



# Australia Report

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## Sustainable Governance Indicators 2020

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## Executive Summary

Political instability continues to undermine sound policy development and implementation underpinned by a long-term vision. There have now been seven changes of prime minister in 12 years, with only two of these the result of a federal election. While the intransigence of the Senate – which no government has had control of since 2007 – has been a factor in frustrating policy action and creating instability, a much more important factor has been disunity within the major political parties. That said, the May 2019 federal election saw a surprise victory for the incumbent government led by Scott Morrison, and since then there has been less evidence of disunity within the coalition 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, although it improved somewhat in the review period thanks to the strength of commodity prices. 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, although the government's policy agenda following its electoral victory in May 2019 has been almost nonexistent.

One factor supporting the economy is the continued relative weakness of the Australian dollar, which improves the country's competitive position particularly with regard to tourism and education services. Many observers feared that the end of the housing boom would result in declining domestic demand and an end to Australia's 29-year-long phase of economic growth, but to date this has been avoided, and indeed the housing market appeared to be recovering as of the end of the review period.

Economic and social outcomes continue to be relatively good in absolute terms, and sustainable policy performance compares reasonably favorably with many other developed countries. In particular, the fiscal position

continues to be considerably stronger than in many other OECD countries. However, real wages and household incomes remain stagnant.

Overall, policy performance remained relatively unchanged in the current review period compared with the previous one. 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 health 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.

The Labor Party proved unable to win the elections to the Australian Parliament on 18 May 2019. The Liberal/National Party coalition, which had lacked a majority since October 2018, won 77 seats in the 151-seat House of Representatives. Although the coalition still lacks a majority in the Senate, where it holds 35 out of 76 seats, it now needs the support of only four instead of nine independent senators. The coalition achieved its first notable success on 4 July 2019, when its complete package of income-tax cuts, the heart of its election program, passed the Senate with the votes of four independent senators.

## Key Challenges

Australia faces a number of major strategic challenges over the coming years. The most pressing are addressing the lack of growth in wages; managing and adapting to population growth; 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.

The most important requirement with regard to adapting to population growth is significant increases in public infrastructure investment. Indeed, Australia's current predicament is such that increased investment is required not only to

cope with future population growth, but even to cater adequately for the growth that has already taken place. Infrastructure investment would also help improve deficiencies in the housing market (although additional policies would also be required to address this issue). Arguably, the price for Australia's low level of public debt has been underinvestment in infrastructure. In recent years, there has been some progress in raising infrastructure investment levels, particularly in Sydney and Melbourne. But much more needs to be done, and the state governments that bear primary responsibility for this task are hampered by the vertical fiscal imbalance that renders them unable to raise additional revenue to help fund the investment.

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, there is considerable potential for the development of sustainable energy and the environmental policies. And indeed, some promising initiatives are already in place. The future of energy policy has begun 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 a project in Western Australia, the Asian Renewable Energy Hub. 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 here will be sold domestically and exported to South Korea and Japan.

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 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 efforts of state governments, as well as non-government actors.

In international relations, Australia is facing a delicate situation. While the country benefited from the high demand for raw materials in the years of the Chinese economic boom, the tide has since turned. The broad dependence on China is perceived as a burden rather than a blessing.

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, health, 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 only adopted 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:

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

[http://www.drd.wa.gov.au/Publications/Documents/wa\\_renewable\\_hydrogen\\_strategy.pdf](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. (Score: 5)

# Policy Performance

## I. Economic Policies

### Economy

Economic Policy  
Score: 6

Australia's economy weakened in 2019. While the country avoided slipping into recession, GDP growth per capita was -0.2% over the year to 30 June 2019, while unemployment edged up from a low of 5.0% in November 2018 to 5.3% in September 2019. Moreover, real household disposable income per capita has remained stagnant for a number of years, and as of mid-2019 was approximately 3% below its 2012 level. The economy has struggled to adapt to the end of the mining boom, when record-high commodity prices delivered substantial growth in national income. The decline in terms of trade has hit wages, and hence household incomes, hard. The end of the boom also saw a decline in tax revenue as a share of GDP, resulting in a succession of substantial budget deficits from 2009. However, tax revenue has picked up in the last two years, leading to forecasts of a budget surplus in 2019 – 2020, although this is unlikely to be realized if there is further weakening of the economy.

