-and-siemens-invest-in-australias-hydrogen-economy>

<https://www.abc.net.au/news/2021-07-14/wa-green-energy-hub-hydrogen-sustainable-power/100292878>

<https://www.smh.com.au/world/europe/go-mini-nuclear-with-aucus-rolls-royce-urges-australia-20211109-p597jl.html>

Global
Environmental
Policy
Score: 5

Global Environmental Protection

Australia is not prioritizing the advancement of global environmental protection regimes. After winning the 2013 election, the coalition abolished the carbon tax introduced by the previous labor government. While this is a domestic issue, the coalition's strong anti-carbon tax posture indicates the Liberal party and its coalition partner is much less enthusiastic than the previous Labor party government about participating in a global environmental protection regime.

The current Morrison government has retained the Abbott government's reluctance to advance global cooperation to protect the environment, though it participates in numerous multilateral and bilateral forums that deal with environmental issues, and is a signatory to many international treaties/agreements. Most recently, the Morrison government signed up to the Glasgow Climate Pact at the 26th U.N. Climate Change Conference of the Parties in November 2021. However, the Australian Climate Council argues Australia increasingly lags behind other developed countries in both its commitments and actions to reduce carbon emissions.

Citation:

<https://www.theguardian.com/australia-news/2018/sep/02/australia-will-honour-paris-climate-agreement-simon-birmingham-says>

<http://www.environment.gov.au/about-us/international>.

<https://www.climatecouncil.org.au/resources/crunch-time-climate-action-2020s-define-australia/>

Robust Democracy

Electoral Processes

Candidacy
Procedures
Score: 10

The Australian Electoral Commission (AEC) is an independent statutory authority that oversees the registration of candidates and parties according to the registration provisions of Part XI of the Commonwealth Electoral Act. The AEC is accountable for the conduct of elections to a cross-party parliamentary committee, the joint standing committee on electoral matters (JSCEM). JSCEM holds inquiries into and reports on any issues relating to electoral laws and practices and their administration.

There are no significant barriers to registration for any potential candidate or party. A party requires a minimum of 500 members who are on the electoral roll. A candidate for a federal election must be an Australian citizen, without dual citizenship, at least 18 years old and must not be serving a prison sentence of 12 months or more, or be an undischarged bankrupt or insolvent.

There were no changes to the laws relating to candidacy procedures in the period under review, and the process remains open, transparent and in line with international best practices.

Media Access
Score: 8

There are no explicit barriers restricting access to the media for any political party or candidate. The media is generally independent, and highly activist. Furthermore, the public broadcasters – the Australian Broadcasting Commission (ABC) and the Special Broadcasting Service (SBS) – are required under the Australian Broadcasting Act to provide balanced coverage. In practice, the two dominant parties attract most coverage and it is somewhat difficult for minor parties to obtain media coverage. For example, the ABC has a practice of providing free airtime to each of the two main parties (Labor and the Liberal-National coalition) during the election campaign, a service not extended to other political parties. Print media is highly concentrated and biased toward the established parties. However, independent and minor-party senators do attract considerable media attention when the governing party does

not have a majority in the Senate, and therefore requires their support to pass legislation. In recent decades, this has been the rule rather than the exception.

In terms of advertising, there are no restrictions on expenditures by candidates or parties, although no advertising is permitted in the three days up to and including polling day. Inequity in access to the media through advertising does arguably arise, as the governing party has the capacity to run advertising campaigns that nominally serve to provide information to the public about government policies and programs, but which are in fact primarily conducted to advance the electoral interests of the governing party.

Voting and
Registration
Rights
Score: 10

No changes to voting rights occurred in the review period. Registration on the electoral roll and voting are compulsory for all Australian citizens aged 18 years and over, although compliance is somewhat less than 100%, particularly among young people. Prisoners serving terms of three years or more are not entitled to vote in federal elections until after their release, but all other adult citizens can participate in federal elections and there is no evidence that any person has been prevented from voting.

Absentee voting and voting by mail are common and easily accessed. Australian citizens living abroad are eligible (but not required) to vote if they intend to return to Australia within six years.

In late 2021, the Morrison government sought to introduce voter identification requirements, ostensibly to reduce voter fraud. However, the Labor Party, Greens and a number of independents opposed the move on the basis that it represented an effort to suppress voting rather than an effort to reduce fraudulent voting.

Proposed voter ID law:
https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r6811

Party Financing
Score: 8

All candidates in state and federal elections are entitled to public funding, subject to obtaining at least 4% of the first preference vote. The amount to be paid is calculated by multiplying the number of votes obtained by the election funding rate for that year. The funding rate is indexed every six months to increase in line with the consumer price index. For the 2019 election, it was AUD 0.2756 per eligible vote in both houses of parliament (House of Representatives and Senate). The total election funding paid in the 2019 federal election was AUD 69.6 million. The Australian Electoral Commission administers the distribution of funding and provides full public accounts of payments made.

For private funding, there are no limits on the value of donations, and while there are disclosure rules, they are not comprehensive and vary considerably across state governments. At the federal level, for example, candidates endorsed by a registered political party may roll their reporting of donations received into their annual party return, which, in the case of the 2019 federal election, was not due for release until October 2020. The AEC does, however, rigorously monitor and enforce the disclosure requirements in place. Several of the state and territory governments have in recent years legislated to improve disclosure requirements for private funding and in some cases limit donations. Other states, such as Victoria, introduced a non-binding Code of Conduct in October 2011.

In June 2017, an investigation by journalists into Chinese attempts to influence Australian political parties revealed that both major political parties accepted donations believed to have originated from the Chinese government. The prime minister subsequently ordered an inquiry into espionage and foreign interference laws. The conflict between Australia and China escalated in late 2017: the Australian government accused China of undue interference, while Chinese commentators have labeled Australia an agent of the United States.

Following the rise in public scrutiny of Chinese influence within the Australian political system, legislation was passed in November 2018 that bans donations of more than AUD 100 from foreign governments or state-owned enterprises to any “political actor” – including parties, individual candidates and significant political campaigners. Additionally, The Foreign Influence Transparency Scheme commenced on 10 December 2018. Its purpose is to provide public and governmental decision-makers with a view of the nature, level and extent of foreign influence on Australia’s government and political process. The scheme introduces registration obligations for persons and entities who have arrangements with or undertake certain activities on behalf of foreign principals.

Citation:

<http://www.lo.c.gov/law/help/campaign-finance/australia.php>

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1819/Quick_Guides/ElectionFundingStates

<https://www.ag.gov.au/Integrity/foreign-influence-transparency-scheme/Pages/default.aspx>

Popular Decision-
Making
Score: 5

Citizens do not have the legal right to propose and take binding decisions on matters of importance to them at any level of government. Since the establishment of the Federation in 1901, citizens have voted on specific issues 44 times, with eight of those succeeding. They cannot initiate the process. Some of these referendums have covered important issues, such as the 1967 referendum on the status of indigenous people in Australian society. However,

no referendum has succeeded since 1977. National referendums are mandatory in the case of parliament-proposed changes to the constitution. Constitutional amendments must be approved in a referendum and the result is binding. In addition, states and territories may also hold referendums on issues other than constitutional amendments.

The Citizen Initiated Referendum Bill, which would have enabled citizens of Australia to initiate legislation for the holding of a referendum to alter the constitution, was presented and read in the Senate in 2013, but did not proceed and lapsed at the end of the 43rd parliament in September 2013.