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 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.

A lack of microeconomic and tax reforms over the last decade nonetheless continues to act as a drag on Australia's economic-growth prospects. The housing boom, which was a significant driver of economic growth for almost three decades, has come to an end. House prices in the major cities declined through mid-2019, falling approximately 10% in real terms from their June

2017 peak. Both the slowdown of the Chinese economy and the political conflict with China, which continued unabated in 2019, dampen the economy's future prospects.

The main barrier to integrated economic policy continues to be the federal structure of government, as well as the duplication of many services and regulatory functions between the federal government and the governments of the six states and two territories. The federal system has proven to be a barrier to achieving cooperation across jurisdictions. As a result, reform of many social services, most notably health and education, has reached an impasse. The core of the problem is the limited revenue-raising powers held by the states, which are dependent on block grants from the federal government. Prior to the 2016 meeting of the Council of Australian Governments (COAG), then Prime Minister Turnbull floated a proposal to reintroduce state income taxes as a way of eliminating the “vertical fiscal imbalance.” However, all but one of the state and territory leaders quickly rejected the proposal.

### Labor Markets

Labor Market  
Policy  
Score: 7

Since the peak of the mining boom in 2012, the overall unemployment rate has risen, but continues to be comparatively low at 5.3%. However, underemployment rates – reflecting part-time workers seeking more hours of work – have remained very high. Wage growth has been 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.

Australia has managed to maintain a comparatively low rate of long-term unemployment. The combination of a lack of welfare payments for newly arrived migrants and a high minimum wage has helped to facilitate the integration of migrants into Australian society. At the same time, the stagnation in real wage levels may be the result of the migration of low-skilled labor to Australia.

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 2019, the minimum wage was increased by 3% to AUD 19.40 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.

So-called skills shortages have been a recurring topic of concern in the Australian labor market in recent years. One response has been to allow more skilled immigrants to enter the country on temporary 457 visas. The number of workers on 457 visas increased considerably up to 2013, reaching 126,348 in that year. However, following concerns that employers were misusing the program to obtain cheap labor, the federal government tightened the conditions under which 457 visas could be obtained, resulting in a decline to 95,360 by March 2017. Previously, one-quarter of 457 visas were given to software developers from India.

The Australian government in effect tightened the conditions for temporary workers from abroad. The Temporary Skills Shortage Visa is a new visa category (482) introduced in March 2019, which entails higher costs for the employer and includes stricter conditions, including a requirement to pay a Skilling Australians Fund levy of at least AUD 1,200 and up to AUD 5,000.

Department of Immigration and Border Protection ‘Changes to the Subclass 457 program’:  
<http://www.immi.gov.au/skilled/changes-457-program.htm>

Updated data on 457 visas granted is available on the Australian Border Force web site:

<http://www.border.gov.au/about/reports-publications/research-statistics/statistics/work-in-australia>.

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>

Low-skill migration may contribute to poor pay growth at bottom end of labour market – report, The Guardian, 29 July 2019. Available at <https://www.theguardian.com/business/2019/jul/30/low-skill-migration-may-contribute-to-poor-pay-growth-at-bottom-end-of-labour-market-report>

## Taxes

Tax Policy  
Score: 7

Despite some recovery of tax revenue in the review period, concerns persist that the federal government faces a structural deficit that will require difficult fiscal decisions in the near future, 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 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.

During the review period, 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 Labor opposition has indicated that it does not support the plan, although it is not clear that they would repeal the legislation should they win office at the next election (likely to be held in 2022).

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 will be fully implemented for companies with an annual turnover of less than AUD 50 million from 2021.

Although the tax-to-GDP ratio in Australia has risen in recent years, it remains among the lowest such figure 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 emissions.

## Citation:

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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>

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## Budgets

Budgetary Policy  
Score: 7

While net federal government debt currently stands at approximately 18% of GDP, 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-2008 levels, and expenditure demands are projected to increase over coming years, partially due to an aging population. The combination of weak commodity prices and a real-estate-induced economic slowdown may lead to a significant deterioration in the country's fiscal position. At the same time, Australia's population is continuing to grow, while showing less demographic aging than is the case in many other economies. Considering these two factors, budget policy appears to be somewhat too conservative.

Australia's fiscal position improved in the review period, and indeed is forecast to be in surplus in the 2019 – 2020 period. Rather than explicit measures increasing revenue and reducing expenditure, the key drivers of this return to fiscal balance have been improvements in commodity prices and hence company profits, as well as bracket creep, in which the non-indexation of tax thresholds has resulted in a rise in the average tax rate on income.

## Citation:

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

## Research, Innovation and Infrastructure

R&I Policy  
Score: 6

After the Abbott government was elected in September 2013, government support for research and innovation was reduced considerably and has not

materially recovered. The Abbott government cut funding to the Australian Research Council scheme, which funds non-medical university research, and abolished the Australian Renewable Energy agency, which acted to support renewable energy projects in their start-up and early stages. Also telling was the fact that under the Abbott government there was no science minister for the first time since 1931. However, with the replacement of Abbott by Malcolm Turnbull as prime minister in September 2015, a new cabinet was formed that included a science minister, and the Department of Industry and Science was expanded to become the Department of Industry, Innovation and Science. The National Innovation and Science Agenda was announced in December 2015, emphasizing science, research and innovation as long-term drivers of economic prosperity, jobs and growth. As part of this agenda, AUD 1.1 billion was committed over four years to 24 measures aimed at encouraging entrepreneurship, fostering collaboration between industry and researchers, developing and attracting talent, and by government “leading by example.” 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.

As of the end of the review period, there had been no notable developments in the area of research and innovation policy under the Morrison government. In December 2019, the Morrison government announced changes to the R&D tax-incentive system, but these had not yet passed into legislation as of February 2020.

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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>

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Stabilizing  
Global Financial  
System  
Score: 6

## Global Financial System

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. Indeed, reflecting the country's strong regulations, no Australian bank experienced substantial financial difficulties throughout the financial crises that began in 2008. In 2014, the Abbott government commissioned a broad-ranging inquiry into the Australian financial system, focusing on how the financial system can most effectively help the Australian economy be productive, grow and meet the financial needs of Australians. The report made 44 recommendations, a number of which were implemented by the subsequent Turnbull government, including an increase in banks' capital adequacy requirements. According to government estimates, the four largest banks needed an additional AUD 40 billion in fresh capital. Additionally, the 2017 budget introduced a "major bank" levy on banks with over AUD 100 billion in total liabilities, thus applying to the country's five largest banks beginning on 1 July 2017. The levy rate is set at 0.015% of the balance of a bank's total liabilities (but with a number of exclusions), and raises approximately AUD 1.6 billion per annum.

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 be resulting.

Australia has accumulated a high level of foreign debt, with net debt of over AUD 1 trillion and gross debt of AUD 1.9 trillion. While this high level of debt is a risk to Australia's financial stability, the country's governments have not addressed this issue, arguing that it reflects the decisions of the private sector (including households). In 2017, household debt totaled 211% of net disposable income, one of the highest such ratios in the OECD.

Citation:

Financial System Inquiry Final Report, December 2014: <http://fsi.gov.au/publications/final-report/>

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<https://tradingeconomics.com/australia/external-debt>

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

## 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 enrollment 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 the last year, increasing concerns have been expressed about the sector's reliance on fee-paying international students, especially from China. Some Australian universities derive up to 20% of their income from Chinese students, making them very vulnerable to a downturn in this market.

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://www.melbourneinstitute.com/downloads/policy_briefs_series/pb2013n02.pdf)

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

## 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.

Promoting social inclusion did not become an explicit policy goal at the federal level until the election of the Labor government in 2007. After coming into office in 2013, the conservative Abbott government reversed course and removed all references to social inclusion from policy documents. While Prime Minister Abbott did take personal responsibility for indigenous affairs, 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.

In December 2013, the minister for social services commissioned a review of the welfare system with the goal of identifying possible improvements and ensuring the system was sustainable, effective, coherent and encouraged people to work. The review recommended the adoption of an "investment approach" within Australia's social support system, which in turn would ideally reduce long-term reliance on welfare through targeted investments in benefit recipients. In response, in 2015 the government instituted the "Australian Priority Investment Approach to Welfare." To date, the main tangible outcome of this approach has been the AUD 96.1 million "Try, Test and Learn Fund," which is currently trialing new or innovative approaches to assist priority groups identified through data analysis as being at high risk of long-term welfare dependency.