Citation:

http://www.aph.gov.au/~media/05%20About%20Parliament/54%20Parliamentary%20Depts/544%20Parliamentary%20Library/Handbook/43rd_PH_Part5.ashx

Williams, George/Hume, David, 2012, *People Power: The History and Future of the Referendum in Australia*

Citizen Initiated Referendum Bill 2013, No.

, 2013 (Senator Madigan), A Bill for an act to enable the citizens of Australia to initiate legislation for the holding of a referendum in relation to altering the constitution, and for related purposes, <http://www.restoreaustralia.org.au/petition-ups/CIR%20Bill.pdf>

Australian Election Commission, Referendum dates and results, http://www.aec.gov.au/Elections/referendums/Referendum_Dates_and_Results.htm

Access to Information

Media Freedom
Score: 6

Media organizations – both public and private – are largely independent from government, although the main public broadcaster is accountable to a board of directors appointed by the government. Censorship has mainly been restricted to material of a violent or sexual nature. However, there are several potentially significant threats to media independence. For one, regulation of ownership of media is politicized and some owners are regarded as favorable to the incumbent government.

Various pieces of recently passed legislation also impinge on media freedom. The Anti-Terrorism Act 2005 allows for control orders to restrict freedom of speech by individuals and the freedom of the media to publish their views. The National Security Legislation Amendment Bill 2014 restricts the ability of journalists to report on secret intelligence operations, with up to 10 years in jail imposed for exposing errors made by security agencies. Further, the Data Retention Act makes it almost impossible for journalists to protect government sources; the Foreign Fighters Act potentially criminalizes stories covering militant extremists; and the most recently passed measure, the Foreign Interference and Espionage Act, significantly broadens the scope of information defined as “classified.”

Recent events have shown that the government is prepared to use these laws to restrict media freedom. Federal police raids on journalists' homes and media offices have clearly been driven by political motives rather than by national-security concerns. This has given rise to a concerted campaign by journalists and media organizations for changes to legislation that would protect the media and whistleblowers, with proponents arguing that the country's democratic functioning is at stake. In response to raids on a journalist's home and the offices of the ABC, Australian newspapers appeared with blackened front pages in October 2019.

Citation:

<http://www.theaustralian.com.au/business/media/call-to-scrap-security-laws-that-could-jail-journos/news-story/0b7b4d888751c0b11dc093ccb11c07bd>

<http://www.pressfreedom.org.au/press-media-alliance-freedom-report/introduction/foreword>

<https://pressfreedom.org.au/the-publics-right-to-know-3aee204f9036>

<https://freedomhouse.org/report/freedom-press/2015/australia>

<https://www.theguardian.com/media/2021/may/19/australia-needs-to-strengthen-press-freedom-laws-and-promote-transparency-inquiry-finds>

<http://www.abc.net.au/news/2017-12-14/china-backlash-australia-questions-of-political-interference/9258462>

<https://www.bbc.com/news/world-australia-50119559>

Media Pluralism
Score: 5

Australia has a very high degree of concentration of media ownership, with the ownership of national and state newspapers being divided mainly between two companies: Rupert Murdoch's News Corporation and the John Fairfax Group. The concentration of newspaper ownership has resulted in a low level of diversity in reporting and editorial positions. There is slightly more diversity in broadcast media, with the government funding two bodies, the Australian Broadcasting Corporation and the Special Broadcasting Service, to provide a balance to the main commercial outlets. There are also three main commercial companies, none of which is politically aligned.

The potential for greater concentration of media ownership increased following the passing in 2017 of amendments to the Broadcasting Services Act 1992. The amendments repeal two regulations that prevented any single person from controlling commercial television licenses that broadcast to more than 75% of the federal population or controlling more than two regulated forms of media (i.e., commercial radio, commercial TV or associated newspapers) in one commercial radio license area. Following the passage of this legislation, in mid-2018 a merger was announced between Channel 9, one of the three commercial free-to-air television networks, and Fairfax Media, the second-largest newspaper proprietor and owner of various radio stations.

A positive development in 2021 was the government's success in implementing a news media mandatory bargaining code that requires digital platforms – especially Google and Facebook – to pay news media companies

for content they link to or display. This, in principle, helps to promote media plurality by increasing the viability of a broader number of news media outlets. However, there has been criticism that the code does little for small and regional news media operators. The value of payments from Google and Facebook under the code is not known because the agreements are “commercial in-confidence.”

Citation:

How the Fairfax takeover will further concentrate Australia’s media. The Guardian. 2 August 2018. Available at <https://www.theguardian.com/news/datablog/2018/aug/03/the-fairfax-takeover-and-how-it-will-worsen-australias-media-industry-squeeze>
<https://www.acma.gov.au/news-media-bargaining-code>
<https://theconversation.com/is-the-news-media-bargaining-code-fit-for-purpose-172224>

Access to
Government
Information
Score: 7

Since 1982, access to government information has been largely regulated by the Freedom of Information Act (FOI Act). Under this act, applications for information from the government must be made in writing and agencies must respond within 30 days.

The original FOI Act granted ministries considerable discretion and defined a number of exemptions, including for cabinet documents; internal working documents; documents affecting national security, international relations or relations with states; documents affecting enforcement of law and protection of public safety; documents affecting federal financial or property interests; documents relating to business affairs or research; and documents affecting the national economy.

Compliance with the FOI Act was heavily and widely criticized in the past, and the Labor government elected in 2007 passed several pieces of legislation and new regulations that sought to improve community access to government information. This included: the Freedom of Information (Removal of Conclusive Certificates and Other Measures) Act 2009; the Freedom of Information (Fees and Charges) Amendment Regulations 2010; the Australian Information Commissioner Act 2010; and the Freedom of Information Amendment (Reform) Act 2010, under which requirements to publish information were increased as of 1 May 2011.

Citation:

Attorney General’s Department web site describing the 2009 and 2010 Freedom of Information reforms: <http://www.ag.gov.au/RightsAndProtections/FOI/Pages/Freedomofinformationreforms.aspx>
http://www.oaic.gov.au/images/documents/freedom-of-information/applying-the-foi-act/foi-guidelines/part2_Scope_application_FOI_Act_v1.3.pdf
 Statement by the Australian Information Commissioner, Freedom of Information Commissioner and Privacy Commissioner on the government’s decision to abolish the Office of the Australian Information Commissioner: <http://www.oaic.gov.au/news-and-events/statements/australian-governments-budget-decision-to-disband-oaic/australian-government-s-budget-decision-to-disband-oaic>
<https://www.smh.com.au/environment/conservation/timber-advocates-use-freedom-of-information-to-access-emails-from-scientist-and-journalists-20211116-p599ee.html>

Civil Rights and Political Liberties

Civil Rights
Score: 6

Australia is the only major established democracy which does not have a bill of rights. Civil rights are protected through a significant body of legislation and by the constitution, which contains certain implied rights which are subject to interpretation by the High Court. This was perhaps made most clear to the Australian people when state and territory governments imposed severe lockdown restrictions that were ruled by courts to be legal.

While Australia's record of protecting human rights is internationally regarded as strong, criticism continues to be voiced regarding treatment of the indigenous population and the respect accorded to asylum-seekers' civil rights. Both major parties support the policy of offshore processing of asylum-seekers, which is of course denying them rights enjoyed by Australian citizens.