There have been no other developments in social inclusion policy under the Morrison government, with the possible exception of a heightened emphasis on promoting employment among disadvantaged groups.

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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](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>

## Health

Health Policy  
Score: 7

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 subsidises services provided by doctors; the Pharmaceutical Benefits Scheme (PBS), which subsidises 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. In 2014, the federal government launched a dental scheme aimed at addressing inequity in access to dental care, but the current coalition government has withdrawn support for the scheme. 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. This was a significant motivation behind the 2011 National Health Reform Agreement, which sought to provide more sustainable funding arrangements for Australia's health system. Key features of the agreement included: additional federal funding for hospitals from 2015 to 2020 and for non-emergency surgery from 2010 to 2016; the establishment of an independent hospital pricing authority to set a national efficient price for hospital services and a national health performance authority to review hospital performance. However, in its first budget in 2014, the Abbott government reduced hospital funding and implemented a freeze on the indexation of subsidies for out-of-hospital medical services until 2018. This freeze was partially removed by the Turnbull government in July 2017.

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:  
National Health Reform Agreement 2011:  
[http://www.yourhealth.gov.au/internet/yourhealth/publishing.nsf/Content/nhra-agreement/\\$File/National%20Health%20Reform%20Agreement.pdf](http://www.yourhealth.gov.au/internet/yourhealth/publishing.nsf/Content/nhra-agreement/$File/National%20Health%20Reform%20Agreement.pdf)

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

The high cost of childcare for children not yet at school continues to be a problem for many families in Australia. However, in the 2015 budget, the government announced a plan to spend AUD 3.5 billion over five years on childcare assistance, including a new childcare subsidy (CCS) that commenced on 1 July 2018. Replacing several existing subsidy programs, the CCS is a single subsidy based on family income. Families earning AUD 66,958 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 351,248. For families with incomes in excess of AUD 186,958, there is an annual cap on the subsidy of AUD 10,190 per child.

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 by approximately 10%, but costs are still more than 40% higher in real terms than at the start of the decade (2010).

Following large increases in family payments over the early 2000s, in recent years these payments have been scaled back. In 2014, the “baby bonus,” a tax-free payment of up to AUD 5,000 payable on birth or adoption of a child, was abolished. In 2016, the government managed to pass some reductions to family payments through the Senate, including reducing payments to families where the youngest child is between the ages of 13 and 18, and to families with a household income over AUD 80,000 per year. Additional minor reductions in family payments were announced in the 2017 budget.

A government-funded paid parental leave (PPL) scheme was introduced on 1 January 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 July 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.

:

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

Data on childcare prices

<https://www.abs.gov.au/AUSSTATS/abs@.nsf/0/938DA570A34A8EDACA2568A900139350?OpenDocument>

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

## 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 pensioners receive a means-tested pension from the government. About 41% 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 was scheduled to increase by a further 0.5% per year until it reached 12% on 1 July 2019. However, in 2014 the Abbott government deferred further increases until 1 July 2021. 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 announced a review into the retirement-income system on 27 September 2019, with plans to produce a report by June 2020.

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/ocd/social-issues-migration-health/pensions-at-a-glance-2015\\_pension\\_glance-2015-en#page209](http://www.keepeek.com/Digital-Asset-Management/ocd/social-issues-migration-health/pensions-at-a-glance-2015_pension_glance-2015-en#page209)

<https://treasury.gov.au/review/retirement-income-review>

## Integration

Integration Policy  
Score: 8

Relative to its population size, Australia has maintained one of the largest immigration programs 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.

However, concerns have arisen in recent years about the large number of temporary skilled immigrants, many from island states in the South Pacific. 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, the government has 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.

Citation:

<http://www.smh.com.au/federal-politics/political-news/asylum-seeker-boat-turnbacks-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>

<https://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/3412.0Media%20Release12017-18?opendocument&tabname=Summary&prodno=3412.0&issue=2017-18&num=&view=>

<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.

At the national level, responsibility for internal security rests with the Australian Federal Police and the Australian Security Intelligence Organization. The latter has no arrest powers, and relies on the police for support. Both rely on the criminal law for prosecutions, as well as on the Anti-Terrorism Act 2005. International organized crime that is not terrorism-related is investigated by the Australian Crime Commission.