Concerns have been raised about counterterrorism legislation. The Anti-Terrorism Act 2005 includes a variety of individual powers, including detention for up to 14 days, and restrictions on the movement, activities and contacts of persons subject to "control orders," whether or not those persons have been accused or convicted of any offense. The coalition government has implemented four further tranches of legislation since October 2014. These include the Telecommunications (Interception and Access) Amendment (Data Retention) Act 2015, which requires telecommunications service providers to retain and secure telecommunications metadata for two years. 22 agencies, including the Australian security intelligence organization, state police forces, the Australian crime commission and the Australian taxation office are able to view the data without a warrant. The act is opposed by a wide range of groups, including human rights organizations and civil liberties groups, on the basis that it represents an excessive encroachment on Australians' privacy. Most recently, the Australian Citizenship Amendment (Allegiance to Australia) Bill 2015 grants the government explicit powers to revoke Australian citizenship from dual citizens convicted of engaging in terrorist-related activities. The bill has also been criticized for being unconstitutional and for allowing possible retrospective application.

In late 2017, the government announced new laws making it a criminal offense to be in possession of instructional terrorist material or to engage in terrorism hoaxes, and reached agreement with the states and territories to develop national facial biometric matching capability. And in December 2018, the government passed legislation that imposes new requirements on organizations to assist law-enforcement and security agencies with requests to access

information, introduces new computer access warrants that enable law enforcement to covertly obtain evidence directly from a device, and increases the power of law enforcement to access data through search and seizure warrants. Opponents argue that these measures represent unjustified infringements on civil liberties.

Citation:

<http://www.amnesty.org.au/news/comments/36221/>

Leonard, P (February–March 2015). “The metadata retention debate rages on” Internet Law Bulletin:

<http://www.gtlaw.com.au/wp-content/uploads/The-Metadata-Retention-Debate-rages-on.pdf>

<https://theconversation.com/improved-citizenship-bill-still-invites-criticism-and-high-court-challenges-47153>

<https://apnews.com/article/asia-pacific-australia-lifestyle-travel-coronavirus-pandemic-a1d239e80be05c8cf393ec67d1b6cce2>

<https://www.theguardian.com/australia-news/2021/feb/24/clive-palmer-v-western-australia-border-ban-justified-by-risks-of-covid-19-high-court-reveals>

Political Liberties
Score: 8

Political liberty is strongly protected by the courts, but is not unfettered. As in other Western countries, anti-terrorist legislation has raised a major challenge to political liberties. The Anti-Terrorism Act 2005 makes any act of sedition illegal, such as urging the overthrow of the government by violence or force, and outlaws any organization that advocates the use of violence or force for that end. One of the main criticisms of the legislation is that it lacks sufficient judicial oversight.

Freedom of speech, religion, the right to organize and the right to strike are not constitutionally guaranteed. However, various High Court judgments, and Commonwealth and state legislative provisions provide at least some protection in this regard.

Federal police raids on a journalist’s home and a broadcaster’s office in June 2019, purportedly to protect national security (but in fact very clearly motivated by political concerns), have been interpreted by many as an increased willingness by the government to suppress whistleblowers and restrict the media’s ability to hold the government to account. Some also regard the design and administration of defamation laws as hampering political liberties, as they act in practice to protect governments, companies and powerful people from scrutiny.

Citation:

<https://humanrights.gov.au/>

<https://www.fairwork.gov.au/tools-and-resources/fact-sheets/rights-and-obligations/industrial-action>

<https://www.npc.org.au/news/statement-on-the-afp-raids/>

Non-
discrimination
Score: 7

Australia has developed a substantial body of anti-discrimination legislation, covering sex, race, ethnicity, marital status, pregnancy and disability. The body charged with overseeing this legislation, the Australian Human Rights

Commission, is a statutory authority. Further, the Australian parliament passed a bill on 7 December 2017 that allows same-sex marriage. That bill followed a non-binding referendum that was supported by 61.6% of Australian voters.

In November 2021, the government sought to pass the Religious Discrimination Act, which would ostensibly prohibit religious discrimination. However, the proposed exemptions would in fact legalize discrimination on the basis of religion, for example, by permitting a (religious) school to dismiss an employee because of their faith. It is also possible that the legislation would permit discrimination on the basis of other, normally protected traits, such as sex, sexuality and marital status. The bill currently appears unlikely to be passed in the Senate in its current form.

Citation:

<http://abcnews.go.com/International/australian-parliament-approves-sex-marriage-lengthy-national-debate/story?id=51637900>

<https://www.abc.net.au/news/2021-11-24/government-religious-discrimination-bill-explained/100645502>

<https://www.abc.net.au/news/2021-06-03/racism-asian-australians-korea-covid-stereotypes/100181468>

Rule of Law

Legal Certainty
Score: 9

Governments and administrations generally adhere to existing laws and respect court decisions. That said, jurisdictional uncertainty between the federal and state governments is an issue that means the legality of some actions by the executive is tested in court and on occasion found not to be legal. Two recent cases highlighting this uncertainty are a 2013 High Court challenge to the constitutionality of the Minerals Resources Rent Tax (MRRT) introduced by the federal government in 2012, and a 2014 High Court challenge to the constitutionality of federal funding of school chaplains. The High Court ruled the MRRT constitutional, but ruled the chaplaincy program unconstitutional.

The COVID-19 pandemic saw state governments assert their considerable powers under the constitution. Notably, state governments closed their borders to residents of other states and territories, which many people had thought was unconstitutional, but which the High Court found was in fact constitutional.

Citation:

Michael Crommelin, 'The MRRT Survives, For Now: Fortescue Metals Group Ltd v Commonwealth' on Opinions on High (16 September 2013)

Gabrielle Appleby 'Commonwealth left scrambling by school chaplaincy decision' The Conversation, 19 June 2014: <https://theconversation.com/commonwealth-left-scrambling-by-school-chaplaincy-decision-27935>

<https://www.abc.net.au/news/2020-11-06/clive-palmer-loses-high-court-challenge-against-wa-border-close/12855286>

Judicial Review
Score: 10

There is strong judicial oversight of executive decisions. Judicial oversight occurs through a well-developed system of administrative courts and through the High Court. That said, the scope for judicial review of government actions is very much affected by legislation allowing for or denying such review. Nonetheless, government and administrative decisions are frequently reviewed by courts. There is a strong tradition of independent judicial review of executive decisions. This tradition stems to a significant extent from the evolution of administrative law, which has spawned an administrative courts process through which complainants may seek a review of executive action. The executive branch generally has very little power to remove judges, which further contributes to the independence of the judiciary. Furthermore, there are many instances in which courts have ruled against the executive. The executive has in the past generally accepted the decisions of the courts or appealed to a higher court, rather than attempting to circumvent the decision.

Appointment of
Justices
Score: 6

The High Court is the final court of appeal for all federal and state courts. While the constitution lays out various rules for the positions of High Court justices, such as tenure and retirement, there are no guidelines for their appointment – apart from them being appointed by the head of state, the governor-general. Prior to 1979, the appointment of High Court justices was largely a matter for the federal government, with little or no consultation with the states and territories. The High Court Act 1979 introduced the requirement for consultation between the state attorneys-general, which are the chief law officers at the state level, and the federal attorney-general. While the system is still not transparent, it does appear that there are opportunities for the states to nominate candidates for a vacant position. However, there has never been a High Court judge from either South Australia or Tasmania, which has been a long-standing bone of contention. Considering the importance of the High Court for the settlement of federal-state relations, there has been concern that judges with a strong federal perspective are regularly being preferred. From the perspective of the public, the appointment process is secret and the public is rarely consulted when a vacancy occurs. In recent years, a debate has emerged whether diversity, as well as representativeness, should be considered during the selection of judges.