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.

Particularly significant is the Telecommunications (Interception and Access) Amendment (Data Retention) Act 2015, which allows for increased surveillance of electronic communications and imposes requirements on internet service providers to retain data for minimum periods. The 2015 act was opposed by groups concerned that it unduly infringes on civil liberties, as well as by telecommunications providers, who argued it would impose substantial costs on them. Even more controversial 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).

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>

### 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. One of the early acts of Prime Minister Abbott's Liberal-National coalition government was to abolish the carbon tax introduced by the previous Labor government in 2012, which ceased to apply from 1 July 2014. The federal government remains committed to reducing by 2030 carbon emissions by anywhere from 26% to 28% compared to 2005 levels, but currently has no effective means of achieving this.

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.

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](http://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>

## Global Environmental Protection

Global  
Environmental  
Policy  
Score: 5

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 dealing with environmental issues, and is a signatory to many international treaties/agreements.

The Great Barrier Reef was inscribed on the World Heritage List in 1981 and the Australian government considers it a responsibility to protect it as a global common good. To this end, an updated Reef 2050 Plan was released in July 2018 with the goal of ensuring the reef's preservation.

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>.

# Quality of 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. However, in October 2017, following revelations that at least seven parliamentarians held citizenship of another country – in most cases by ancestry rather than by birth – the High Court ruled that five parliamentarians were ineligible to serve as members of Australia’s parliament. This generated considerable political instability.

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 air time 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.

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 2016 election, it was 262.8 cents per eligible vote in both houses of parliament (House of Representatives and Senate). The total election funding paid in the 2016 federal election was AUD 62.8 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 July 2016 federal election, was not due for release until October 2017. 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.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%20>

[About%20Parliament/54%20Parliamentary%20Depts/544%20Parliamentary%20Library/Handbook/43rd\\_PH\\_Part5.ashx](#)

[ry%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](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.” The implications of these pieces of legislation for media freedom have not yet been tested in court, although two cases are pending that will most certainly shed further light on this issue.

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>

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

<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: 4

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.

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>

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 contained a considerable 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.

Ministers were granted considerable discretion to issue “conclusive certificates” stating that information was exempt under the act’s provisions that protect deliberative process documents, national security and defense, cabinet documents, and documents related to federal/state relations. These certificates could not be reviewed at any appeal.

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.

In May 2014, the coalition government announced the abolition of the office of the Australian information commissioner, although in principle its main functions will continue to be carried out by other agencies.

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](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>

### 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.

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. Even the Labor party supports 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>

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.

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:

Gareth Hutchens: Universities warn against meddling as inquiry into freedom of speech announced. The Guardian. 14 November 2018. Available at <https://www.theguardian.com/australia-news/2018/nov/14/universities-warn-against-meddling-as-inquiry-into-freedom-of-speech-announced>  
<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. After completion of a National Human Rights Consultation, Gillard's Labor government moved toward replacing existing anti-discrimination legislation with a single integrated act that additionally incorporated prohibitions on discrimination on the basis of sexual orientation. Despite a reduction in sexual discrimination over recent decades, a 2016 survey of young Australians indicated that discrimination against women remains a problem.

No changes to legislation were ultimately made during the Gillard government's term in office, and the later Coalition governments have shown no interest in implementing the changes. However, 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.

As of November 2019, the government was considering legislation aimed at preventing religious discrimination. The Religious Discrimination Act would ostensibly prohibit religious discrimination, although 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 proposed legislation would permit discrimination on the basis of other, normally protected, traits such as sex, sexuality and marital status.

Citation:

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

<https://www.theguardian.com/australia-news/2019/aug/29/what-is-the-religious-discrimination-bill-and-what-will-it-do>

### Rule of Law

Legal Certainty  
Score: 9

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, jurisdictional uncertainty between the federal and state governments continues to be an issue. 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.

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>

Judicial Review  
Score: 10

There has been no significant change during the period under review. While the scope for judicial review of government actions is very much affected by legislation allowing for or denying such review, it is nonetheless the case that 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, particularly at the state and territory level. There have been isolated cases of misconduct in anti-corruption commissions. Allegations of corruption in the granting of mining leases have sparked public outcry, and a New South Wales Independent Commission Against Corruption inquiry into corruption in the granting of such leases was in progress throughout the review period. This inquiry has led to the resignations of a number of members of the New South Wales parliament from both the Labor and Liberal parties.