Citation:

<http://www.smh.com.au/federal-politics/political-opinion/easier-to-pick-a-melbourne-cup-winner-than-next-high-court-judge-20120312-1uwds.html>

<http://www.hcourt.gov.au/justices/about-the-justices>

<https://www.ruleoflaw.org.au/australia-high-court-appointment/>

Corruption
Prevention
Score: 7

Prevention of corruption is reasonably effective. Federal and state governments have established a variety of bodies to investigate corruption by politicians and public officials. Many of these bodies have the powers of Royal Commissions, which means that they can summon witnesses to testify.

At the federal level, these bodies include the Australian Crime Commission, charged with combating organized crime and public corruption; the Australian Securities and Investments Commission, the main corporate regulator; and the Australian National Audit Office.

Nonetheless, significant potential for corruption persists. In the 2019 election campaign, the Morrison government pledged to introduce a Commonwealth Integrity Commission, a centralized, specialist center for investigating corruption in the public sector, but has so far failed to do so. There are also concerns that the body currently being contemplated by the government will not have sufficient powers to adequately counter corruption.

Questions of propriety are also occasionally raised with respect to the awarding of government contracts. Tender processes are not always open, and “commercial-in-confidence” is often cited as the reason for non-disclosure of contracts with private sector firms, raising concerns of favorable treatment extended to friends or favored constituents. Questions of inappropriate personal gain have also been raised when ministers leave parliament to immediately take up positions in companies they had been responsible for regulating – most recently occurring after the May 2019 election.

Australia has been reluctant to address cross-border corruption. A notable exception is the recent action of Australian federal police, which in October 2014 seized assets of allegedly corrupt Chinese officials. This joint operation with Chinese authorities has been a novelty.

Members of the Senate and the House of Representatives are required to report on their financial interests within 28 days of taking the oath of office. These registers were adopted by resolution of the House of Representatives on 8 October 1984 and the Senate on 17 March 1994. However, there have been instances of failure to comply with this requirement, usually with no consequences for the member concerned. Ministers are further subject to a ministerial code of conduct, introduced in 1996. However, this code has no legal standing, and is therefore unenforceable.

Citation:

<https://www.ag.gov.au/integrity/consultations/commonwealth-integrity-commission-consultation-draft>

<https://www.lawcouncil.asn.au/resources/submissions/commonwealth-integrity-commission-proposed-reforms>

<http://www.theguardian.com/australia-news/2014/oct/23/australia-slow-to-tackle-international-corruption-with-just-one-case-in-court>

<http://www.transparency.org/cpi2015>

Good Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 7

Probably the most important government body for encouraging long-term strategic policy development is the Productivity Commission, which notionally provides advice to government on microeconomic policy, but which increasingly is asked to provide advice in other policy areas. The Productivity Commission conducts reviews and inquiries as directed by government, and also independently produces research reports. All advice and reports are released publicly in a timely fashion.

Within the federal public service, extensive use is made of committees to undertake strategic planning, and the activities of these committees generally peak immediately before and after the transition to a new government, and in the pre-budget period. The public service also maintains a single department, the Department of Prime Minister and Cabinet, with the aim of coordinating and directing strategic planning across the government as a whole.

The geopolitical challenge Australia is confronted with has resulted in the Department of the Prime Minister and Cabinet taking a more active role.

Citation:

<http://www.blackincbooks.com/books/dog-days>

<http://www.smh.com.au/federal-politics/political-news/paul-keating-australia-lacks-a-foreign-policy-to-negotiate-the-rise-of-china-20160830-gr4y70.html>

Productivity Commission: <https://www.pc.gov.au/>

<https://www.pc.gov.au/research/ongoing/trade-assistance>

<https://www.pc.gov.au/research/completed/rising-protectionism>

Expert Advice
Score: 6

The federal government has always made extensive use of scientific and specialist scholarly advice, particularly in areas such as health and medicine, and science and technology.

Since the late 1990s, and particularly since 2007, the federal government has funded a range of specialist centers and institutes aimed at undertaking fundamental research and planning, the findings from which feed into government policy. Examples include government support for regulation and compliance centers at the Australian National University, with the Regulatory Institutions Network (RegNet), and the establishment of the Australia and New Zealand School of Government, which is a postgraduate faculty set up by the Australian and New Zealand governments, and by the state governments in New South Wales, Queensland and Victoria.

Despite these formal mechanisms, academic influence on government decision-making is relatively limited, particularly in the economic- and social-policy domains. Australian governments accept advice on technical issues, but much less so on political and economic issues. The notable exception is the Productivity Commission, which draws on expert advice when conducting inquiries and reviews.

Interministerial Coordination

GO Expertise
Score: 9

The Department of Prime Minister and Cabinet is responsible for policy coordination, and as such evaluates and provides advice on major proposals from federal ministries. The department has significant resources, and has authority to draw from, and consult with, appropriate sources across the entire government system.

:
<https://www.pmc.gov.au/who-we-are>

Line Ministries
Score: 9

The Department of Prime Minister and Cabinet (PMC) is always involved at an early stage in assisting with the development and drafting of any significant government policy and the resulting legislation. The PMC and the other relevant department must agree on a policy before it can be tabled in cabinet or considered by the relevant minister or ministers.

Cabinet
Committees
Score: 8

Committees serve a purpose in dealing with various matters, which include: highly sensitive issues, for example revenue or security matters; relatively routine issues, for example a government’s weekly parliamentary program; business that is labor intensive or requires detailed consideration by a smaller group of ministers, for example the expenditure review that takes place before the annual budget, or oversight of the government’s initiatives in relation to a sustainable environment. The prime minister usually establishes a number of standing committees of the cabinet (e.g., expenditure review, national security, parliamentary business). Additional committees, including ad hoc committees, may be set up from time to time for particular purposes, such as handling a national disaster.

Citation:

https://www.aph.gov.au/Parliamentary_Business/Committees/Joint

Ministerial
Bureaucracy
Score: 8

There is generally a high level of coordination between federal ministry public servants. In most cases, ministries must coordinate with the Department of Finance and the Treasury, since they are responsible for finding the resources for any new policy developments, and such developments must feed into the government's spending and budget cycle. Where there are legal implications, there must be coordination with the attorney-general's department. Departments least likely to coordinate their activities across the government portfolio are Defense and Foreign Affairs and Trade, since their activities have the fewest implications across other portfolios.

Coordination is especially effective when the political leadership is driving proposals, but less effective on policy matters initiated at the level of the minister or department, in part reflecting greater uncertainty among civil servants as to the support for the proposal from the political leadership. It also reflects differences in policy priorities and culture across departments, as well as inherent competition between departments for power, relevance and resources.

Informal
Coordination
Score: 8

Information coordination procedures exist at the level of the party, where informal consultations on policies take place on a regular basis to make sure that the party leadership supports the government's direction. This occurs regardless of which party is in office. The federal system and the division of responsibilities between the federal government and the state and territory governments means that informal coordination is always an important component of any policy that may involve the states. These procedures are ad hoc, and take place at two levels, among ministers from different jurisdictions, and at the level of senior public servants.

Digitalization for
Interministerial
Coordination
Score: 7

Government departments and agencies have historically developed information systems independently to meet their own particular needs. There has, however, been growing emphasis on interoperability, recognizing the efficiency gains in implementing policy and more generally running government, and the benefits of cross-agency data sharing. Notable in this regard is the Digital Transformation Agency, which was established in 2015 to help government departments and agencies undergo digital transformation, and now has central oversight of the government's ICT agenda.

Common standards for data security have been developed by the Australian Signals Directorate, although not all agencies are (yet) fully compliant with these standards.

Citation:

Digital Transformation Agency: <https://www.dta.gov.au/>

Information Security Manual: <https://cyber.gov.au/government/publications/australian-government-information-security-manual-ism/>

Evidence-based Instruments

RIA Application
Score: 8

The federal government and the state and territory governments require the preparation of regulation impact statements (RIS) for significant regulatory proposals. An RIS provides a formal assessment of the costs and benefits of a regulatory proposal and alternative options for that proposal, followed by a recommendation supporting the most effective and efficient option. RISs are thus not assessments of the socioeconomic impacts of regulatory proposals, although such impacts are implicitly taken into account as part of the process. In recent years, while 75% to 85% of all Australian government proposals with “significant” impacts were subject to an RIS, this proportion was lower for proposals with “highly significant” impacts.

Since many government functions and responsibilities are shared between the federal government and the states, these shared activities are coordinated through the Council of Australian Governments (COAG), which is the body that brings the federal and state governments together to decide policy. The procedures for the preparation of RIS proposals differ between the federal government and the COAG. Most states and territories have their own requirements for RISs that apply where a regulation will have effect in only a single state or territory. At the federal level, RISs are managed by the Office of Best Practice Regulation, which is part of the Department of Finance and Deregulation.

Citation:

Productivity Commission, ‘Regulatory Impact Analysis: Benchmarking,’ Research Report, November 2012:

http://www.pc.gov.au/__data/assets/pdf_file/0003/120675/ria-benchmarking.pdf

<http://www.oecd.org/publications/oecd-regulatory-policy-outlook-2015-9789264238770-en.htm>

<https://www.pmc.gov.au/regulation/developing-regulation-impact-statement>

<https://ris.pmc.gov.au/>

Quality of RIA
Process
Score: 5

The preparation of a RIS follows a standard procedure in which policymakers gather the information that will enable them to evaluate the extent to which the proposed regulatory changes will result in a net benefit to the community. The Office of Best Practice Regulation (OBPR) within the Department of Finance and Deregulation, which administers both the federal government and the COAG regulation requirements, seeks a range of information about any new regulation. The level of information required is commensurate with the magnitude of the problem that is being addressed, and the size of the potential impact of the proposal. The OBPR uses a number of “adequacy criteria” to

assess whether a RIS contains the appropriate levels of information and analysis.

In 2012, the Productivity Commission, at the request of the Australian government, produced a report assessing the performance of jurisdictions' regulatory impact analysis processes, including those at the level of the COAG, and identifying best practices. Findings of major concern from the report include the following: a number of proposals with highly significant impacts were either exempted from RIA processes or were not rigorously analyzed; public consultation on policy development was often perfunctory or occurred only after development of draft legislation; and public transparency – that is, informing stakeholders about revisions to policy proposals and providing information used in decision-making, or providing reasons for not subjecting proposals to impact analysis – was a glaring weakness in most Australian RIA processes. Furthermore, a major problem in implementing RIA requirements was that the policy decisions often occurred prior to commencement of the RIA process. However, the commission concluded that the regulatory impact analysis process was worth retaining despite unclear benefits.

Citation:

Productivity Commission, 'Regulatory Impact Analysis: Benchmarking,' Research Report, November 2012: http://www.pc.gov.au/__data/assets/pdf_file/0003/120675/ria-benchmarking.pdf
<http://www.oecd.org/gov/regulatory-policy/Breakout-session-2-Rosalyn%20Bell-RIA-Australia%27s-experience.pdf>
<https://www.pmc.gov.au/regulation/regulation-impact-analysis-training>

Sustainability
Check
Score: 1

Sustainability checks are not an explicitly integrated component of RIAs in Australia. Australia has not formally adopted a sustainability strategy.

Citation:

<http://sustainabilityindex.com.au/>

Quality of Ex
Post Evaluation
Score: 6

Ex post evaluation of public policies is not a mandated or standard part of policy implementation in Australia. However, Australia was ranked first in ex post evaluation in the OECD Government at a Glance database. While an effective evaluation system is in place, the effect on the revision of policies or creation of new policies has so far been limited. Periodically, policies are announced with explicit accommodation for their evaluation, but this is the exception rather than the norm. In general, evaluation is more likely to occur for policies developed at the departmental or agency level (as opposed to the top level of government) or for policies that are not politically important/sensitive.

For policies that are evaluated, the quality of evaluation is variable, and rarely is the “gold standard” of a randomized controlled trial used.

Citation:

<https://de.slideshare.net/OECD-GOV/effective-ex-post-evaluation-purpose-and-challenges>

Societal Consultation

Public
Consultation
Score: 7

The degree of societal consultation on policy development varies depending on the issue, the party in government and numerous contextual factors. The key groups often consulted are trade unions and business advocacy groups, but other special interests – religious groups, environmental organizations and pro-family groups, for example – also have advocacy groups that are sometimes brought into discussions about policy. Traditionally, Labor governments have been more likely to consult with trade unions, while coalition governments have been more likely to consult with business groups. However, governments of both persuasions have engaged in extensive consultation on some policies while ignoring consultation on others.

One significant development was a proposal put forward by the Morrison government in December 2021, following a two-year consultation process, which would give indigenous people a more direct channel through which to speak to policymakers. Under the proposal, two levels of advisory bodies, which will weigh in on legislation and policies affecting Aboriginal and Torres Strait Islander people, will be established. This structure will be legislated rather than put to a referendum, and will therefore not be enshrined in the constitution, as many indigenous people have advocated. Other indigenous people have argued that still more substantive change is required, including a formal treaty with First Nations people. Both of these options have been ruled out by the coalition government. The opposition Labor Party does not support the proposed model.

Citation:

<https://www.pc.gov.au/about/core-functions/inquiries-and-studies>

<https://www.abc.net.au/news/2021-12-17/indigenous-voice-to-parliament/100708186>

<https://www2.deloitte.com/au/en/pages/operations/solutions/social-impact-not-for-profit-consulting.html>

Policy Communication

Coherent
Communication
Score: 8

Australian governments have traditionally made considerable efforts to align their policy priorities with the messages that they communicate to the public. A number of factors have helped in these efforts: a tradition of very strong discipline across all the major political parties (perhaps the strongest among

the Westminster democracies); a tradition of suppressing dissent within the parties (often by the threat of deselection at the next election); strong adherence to the Westminster doctrine of collective cabinet responsibility; and an activist mass media and political opposition that seeks to exploit any apparent policy divisions within the government.

Governments were relatively unstable between 2007 and the onset of the pandemic, rendering coherent policy communication more difficult. In a range of policy fields (e.g., economic policy, foreign policy and climate change policy), governments have been unable to publicly communicate a coherent policy agenda. However, since the arrival of the pandemic, the Morrison government has been able to return to the previous more coherent communication policy pattern.