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:

<http://www.icac.nsw.gov.au/investigations/current-investigations>

<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>

<http://www.abc.net.au/news/2015-06-17/systemic-corruption-inside-ccc-watchdog-finds/6554220>

# 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 coalition government rationalized the number of government departments and agencies shortly after coming into office in September 2013. The Community and Public Sector Union estimated that 18,000 public sector jobs were cut in the subsequent period as a result, reducing the strategic-planning capacity of the public service.

Citation:

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

<http://www.cpsu.org.au/news/why-re-elected-turnbull-government-bad-your-job>

<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.

Citation:

<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](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.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.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.

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

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 in 2019 was the move toward giving indigenous people a more direct channel in speaking to policymakers. A 12-month process commenced in October 2019 to establish a body able to “enhance local and regional decision-making and ensure indigenous voices are heard by all levels of government.” 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.

Citation:

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

### 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.

However, governments have been relatively unstable since 2007, rendering coherent policy communication more difficult. In a range of policy fields (e.g., economic policy, foreign policy, climate change policy), the government has been unable to publicly communicate a coherent policy agenda. The Morrison government appears to have returned to the previous pattern of a more coherent communication policy.

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. Notwithstanding the absence of a substantial policy agenda, the government has largely been able to achieve its (limited) policy objectives since the May 2019 election. While there is no doubt that the government's lack of a majority in the Senate is a real constraint, the government did succeed in passing the tax cuts, and has also been able to negotiate successfully with minor parties in the Senate to pass other (relatively minor) legislation.

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. Australian prime ministers are very dependent on their party caucuses and cannot govern against the majority in the caucus. Labor prime ministers in particular are limited in their choice of ministers, and typically have to accept the nominations of the various party factions. The recent successful challenges demonstrated that Liberal prime ministers are also increasingly dependent on their caucuses. Moreover, the fluctuations in the Prime Minister's Office have contributed to weaker discipline in cabinet. In recent years, cabinet collective responsibility has suffered an occasional blow.

## Citation:

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

<https://www.smh.com.au/politics/federal/cabinet-ministers-rejected-turnbull-s-1-6-billion-plan-to-cut-power-bills-before-leadership-implosion-20180905-p501wo.html>

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.

Monitoring  
Agencies,  
Bureaucracies  
Score: 9

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.

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 61% in 2001 – 2002 to approximately 56% in 2016 – 2017.

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 current coalition government has committed to achieving budget surpluses (beginning in 2019 – 2020) and passing income-tax cuts. Consequently, the amounts provided for task funding are likely to fall rather than rise over the coming years. The notable exception is for the National Disability Insurance Scheme (currently in the process of being rolled out), which has had its funding secured by a 0.5% increase of the Medicare Levy (levied on taxable income) as of July 2019.

Citation:

Parliamentary Budget Office report 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/Trends_affecting_the_sustainability_of_Commonwealth_taxes)

[https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/rp1617/Quick\\_Guides/NDIS](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1617/Quick_Guides/NDIS)

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.

Citation:

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

### 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](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.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.

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

Institutional  
Reform  
Score: 7

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.

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.

After a decade of frequent leadership changes and infighting over important policy issues (e.g., climate change), Australians appear to be disillusioned with politics. According to a September 2019 poll, only 15% of the population follows developments in Canberra with great interest.

<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>

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,

Summoning  
Experts  
Score: 10

however, for members, including ministers, to appear by invitation or by request before committees, to assist with committee inquiries.

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](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.

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.

Association  
Competence  
(Others)  
Score: 8

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>

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.

### 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](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. Since 2016, there has been some reversal in the coalition government's position on OAIC and correspondingly marginal increases in funding.

In its 2016 – 2017 budget, the government announced that it would provide the OAIC with funding totaling AUD 15.4 million over the subsequent four years from. This represented a substantial increase over funding levels in 2014 – 2015 and 2015 – 2016, but was nonetheless considerably less than the AUD 10.4 million annual budget provided in 2013 – 2014. Consequently, current funding is unlikely to be adequate to provide effective advocacy for data protection and privacy issues given their growing importance in the digital era.

Citation:

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

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