Citation:
<http://theconversation.com/is-the-morrison-government-authoritarian-populist-with-a-punitive-bent-126032>

Implementation

Government Effectiveness Score: 8

In May 2019, the Liberal-National Party coalition government was reelected, despite pre-election opinion polls predicting a win for the opposition Labor Party. The victory was such a surprise to the coalition that it had a very limited policy agenda prepared, essentially consisting of income-tax cuts that for the most part will not arrive until after the next election. However, the arrival of the COVID-19 pandemic saw swift and major policy responses, both in terms of income supports and public health measures, all of which the government had no difficulty implementing.

That said, the government’s lack of a majority in the Senate is a real constraint, which has to date frustrated its attempts to implement industrial relations reforms and religious discrimination laws.

Ministerial Compliance Score: 9

Strong party discipline and adherence to the Westminster doctrine of cabinet collective responsibility ensure that ministers have strong incentives to implement the government’s program, rather than follow their own self-interest. It is unheard of for ministers to not implement the government’s policy agenda and it is accepted practice that a member of cabinet who cannot publicly support the government’s policies will resign from cabinet. Cabinet discipline has perhaps been somewhat weaker in recent years, but this has never manifested in a failure to implement the government’s policy agenda.

Citation:
Pat Weller, Prime ministers, in: Brian Galligan; Winsome Roberts, *The Oxford Companion to Australian Politics*, Sydney: Oxford University Press 2007, S. 460 – 463.

Monitoring
Ministries
Score: 10

There is strong central oversight of the federal ministries by the Department of Prime Minister and Cabinet, which reports directly to the prime minister. The federal public service, while independent of the government, is strongly motivated to support the government's program. Underpinning the effectiveness of oversight is the government's ability to dissolve, merge or reconfigure ministries at any time. Thus, a non-compliant ministry is unlikely to survive.

Monitoring
Agencies,
Bureaucracies
Score: 8

The performance of ministries in monitoring the activities of executive agencies varies, in part due to differences in the degree of independence granted to agencies. For example, central bank independence is core to the credibility of monetary policy and is legislatively protected, which constrains parliament's capacity to monitor the agency. This notwithstanding, the general pattern over recent years has been one of increasing accountability of the 170-plus statutory authorities and officeholders to the relevant federal minister. The most notable concrete indicator of this trend is that in 2002, the Australian government commissioned the Review of the Corporate Governance of Statutory Authorities and Office Holders (the Uhrig Review). The objective of the review was to identify issues surrounding existing governance arrangements and provide options for the government to improve the performance and get the best from statutory authorities, their office holders and their accountability frameworks. The review was completed in 2004 and a number of the recommendations have since been adopted, including the requirement for ministers to issue Statements of Expectations to statutory authorities and the establishment of governance boards for statutory authorities.

Task Funding
Score: 6

Tasks are delegated to the states and territories not by choice, but by constitutional requirement, yet the states and territories are highly reliant on the federal government to finance the myriad services they provide, including primary, secondary and vocational education, policing, justice systems, public transport, roads and many health services. This dependence has been a source of much conflict, and many would argue it has led to inadequate provision of public services.

The federal government's commitment to pass all revenue raised by a broad-based consumption tax introduced in 2000 on to states only marginally reduced the tension between the two levels of government. Certainly, it has not helped that prices in education and healthcare have risen faster than general price levels in recent years, while the proportion of household expenditure subject to the consumption tax has declined from 65% in 2001-02 to 59% in 2018-19.

In response, the Labor government serving early in the last decade attempted to address underfunding of healthcare and education, reaching funding agreements on healthcare with most jurisdictions in 2011 and making progress on agreements for school funding in early 2013. The coalition governments serving since that time have not shown the same commitment to increasing health and education funding, and indeed have indicated an intention to scale back federal funding. The notable exception is for the National Disability Insurance Scheme, which has had its funding secured by a 0.5% increase of the Medicare Levy (levied on taxable income) as of July 2019.

Parliamentary Budget Office reports on trends in taxation:

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Publications/Research_reports/Trends_affecting_the_sustainability_of_Commonwealth_taxes

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Publications/Research_reports/Structural_Trends_in_GST

Report on National Disability Insurance Scheme:

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1617/Quick_Guides/NDIS

<https://federalfinancialrelations.gov.au/>

Constitutional
Discretion
Score: 5

The responsibilities of the Commonwealth and of the states and territories are clearly laid out in the Australian constitution. However, they have been subject to judicial review over the course of the past century, which has resulted in the increasing centralization of executive power. In turn, the policies of the major political parties have been to increase this centralization in the interests of fiscal and administrative efficiency. Given the restrictions of the Australian constitution, the federal-state relationship is suboptimal, but not as problematic as some state representatives suggest. The states and territories have sought legal redress through the courts on occasions when they have felt that their authority has been diminished by the federal government. On a number of occasions, the federal government has also used its superior financial position to coerce state governments to relinquish powers or adopt policies favored by the federal government, which has had the effect of subverting their constitutional scope for discretion.

National
Standards
Score: 6

The federal government has a strong commitment to providing uniform national services, and it makes considerable effort to ensure that program delivery, particularly in health and education, is as uniform as possible across the country. This attempt at uniformity is necessarily complicated by differences in sizes of states and population distribution, and by resistance from state governments keen to preserve their independence. Variation in funding levels according to need (as determined by an independent statutory authority, the Commonwealth Grants Commission) helps to ensure uniformity. Moreover, contingent funding is regularly used by the federal government to achieve uniformity in minimum standards.

Effective
Regulatory
Enforcement
Score: 6

With some notable exceptions, the enforcement of regulations is generally effective and unbiased. Exceptions arise in certain industries with large companies, such as in the banking sector, where there is clear evidence of so-called regulatory capture and the regulator does not fully enforce the regulations. More problematic in the Australian context is that the regulations themselves (particularly those specific to an industry) are heavily influenced by powerful vested interests, be they financial institutions, mining companies, property developers or other large companies. The Australian government is addressing the issue by creating a regulator of the regulators, the Financial Regulator Assessment Authority.

Citation:

<https://www.smh.com.au/politics/federal/watching-the-industry-watchdogs-20180601-p4zito.html>

<https://www.law.ox.ac.uk/business-law-blog/blog/2022/02/combating-regulatory-capture-australias-new-financial-regulator>

<https://www.legislation.gov.au/Details/C2021A00063>

Adaptability

Domestic
Adaptability
Score: 5

Most government structures are essentially driven by domestic imperatives and are largely insensitive to international and supranational developments. The key government structures of Australia have not changed since the federation of the colonies. Indeed, only a few international events have persuaded Australian governments in recent times to adapt domestic structures. The major exception is in relation to the treaties and conventions to which Australia is a signatory, particularly in the areas of human rights, anti-discrimination and transnational crime, where Australia has been a regional leader. Australian society has been reluctant to support a change in political structures and has resisted doing so when asked in referendums, for example with regard to proposed constitutional changes.

Australian society has demonstrated a willingness to ignore international pressure, such as international criticism of its humanitarian migration policy or high levels of carbon emissions.

The establishment of the Department of Home Affairs in December 2017, which was intended to bring together all of the government's national-security, border-control and law-enforcement agencies, marked one recent example when the government felt the need to adapt its structures to international developments. The new agency took over responsibility for national security, the law-enforcement and emergency-management functions previously held by the Attorney-General's Department, the transport-security functions previously held by the Department of Infrastructure and Regional Development, the counterterrorism and cybersecurity functions of the

Department of the Prime Minister and Cabinet, the multicultural-affairs functions of the Department of Social Services, and the entirety of the responsibilities held by the Department of Immigration and Border Protection.

Citation:

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1718/Quick_Guides/HomeAffairs

http://www.aec.gov.au/elections/referendums/Referendum_Dates_and_Results.htm

<http://www.theaustralian.com.au/national-affairs/immigration/un-human-rights-review-slams-australias-asylum-seeker-policies/news-story/29a4c5e8b0ecf94a327f7fe822dfec07?nk=7466221ea84d656a7525406f82e23bf2-1481452755>

International
Coordination
Score: 5

Australia's comparatively small population and economy, isolated geographic location and status as a South Pacific regional power has tended to work against the country's ability to influence global reform efforts. Nonetheless, there is a governmental culture of seeking to participate in international forums or organizations, including those focused on reform. Primary emphasis tends to be on the Asia-Pacific region, although Australia is also a strong advocate of reducing trade barriers for agricultural products worldwide.

Australia's international reputation has suffered considerably in the last two decades. Previously, Australia had been a very active player in international forums, for instance in the Uruguay Round of the General Agreement on Tariffs and Trade. However, the Howard and Abbott governments failed to make constructive contributions to international forums. For example, the Abbott government permitted the G-20 summit in November 2014 to become an anti-Putin event. By contrast, Labor governments such as Kevin Rudd's have been overly ambitious. Rudd's plans for an Asia-Pacific Community were hastily developed and criticized by his own government's adviser. Prime Minister Turnbull steered a much more cooperative course over his term in office, but Scott Morrison has reverted to a stance that emphasizes Australia's narrowly defined economic and political interests. Geopolitical conflicts have further reduced the range of options available to Australia's middle power diplomacy.

Citation:

<http://www.theguardian.com/world/2014/oct/13/tony-abbott-says-he-will-shirtfront-vladimir-putin-over-downing-of-mh17>

<http://www.smh.com.au/national/rudds-man-criticized-hasty-asiapacific-community-plan-20101223-196ln.html>

<https://www.theguardian.com/australia-news/commentisfree/2018/jun/19/are-trumps-shenanigans-turning-us-off-international-relations>

<https://www.abc.net.au/news/2019-12-04/scott-morrison-defends-australias-climate-change-action/11549260>

Organizational Reform

Self-monitoring
Score: 5

There is little in the way of formal processes to indicate that institutional arrangements are monitored regularly, but such monitoring does occur occasionally. Institutional arrangements do periodically change, often manifesting as rearrangements and renaming of departments. Ad hoc reviews are also conducted, such as the 2004 Review of the Corporate Governance of Statutory Authorities and Office Holders. In some key areas such as migration, Australian authorities carefully monitor the impact of policies, and rapidly change policy direction if appropriate.

Institutional
Reform
Score: 7

Australia largely accepts and implements recommendations from formal government reviews. Past investigations have covered all aspects of government including finance, taxation, social welfare, defense, security and the environment. There have been frequent structural changes to the main federal government departments, sometimes in response to changing demands and responsibilities, but sometimes simply for political reasons that serve no strategic purpose and may indeed be strategically detrimental. For example, the main department that is responsible for healthcare has changed its name at least five times in the past two decades in response to changes in its responsibilities. Of course, the change of name alone is insufficient. For instance, there has also been a long debate on the need to improve the country's infrastructure, but implementation in this area has been lackluster.

II. Executive Accountability

Citizens' Participatory Competence

Political
Knowledge
Score: 6

Opinion surveys indicate Australians have a moderate level of understanding of government policies, and that their level of knowledge increases substantially during election campaigns when they pay greater attention to policy matters. Media coverage tends to be limited due to the lack of diversity in Australian media, which is potentially a factor hindering citizens' policy knowledge. On the other hand, voting in elections of all levels of government is compulsory in Australia, which on balance is likely to increase the general level of awareness of government and opposition policies. Furthermore, media coverage of policy platforms during election campaigns is substantial. The robust and successful lobbying efforts of interest groups, including the business community, may have contributed to a weakening of confidence in the political system and in the country's political class.

Citation:

<http://www.smh.com.au/federal-politics/political-news/election-2016-voter-turnout-lowest-since-compulsory-voting-began-in-1925-20160808-gqnij2.html>

<http://www.abc.net.au/news/2016-06-07/why-do-we-have-compulsory-voting/7484390>

<https://www.dailytelegraph.com.au/news/nsw/one-nation-immigrants-in-inner-west-and-south-west-shift-support-to-pauline-hansons-party/news-story/78152502617feb5659ac54ca6313dc97>

<https://www.theguardian.com/australia-news/2019/sep/04/the-big-tune-out-few-australians-follow-politics-closely-guardian-essential-poll-shows>

<https://www.theguardian.com/australia-news/2018/oct/11/australia-is-in-trouble-majority-media-and-lobbying-destroy-trust-in-politics-garnaut-says>

<https://grattan.edu.au/news/vested-interests-money-and-the-democratic-deficit/>

Open
Government
Score: 7

Much government data and information is published online and is readily accessible. Through its data.gov.au initiative, the government has an express commitment to improving the availability and use of government administrative data. That said, it is also the case that there is much information not made available. Ostensibly, this is for reasons such as national security and citizen privacy/confidentiality, but there is little doubt that political factors also play a role.

The Australian Bureau of Statistics, a statutory government agency, provides a considerable and comprehensive amount of data on economic and social conditions in the country, mostly derived from the census conducted every five years and various additional surveys.

Legislative Actors' Resources

Parliamentary
Resources
Score: 9

Members of parliament have considerable resources at their disposal for monitoring government activity and obtaining relevant information to advance policymaking. The parliamentary library is well-resourced with many skilled researchers and is able to respond to requests rapidly, producing reports on policy issues at the request of members. In addition, each senator or member may hire employees in four full-time electorate officer positions. Members who have a second electorate office at federal expense may hire employees in an additional full-time electorate officer position. However, individual members of parliament do not receive allowances to fund independent research.

Obtaining
Documents
Score: 9

The legislature has strong powers, deriving from both Section 49 of the constitution and the Parliamentary Privileges Act, that require the executive arm of government to provide parliament with information. As parliamentary bodies, these powers are vested in parliamentary committees. There are only a very few acceptable reasons for refusal: a minister or other member of the executive who refuses to turn over requested documents can be held in contempt of parliament.

Summoning
Ministers
Score: 10

Committees have the legal right to summon ministers to appear before committee inquiries, but in practice compulsion to appear is uncommon. Under the principle of comity, a house of parliament does not seek to compel the attendance of members of that house or another house. It is common, however, for members, including ministers, to appear by invitation or by request before committees, to assist with committee inquiries.

Summoning
Experts
Score: 10

Parliamentary committees conduct inquiries, to which experts are always invited to give evidence. Experts are also sometimes compelled to appear before committee inquiries.

Task Area
Congruence
Score: 9

The number of parliamentary committees exceeds the number of government departments (ministries). This is because there are a number of committees concerned with internal matters of parliament, such as parliamentary privileges, procedure and publications. In general, the task area of each “externally oriented” parliamentary committee is confined to one government department, but some government departments have more than one committee monitoring their activities. The demarcation between task areas of committees that oversee the same department is usually clear, and the split does not lead to incoherent parliamentary action.

Citation:

https://www.aph.gov.au/Parliamentary_Business/Committees/House_of_Representatives_Committees?url=comm_list.htm#joint

Media

Media Reporting
Score: 5

Television and radio stations vary in the time they devote to substantive information on policy issues and government decisions. Commercial broadcasters devote relatively little time to such matters, but the state-owned broadcaster, which has one national television station and a number of radio stations, as well as a website, devotes a considerable amount of time to high-quality analysis of government decisions. Newspaper coverage is likewise variable, with the popular newspapers providing superficial coverage and the quality broadsheets providing more in-depth coverage and discussion. While Australia used to have more high-quality newspapers, market concentration has contributed to a decline in print media diversity and quality. The takeover of Australia’s respected newspaper publisher Fairfax by the television station Channel Nine will lead to greater concentration and may further weaken existing newspapers.

To some extent, the emergence of a number of online-only news and commentary providers has countered this decline. While the impact of these news outlets is as yet difficult to assess, it is clear that at least several have risen to the status of widely read mass-media outlets. The emergence of online

outlets has, however, also seen an increase in misinformation, which has had a substantial adverse impact on public perceptions of policies and their effects.

Citation:

<https://theconversation.com/the-death-of-newspapers-have-we-reached-the-tipping-point-54728>

<https://www.themonthly.com.au/issue/2013/july/1372600800/eric-beecher/death-fairfax-and-end-newspapers>

<https://www.theguardian.com/news/datablog/2018/aug/03/the-fairfax-takeover-and-how-it-will-worsen-australias-media-industry-squeeze>

<https://www.theguardian.com/media/2018/nov/19/fairfax-media-shareholders-approve-nine-takeover-bid>

<https://www.eastasiaforum.org/>

Parties and Interest Associations

Intra-party
Decision-Making
Score: 4

Elected members and senators – but no other party members – are responsible for decision-making in both major parties. Decisions regarding who should hold positions within the party, such as ministerial positions for the party in government, have largely been at the discretion of the elected leader in coalition governments. Labor prime ministers cannot choose their ministers freely, but instead have to allocate portfolios among a set of candidates selected by the factions.

The Liberal-National coalition has traditionally had a more open and inclusive process for determining leadership than the Labor party, which is dominated by factions to which most members are beholden. These factions are regularly criticized for making opaque decisions and for contributing to a lack of decision-making transparency. In response, the process for selecting the Labor party leader was altered in 2013, giving 50% of the votes to the wider party membership, with the remaining 50% staying with elected members and senators.

With regard to the development of policy agendas, both parties have inclusive forums for developing policy platforms. However, in practice, a small leadership group in each party tightly controls decisions on major policies.

Citation:

<http://www.smh.com.au/comment/malcolm-turnbulls-downfall-was-that-he-wasnt-allowed-to-lead-20160705-gpyrnc.html>

<https://www.theguardian.com/australia-news/2018/jan/23/mark-butler-factions-are-destroying-labors-capacity-to-campaign>

Association
Competence
(Employers &
Unions)
Score: 9

The major interest associations, which are run by the employers and business groups and the trade unions, have a history of proposing practical, plausible policies. The main explanation for this is that the government has a long history of involvement and policy consultation with most of the groups (for example, business groups are closely allied with the Liberal Party, farmers'

and rural groups are allied with the National Party, and trade unions are allied with the Labor Party). Many elected representatives have at some point in their career been a member of one of these groups, further cementing relations. There are also considerable formal and informal networks linking the various groups to the major political parties, further consolidating the development of practical and coherent policies.

Citation:

<https://www.theguardian.com/australia-news/2018/sep/16/in-the-family-majority-of-australias-lobbyists-are-former-political-insiders>

<https://www.bca.com.au/campaigns>

<https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/trade-union-membership/latest-release>

Association
Competence
(Others)
Score: 8

A number of social interest groups, environmental groups and religious groups take responsible and well-considered positions and are, therefore, taken very seriously by government, although there are also groups that take extreme positions. The extent to which the proposals are well thought-out and feasible varies considerably. In general, the proposals from mainstream interest groups are of high quality in part because many elected representatives are drawn from these groups, or have had considerable contact with them prior to their election. The proposals also tend to be of high quality because of the expertise of the groups themselves and their narrow (often single-issue) interest, which means the groups can focus exclusively on a single problem and the ways in which it can be resolved.

Citation:

<https://theconversation.com/au/topics/australian-lobby-groups-28197>

Independent Supervisory Bodies

Audit Office
Score: 10

Under the Auditor-General Act 1997, the auditor-general is responsible for providing auditing services to parliament and other public sector entities. The Australian National Audit Office (ANAO) supports the auditor-general, who is an independent officer of parliament. The ANAO's purpose is to provide parliament with an independent assessment of selected areas of the public administration, and to provide assurance regarding public sector financial reporting, administration and accountability. This task is undertaken primarily by conducting performance and financial statement audits.

Citation:

<https://www.anao.gov.au/about/auditor-general-and-office>

https://www.aph.gov.au/~/~/link.aspx?_id=387AD00794BD41C39579392068D56CF9&_z=z

Ombuds Office
Score: 9

A Commonwealth Ombudsman was established in 1977. Its services are available to anyone who has a complaint about an Australian government agency that they have been unable to resolve. Its charter states that it will investigate complaints where appropriate, deal with complaints in an impartial and effective way, achieve fair outcomes, seek appropriate remedies and promote improved administration by Australian government agencies. Its services are free of charge. There are further ombudsmen in all six states and the Northern Territory, which operate on similar principles, as well as a variety of issue-specific ombudsmen.

Citation:

<http://www.ombudsman.gov.au/>

<http://www.smh.com.au/business/consumer-affairs/private-health-insurance-ombudsman-turned-aggrieved-customers-back-to-medibank-20160622-gpovtk.html>

<https://www.smh.com.au/business/small-business/a-very-unusual-case-financial-ombudsman-service-s-failings-laid-bare-before-royal-commission-20180528-p4zhwo.html>

Data Protection
Authority
Score: 7

The Office of the Australian Information Commissioner (OAIC), an independent statutory agency within the attorney-general's portfolio, has responsibility for data protection and privacy as per the Privacy Act and other laws. Its responsibilities include conducting investigations, handling complaints and providing advice to the public, government agencies and businesses.

The OAIC was established in 2010 by the Labor government. The Abbott government sought to abolish the agency on coming into office in 2013, but could not secure the support of the Senate. Coalition governments instead reduced the resources available to OAIC, resulting in its diminishing size and efficacy over time. However, since 2016, there has been a reversal in the coalition government's position on OAIC and corresponding increases in funding in each successive budget. In part, the funding increases are intended to support the expansion of the OAIC's functions, such as oversight of the Consumer Data Right and My Health Record system from 2021 as part of the Australian government's Digital Economy Strategy.

Citation:

<https://www.themandarin.com.au/88709-last-man-standing-information-and-privacy-commissioner-timothy-pilgrim-to-retire/>

<https://www.allens.com.au/insights-news/insights/2021/11/a-tale-of-two-oaic-investigations-privacy-implications-for-the-use-of-facial-recognition-technology/>

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Bertelsmann Stiftung: Gütersloh.
<https://doi.org/10.11586/2022084>

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